

**STATE OF ILLINOIS  
SECRETARY OF STATE  
SECURITIES DEPARTMENT**

---

|   |   |                    |
|---|---|--------------------|
| <b>IN THE MATTER OF:</b>  | ) |                    |
| <b>ANTHONY A. JAMES and</b>                                     | ) |                    |
| <b>JAMES ASSET ADVISORY, LLC.</b>                               | ) |                    |
| <b>their partners, members, officers and directors, agents,</b> | ) | <b>No. 0800331</b> |
| <b>employees, affiliates, successors and assigns.</b>           | ) |                    |

---

**TEMPORARY ORDER OF PROHIBITION**

**TO RESPONDENTS: ANTHONY A. JAMES  
6556 N.W. 127<sup>th</sup> Terrace  
Parkland, Florida 33076  
and  
320 East Maple  
#313  
Birmingham, Michigan 48009**

**And  
JAMES ASSET ADVISORY, LLC.  
6556 N.W. 127<sup>th</sup> Terrace  
Parkland, Florida 33076  
and  
101 West Big Beaver  
14<sup>th</sup> Floor  
Troy, Michigan 48084**

On information and belief, I, Jesse White, Secretary of State for the State of Illinois, through my designated representative, who has been fully advised in the premises by the staff of the Securities Department, Office of the Secretary of State, herein find :

1. Respondent Anthony A. James (hereinafter "AJ" or collectively with James LLC, "Respondents") has last known addresses of 6556 N.W. 127<sup>th</sup> Terrace, Parkland, Florida 33076 and 320 East Maple, #313, Birmingham, Michigan 48009.
2. Respondent James Asset Advisory, LLC (hereinafter "James LLC" or collectively with AJ "Respondents") is a Michigan limited liability company with last known addresses of 6556 N.W. 127<sup>th</sup> Terrace,

## Temporary Order of Prohibition

2

Parkland, Florida, 33076 and 101 West Big Beaver, 14<sup>th</sup> Floor, Troy, Michigan 48084.

3. Respondent AJ is the president and sole controlling member of Respondent James LLC.

### FRAUD

4. Between November 2005 and December 2005 Respondent AJ solicited an Illinois resident ("Investor") to liquidate his other accounts and to invest in the stock and bond markets with Respondents AJ and James, LLC.
5. In February 2006 Investor (by means of a check in the amount of \$267,783 and a wire transfer in the amount of \$50,000) gave Respondents AJ and James LLC. \$317,783 ("Investment") for investment in the stock and bond markets.
6. In exchange for the Investment Respondents agreed to invest in stocks and bonds markets and to pay to Investor \$625 per month as a supplement to Investor's income.
7. Throughout 2007 Respondents confirmed to the Investor that his money was invested in stocks and bonds and provided periodic statements as evidence of the investments.
8. Between March 2006 and December 2007 Respondents sent monthly checks of \$625 to Investor.
9. Respondents provided Investor a statement for the period ending November 2007 which falsely represented a market value for Investor's account of \$340,893.
10. In fact, Respondents never placed Investor's money in the stock and bond markets, but instead converted and used the money for their own personal and business purposes.
11. Respondents ran a "Ponzi scheme" in which they made monthly payments to Investor and others with money brought in through later "investors".
12. Respondents failed and refused to notify the Investors that they were converting the Investment to their own use and benefit, instead of using it to invest in stocks and bonds.
13. Section 12.F of the Act provides, *inter alia*, that it shall be a violation of the Act for any person, "to engage in any transaction, practice or course of business in connection with the sale or purchase of securities which

## Temporary Order of Prohibition

3

works or tends to work a fraud or deceit upon the purchaser or seller thereof”.

14. Section 12.G of the Act provides, *inter alia*, that it shall be a violation of the Act for any person, “to obtain money or property through the sale of securities by means of any untrue statement of a material fact or any omission to state a material fact necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading”.
15. Section 12.I of the Act provides, *inter alia*, that it shall be a violation of the Act for any person, “to employ any device, scheme or artifice, to defraud in connection with the sale or purchase of any security, directly or indirectly”.
16. By virtue of the foregoing, Respondents violated Sections 12.F, 12.G and 12.I Act and will violate them again if they make further offers, or if they make any sales of investment contracts or other securities described above in the State of Illinois.
17. The aforementioned findings are based upon credible evidence.
18. Section 11.F(2) of the Act provides, *inter alia*, that the Secretary of State may temporarily prohibit the offer or sale of securities by any person, without notice and prior hearing, if the Secretary of State shall deem it necessary to prevent an imminent violation of the Act or to prevent losses to investors that will occur as a result of prior violations of the Act.
19. The entry of this Temporary Order of Prohibition prohibiting Respondents Anthony A. James and James Asset Advisory LLC or their partners, members, officers and directors, agents, affiliates, successors and employees, from offering or selling securities in the State of Illinois, is in the public interest and for the protection of the investing public and is consistent with the purposes intended by the provisions of the Act.

NOW THEREFORE IT IS HEREBY ORDERED THAT: pursuant to the authority granted by Section 11.F of the Act, Respondents **Anthony A. James and James Asset Advisory, LLC**, their partners, members, officers and directors, agents, employees, affiliates, successors and assigns are **Temporarily Prohibited** from offering or selling securities in or from this State until the further Order of the Secretary of State.

NOTICE is hereby given that Respondents may request a hearing on this matter by transmitting such request in writing to the Director, Illinois Securities Department, 69 West Washington Street, Suite 1220, Chicago, Illinois 60602. Such request must be made within thirty (30) calendar days of the date of entry of the Temporary Order of Prohibition. Upon receipt of a request for hearing, a hearing will be scheduled as soon as

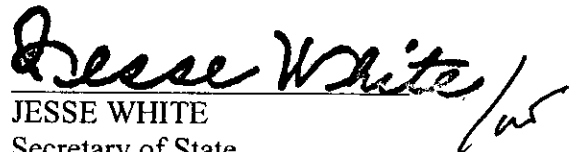
Temporary Order of Prohibition

4

reasonably practicable. A request for hearing will not stop the effectiveness of this Temporary Order of Prohibition and will extend the effectiveness of this Temporary Order of Prohibition for sixty (60) days from the date the hearing request is received by the Department.

FAILURE BY ANY RESPONDENT TO REQUEST A HEARING WITHIN THIRTY (30) CALENDAR DAYS AFTER ENTRY OF THIS TEMPORARY ORDER OF PROHIBITION SHALL CONSTITUTE AN ADMISSION OF ANY FACTS ALLEGED HEREIN AND SHALL CONSTITUTE SUFFICIENT BASIS TO MAKE THIS TEMPORARY ORDER OF PROHIBITION FINAL.

Dated: This 22nd day of January 2009.

  
JESSE WHITE  
Secretary of State  
State of Illinois

Attorney for the Secretary of State:

James J. Tierney  
Illinois Securities Department  
69 West Washington Street  
Chicago, Illinois 60602  
312-793-9650