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**STATE OF CALIFORNIA**  
**BUSINESS, TRANSPORTATION AND HOUSING AGENCY**  
**DEPARTMENT OF CORPORATIONS**

TO: Robert L. Carver  
Brookstone Capital, Inc.  
Brookstone Biotech Ventures, L.P.  
Brookstone Biotech Ventures II, L.P.  
695 Town Center Drive, Ste. 850  
Costa Mesa, CA 92626

**DESIST AND REFRAIN ORDER**  
**(For violations of section 25110 and 25401 of the Corporations Code)**

The California Corporations Commissioner finds that:

1. Brookstone Biotech Ventures, L.P. (“BBV”) and Brookstone Biotech Ventures II, L.P. (“BBVII”) are Delaware Limited Partnerships and at all relevant times have had business addresses located at 3800 Howard Hughes Parkway, Suite 550, Las Vegas, Nevada 89109 and 695 Town Center Drive, Ste. 850, Costa Mesa, CA 92626. Brookstone Capital, Inc. (“Brookstone Capital”) is a Nevada corporation and the General Partner of BBV and BBVII; the primary office address of Brookstone Capital is 695 Town Center Drive, Ste. 850, Costa Mesa, CA 92626. Robert L. Carver is the President, CEO, and principal shareholder of Brookstone Capital.
2. Beginning before February 2006, BBV, BBVII, Brookstone Capital, and Robert L. Carver have offered to sell securities in the form of investment contracts involving interests in limited partnerships.
3. The purported purpose of the solicitation has been to achieve long-term capital appreciation for its partners through investments in the biotechnology and life science industries.

1           4.       BBV, BBVII, Brookstone Capital, and Robert L. Carver have engaged in general  
2 solicitations to offer these securities for sale to the public by telephone and through the Internet on  
3 website www.brookstonebiotech.com.

4           5.       These securities were offered in this state in issuer transactions. The Department of  
5 Corporations has not issued a permit or other form of qualification authorizing any person or entity to  
6 offer and sell these securities in this state.

7           6.       In connection with these offers, BBV, BBVII, Brookstone Capital, and Robert L.  
8 Carver omitted to disclose material facts, specifically the following:

9               a.)       On July 22, 1994 in the Los Angeles County Superior Court Robert L. Carver  
10 pled guilty to one felony count of making/passing fictitious checks, and on August 4, 1994 in the  
11 Riverside County Superior/Municipal Court Mr. Carver pled no lo contendere to two felony counts of  
12 grand theft. For the former conviction he was sentenced to 98 days in the county jail and five years  
13 probation and for the later conviction he was sentenced to 180 days in county jail and five years  
14 probation as well.

15              b.)       On March 21, 1996 the State of California Department of Corporations issued  
16 to Robert L. Carver, among others, an Order to desist and refrain from the offer or sale of securities,  
17 including but not limited to specific stock, unless qualified or exempt.

18              c.)       On September 26, 2005, the State of California Department of Corporations  
19 issued an Order barring Robert L. Carver from any position of employment, management or control  
20 of any investment adviser, broker-dealer or commodity adviser in the State of California. The Order  
21 was based on Mr. Carver's two 1994 felony convictions and the failure to disclose the 1996 Desist  
22 and Refrain Order in an application for an Investment Adviser Certificate filed by Brookstone  
23 Capital, Inc.

24              d.)       On September 26, 2005, the State of California Department of Corporations  
25 issued an Order denying application for an investment adviser certificate filed by Brookstone Capital,  
26 Inc. The denial Order was based on Robert L. Carver's two 1994 felony convictions and the failure  
27 to disclose the 1996 Desist and Refrain Order.

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