STATE OF ALABAMA
ALABAMA SECURITIES COMMISSION

IN THE MATTER OF: )
) ADMINISTRATIVE ORDER
) NO. OV-2007-0004
BROOKSTONE CAPITAL, INC. )
BROOKSTONE BIOTECH VENTURES, L.P. )
BROOKSTONE BIOTECH VENTURES, L.P. II )
ROBERT LOUIS CARVER )
JAMES LOWELL DEMERS )
EDWARD DANIEL ALLEN )
SCOTT MICHAEL MOONLY )
RESPECTFULLY ALLEGED )

RESPONDENTS

ORDER TO VACATE AS TO RESPONDENTS ALLEN AND MOONLY ONLY

The Alabama Securities Commission ("Commission"), having authority to administer and provide for the enforcement of all provisions of Title 8, Chapter 6, Code of Alabama 1975, the Alabama Securities Act, upon due consideration of the subject matter hereof, has determined as follows:

RESPONDENTS

1. BROOKSTONE CAPITAL, INC. ("BROOKSTONE") is a Nevada corporation with a business address of 695 Town Center Drive, Suite 850, Costa Mesa, California 92626.

2. BROOKSTONE BIOTECH VENTURES, L.P. ("VENTURES I") is a Delaware company with a business address of 695 Town Center Drive, Suite 850, Costa Mesa, California 92626.

3. BROOKSTONE BIOTECH VENTURES, L.P. II ("VENTURES II") is a Delaware company with a business address of 695 Town Center Drive, Suite 850, Costa Mesa, California 92626.

5. ROBERT LOUIS CARVER ("CARVER") is listed as the Chairman of the Board of Directors, Chief Executive Officer, President, and principal shareholder of
BROOKSTONE in the Private Placement Memorandum titled Brookstone Capital, Inc., dated April 12, 2004. CARVER is the principle of ADVISORS, with a business address of 695 Town Center Drive, Suite 850, Costa Mesa, California 92626.

6. JAMES LOWELL DeMERS ("DeMERS") is listed as the President of BROOKSTONE, in the revised VENTURE I & II Private Placement Memorandums, dated June 7, 2006, with a business address of 695 Town Center Drive, Suite 850, Costa Mesa, California 92626.

7. EDWARD DANIEL ALLEN ("ALLEN") in previous offering documents, ALLEN was listed as the Vice President of Investment Operations for BROOKSTONE, with a business address of 695 Town Center Drive, Suite 850, Costa Mesa, California 92626.

8. SCOTT MICHAEL MOONLY ("MOONLY") in previous offering documents, MOONLY was listed as the Vice President of Life Science Investments of BROOKSTONE, with a business address of 695 Town Center Drive, Suite 850, Costa Mesa, California 92626.

STATEMENT OF FACTS

1. On January 30, 2007, the Commission issued a Cease & Desist Order (Administrative Order No. CD-2007-0004) listing the above named respondents. In part, the order stated BROOKSTONE offered and sold unregistered securities in the form of investments in limited offerings, to residents in the state of Alabama. The order also stated BROOKSTONE committed securities fraud by failing to disclose material facts of the offerings to investors.

2. BROOKSTONE also employed unregistered sales agents in call centers to solicit investors by phone. The sales agents were compensated by BROOKSTONE through high undisclosed sales commissions.
3. Information currently available to the Commission indicates that ALLEN, as the Vice President of Investment Operations, neither offered nor sold securities on behalf of BROOKSTONE. ALLEN'S duties primarily consisted of managing and trading a proprietary hedge fund account created by BROOKSTONE. ALLEN has also agreed to cooperate in ongoing investigations regarding violations of the Alabama Securities Act. The Commission's investigation has not revealed any information that suggests ALLEN was associated with the sales operation conducted by BROOKSTONE.

4. Information currently available to the Commission indicates that MOONLY, as the Vice President of Life Science Investments, neither offered nor sold securities on behalf of BROOKSTONE. MOONLY was reportedly responsible for evaluating and recommending biotech investment opportunities for BROOKSTONE. MOONLY has also agreed to cooperate in ongoing investigations regarding violations of the Alabama Securities Act. The Commission's investigation has not revealed any information that suggests MOONLY was associated with the sales operation conducted by BROOKSTONE.

Based upon good cause shown, the Cease and Desist Order (Administrative Order No. CD-2007-0004), solely as it pertains to RESPONDENTS ALLEN and MOONLY, is hereby vacated.

Entered at Montgomery, Alabama, this 9th day of March, 2008.

ALABAMA SECURITIES COMMISSION
770 Washington Avenue, Suite 570
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(334) 242-2984

BY:
JOSEPH P. BORG
Director