

STATE OF ALABAMA
ALABAMA SECURITIES COMMISSION

IN THE MATTER OF:

BROOKSTONE CAPITAL, INC.)
BROOKSTONE BIOTECH VENTURES, L.P.)
BROOKSTONE BIOTECH VENTURES, L.P. II)
ROBERT LOUIS CARVER)
JAMES LOWELL DeMERS)
EDWARD DANIEL ALLAN)
SCOTT MICHAEL MOONLY)

ADMINISTRATIVE ORDER
NO. CD-2007-0004

RESPONDENTS

CEASE AND DESIST ORDER

The Alabama Securities Commission ("Commission"), having the power to administer and provide for the enforcement of all provisions of Title 8, Chapter 6, Code of Alabama 1975, the Alabama Securities Act ("Act"), upon due consideration of the subject matter hereof, and having confirmed information of the offers for sale and/or sale of securities, into, within or from the state of Alabama, has determined as follows:

RESPONDENTS

1. BROOKSTONE CAPITAL, INC. ("BROOKSTONE") is a Nevada corporation with a business address of 3800 Howard Hughes Parkway, Suite 550, Las Vegas, Nevada 89109.

2. BROOKSTONE BIOTECH VENTURES, L.P. ("VENTURES I") is a Delaware company with a business address of 3800 Howard Hughes Parkway, Suite 550, Las Vegas, Nevada 89109.

3. BROOKSTONE BIOTECH VENTURES, L.P. II ("VENTURES II") is a Delaware company with a business address of 3800 Howard Hughes Parkway, Suite 550, Las Vegas, Nevada 89109.

5. ROBERT LOUIS CARVER ("CARVER") In the Private Placement Memorandum titled Brookstone Capital, Inc., dated April 12, 2004, CARVER is listed as the Chairman of the Board of Directors, Chief Executive Officer, President, and principal shareholder of BROOKSTONE. CARVER is the owner of ADVISORS, with a business address of 3800 Howard Hughes Parkway, Suite 550, Las Vegas, Nevada 89109.

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, as the President of BROOKSTONE, with a business address of 3800 Howard Hughes Parkway, Suite 550, Las Vegas, Nevada 89109.

7. EDWARD DANIEL ALLAN ("ALLAN") is the Vice President of Investment Operations for BROOKSTONE, with a business address of 3800 Howard Hughes Parkway, Suite 550, Las Vegas, Nevada 89109.

8. SCOTT MICHAEL MOONLY ("MOONLY") is the Vice President of Life Science Investments of BROOKSTONE, with a business address of 3800 Howard Hughes Parkway, Suite 550, Las Vegas, Nevada 89109.

STATEMENT OF FACTS

9. Information made available to the Commission indicates that BROOKSTONE, acting as the issuer of a limited offering, filed a notice filing concerning the VENTURES I offering, with the Alabama Securities Commission on November 2, 2005. The Reg. D, Rule 506 notice filing, filed with the Alabama Securities Commission, listed CARVER as President of BROOKSTONE. The above stated filing claims specific exemptions to registration for companies under the United States Securities Act of 1933, and is predicated on the issuer properly filing a Form D (Notice of Sale of Securities) with the United States Securities and Exchange Commission.

10. A review of the U.S. Securities and Exchange Commission EDGAR registration system website disclosed no record of a Regulation D, Rule 506 filing submitted by BROOKSTONE, for the VENTURES I offering. Any claim of exemption from registration made by BROOKSTONE under this rule is predicated on filing a Form D with the U.S. Securities and Exchange Commission, and compliance with all Reg. D requirements for the filing to be effective.

14. On May 15, 2006, the Commission received a second notice filing from BROOKSTONE. This filing was regarding a second limited offering issued by BROOKSTONE, titled Brookstone Biotech Ventures II, L.P.

15. A review of the U.S. Securities and Exchange Commission EDGAR registration website disclosed no record of a Regulation D, Rule 506 filing submitted by BROOKSTONE, for the VENTURES II offering. Any claim of exemption from registration made by BROOKSTONE under this rule is predicated on filing a Form D with the U.S. Securities and Exchange Commission, and compliance with all Reg. D requirements for the filing to be effective.

11. A review of the files of the Alabama Securities Commission Registration Division disclosed no record of registration, nor exemption from registration, for the offering titled VENTURES I, or the issuer BROOKSTONE, as a Securities Agent or Dealer in the state of Alabama.

12. Additional registration inquiries were conducted by the Alabama Securities Commission in regards to CARVER and BROOKSTONE. These inquiries revealed information indicating that in August of 2005, CARVER was the subject of an order issued by the state of California, which barred CARVER from "any position of employment, management, or control of any investment advisor, broker-dealer, or commodity advisor." CARVER was previously issued a Desist and Refrain order from the state of California on March 21, 1996, for the sale of unqualified securities.

13. BROOKSTONE and CARVER also failed to disclose in the BROOKSTONE application for Investment Advisor status, which was filed with the California Department of Corporations, two previous felony convictions. On July 22, 1994 in the Los Angeles County (CA), Superior Court, CARVER pled guilty to one felony count of making/passing fictitious checks. For this conviction, CARVER was sentenced to 98 days in jail and 5 years probation. On August 4, 1994, in the Riverside County (CA) Superior/Municipal Court, CARVER pled nolo contendere to two felony counts of grand theft. For this conviction, CARVER was sentenced to 180 days in jail and 5 years probation.

16. A review of the files of the Alabama Securities Commission Registration Division disclosed no record of registration, nor exemption from registration, for the offering titled VENTURES II, the issuer BROOKSTONE, or CARVER, as a Securities Agent or Dealer in the state of Alabama.

17. CARVER, ALLAN, and MOONLY are prominently listed in the securities offering documents provided to investors, as well as on the company's website. CARVER is listed as President, ALLAN is listed as Vice President Investment Operations, and MOONLY is listed as the Vice President Life Science Investments. The offering documents also list the biographies of CARVER, ALLAN, and MOONLY, and declare the success of the limited partnership relies on the managerial skills and experience of the executive officers and advisors/consultants. DeMERS is prominently listed in the revised Private Placement Memorandums dated June 7, 2006.

19. A review of the files of the Alabama Securities Commission Registration Division disclosed no record of registration, nor exemption from registration for CARVER, DeMERS, ALLAN, or MOONLY, as a Securities Agent or Dealer in the state of Alabama.

CONCLUSIONS OF LAW

20. Neither BROOKSTONE, VENTURES I, VENTURES II, CARVER, DeMERS, ALLAN, nor MOONLY, are registered, or exempt from registration as a Securities Dealer or Agent in the state of Alabama. The sale of securities by an unregistered Securities Dealer or Agent in the state of Alabama is a violation of Section 8-6-3(a), Code of Alabama 1975.

21. The interests in the limited partnerships in BROOKSTONE, VENTURE I, and VENTURES II, are neither registered, nor exempt from registration in the state of Alabama. The sale of unregistered securities, in the state of Alabama is a violation of Section 8-6-4, Code of Alabama 1975.

22. Pursuant to Code of Alabama 1975, Section 8-6-17 (a)(2), it is unlawful for any person, in connection with the offer, sale or purchase of any security, directly or indirectly, to omit to state a material fact. CARVER failed to disclose to investors previous felony convictions involving theft and dishonesty.

23. Pursuant to Code of Alabama 1975, Section 8-6-17 (a)(2), it is unlawful for any person, in connection with the offer, sale or purchase of any security, directly or indirectly, to omit to state a material fact. CARVER failed to disclose to investors a previous order from the state of California, which barred CARVER from any position of employment, management, or control of any investment advisor, broker-dealer, or commodity advisor.

This Order does not prevent the Alabama Securities Commission from seeking such other civil or criminal remedies that are available to it under the Act.

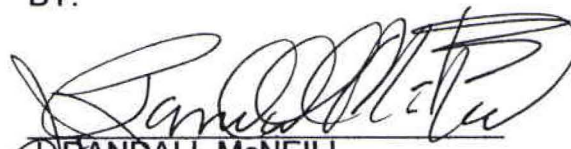
This Order is appropriate in the public interest for the protection of investors and is consistent with the purposes of the Act.

ACCORDINGLY, IT IS HEREBY ORDERED that RESPONDENTS immediately **CEASE AND DESIST** from further offers or sales of any security into, within or from the state of Alabama.

Entered at Montgomery, Alabama, this 35th day of January, 2007.

ALABAMA SECURITIES COMMISSION
770 Washington Avenue, Suite 570
Montgomery, AL 36130-4700
(334) 242-2984

BY:


J. RANDALL McNEILL
Deputy Director

