

**UNITED STATES OF AMERICA**  
**Before the**  
**SECURITIES AND EXCHANGE COMMISSION**

**SECURITIES EXCHANGE ACT OF 1934**  
**Release No. 58423 / August 25, 2008**

**INVESTMENT ADVISERS ACT OF 1940**  
**Release No. 2771 / August 25, 2008**

**ADMINISTRATIVE PROCEEDING**  
**File No. 3-13146**

**In the Matter of**

**ROBERT L. CARVER and**  
**ROBERT L. CARVER, II,**

**Respondents.**

**ORDER INSTITUTING**  
**ADMINISTRATIVE PROCEEDINGS**  
**PURSUANT TO SECTION 15(b) OF THE**  
**SECURITIES EXCHANGE ACT OF 1934**  
**AND SECTION 203(f) OF THE**  
**INVESTMENT ADVISERS ACT OF 1940,**  
**MAKING FINDINGS, AND IMPOSING**  
**REMEDIAL SANCTIONS**

**I.**

The Securities and Exchange Commission (“Commission”) deems it appropriate and in the public interest that public administrative proceedings be, and hereby are, instituted pursuant to Section 15(b) of the Securities Exchange Act of 1934 (“Exchange Act”) and Section 203(f) of the Investment Advisers Act of 1940 (“Advisers Act”) against Robert L. Carver and Robert L. Carver, II (collectively, “Respondents”).

**II.**

In anticipation of the institution of these proceedings, Respondents have submitted Offers of Settlement (the “Offers”) which the Commission has determined to accept. Solely for the purpose of these proceedings and any other proceedings brought by or on behalf of the Commission, or to which the Commission is a party, and without admitting or denying the findings herein, except as to the Commission’s jurisdiction over them and the subject matter of these

proceedings, and the findings contained in Section III.3 below, which are admitted, Respondents consent to the entry of this Order Instituting Administrative Proceedings Pursuant to Section 15(b) of the Securities Exchange Act of 1934 and Section 203(f) of the Investment Advisers Act of 1940, Making Findings, and Imposing Remedial Sanctions (“Order”), as set forth below.

### III.

On the basis of this Order and Respondents’ Offers, the Commission finds that:

1. Until June 2006, Robert L. Carver (“Carver”) was an officer, director, and majority shareholder of Brookstone Capital, Inc. (“Brookstone Capital”), an investment adviser registered with the state during portions of 2005 and 2006. After June 2006, Carver acted as a consultant to the company. From April 2004 through May 2008, Carver participated in unregistered offers and sales of securities by Brookstone Capital and its successor, Lincoln Funds International, Inc. (“Lincoln Funds”). During part of this time, Carver held a series 65 license. He was not registered with the Commission in any other capacity. Carver, age 53, resides in Irvine, California.

2. Robert L. Carver II (“Carver II”) was a sales agent for Brookstone Capital from 2004 through at least February 2006. He held officer and director positions in Brookstone Capital from June 2006 through March 2008, and in Lincoln Funds from September 2006 through March 2008. He is currently the majority shareholder and sole director of Lincoln Funds, which holds itself out as an investment management company providing fund management and managed account services. From April 2004 through May 2008, Carver II participated in unregistered offers and sales of securities by Brookstone Capital and Lincoln Funds. He is not registered with the Commission in any capacity. Carver II, age 33, resides in Irvine, California.

3. On August 1, 2008, judgments were entered by consent against Carver and Carver II (collectively, “Carvers”), permanently enjoining them from future violations of Sections 5(a), 5(c), and 17(a) of the Securities Act of 1933 (“Securities Act”), Sections 10(b) and 15(a) of the Exchange Act and Rule 10b-5 thereunder, and Sections 206(1) and 206(2) of the Advisers Act, in the civil action entitled Securities and Exchange Commission v. Robert Louis Carver, et al., Civil Action Number, 8:08-CV-627 in the United States District Court for the Central District of California.

4. The Commission’s complaint alleged that the Carvers made false and misleading statements in the unregistered offer and sale of securities of Lincoln Funds, Brookstone Capital, and three biotechnology investment funds. The complaint further alleged that the Carvers misappropriated investor proceeds, while acting as investment advisers, which constituted fraud on the biotechnology funds. Additionally, the complaint alleged that the Carvers acted as unregistered broker-dealers.

#### IV.

In view of the foregoing, the Commission deems it appropriate and in the public interest to impose the sanctions agreed to in Respondent Carver's and Carver II's Offers.

Accordingly, it is hereby ORDERED:

Pursuant to Section 15(b)(6) of the Exchange Act and Section 203(f) of the Advisers Act, that Respondents Carver and Carver II be, and hereby are barred from association with any broker, dealer, or investment adviser.

Any reapplication for association by the Respondents will be subject to the applicable laws and regulations governing the reentry process, and reentry may be conditioned upon a number of factors, including, but not limited to, the satisfaction of any or all of the following: (a) any disgorgement ordered against the Respondents, whether or not the Commission has fully or partially waived payment of such disgorgement; (b) any arbitration award related to the conduct that served as the basis for the Commission order; (c) any self-regulatory organization arbitration award to a customer, whether or not related to the conduct that served as the basis for the Commission order; and (d) any restitution order by a self-regulatory organization, whether or not related to the conduct that served as the basis for the Commission order.

For the Commission, by its Secretary, pursuant to delegated authority.

Florence E. Harmon  
Acting Secretary