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10 UNITED STATES DISTRICT COURT
11 CENTRAL DISTRICT OF CALIFORNIA
12 SOUTHERN DIVISION

13 SECURITIES AND EXCHANGE
14 COMMISSION,

15 Plaintiff,

16 vs.

17 ROBERT LOUIS CARVER; ROBERT
18 LOUIS CARVER, II; JAMES LOWELL
19 DEMERS; LINCOLN FUNDS
20 INTERNATIONAL, INC., a Nevada
21 corporation; and PAROPES
22 CORPORATION, f/k/a BROOKSTONE
23 CAPITAL, INC., a Nevada corporation,

24 Defendants,

25 LINCOLN BIOTECH VENTURES, L.P.;
26 LINCOLN BIOTECH VENTURES II, L.P.;
27 LINCOLN BIOTECH VENTURES III,
28 L.P., and MacAUSLAN CAPITAL
PARTNERS, LLC,

Relief Defendants.

Case No. SACV 08-627 CJC (RNBx)

**~~PROPOSED~~ FINAL JUDGMENT
AS TO DEFENDANT ROBERT
LOUIS CARVER II**

1 The Securities and Exchange Commission having filed a Complaint and
2 Defendant Robert Louis Carver II (“Defendant”) having entered a general
3 appearance; consented to the Court’s jurisdiction over Defendant and the subject
4 matter of this action; consented to entry of a Judgment of Permanent Injunction
5 without admitting or denying the allegations of the Complaint (except as to
6 jurisdiction); waived findings of fact and conclusions of law; and waived any right
7 to appeal from this Judgment, and the Commission having determined not to seek
8 additional remedies of disgorgement, prejudgment interest, and civil penalties, as
9 provided for in the Consent of Robert Louis Carver II, the Court finds this case
10 appropriate for entry of Final Judgment:

11 **I.**

12 IT IS HEREBY ORDERED, ADJUDGED, AND DECREED that Defendant
13 and Defendant’s agents, servants, employees, attorneys, and all persons in active
14 concert or participation with them who receive actual notice of this Judgment by
15 personal service or otherwise are permanently restrained and enjoined from
16 violating, directly or indirectly, Section 10(b) of the Securities Exchange Act of
17 1934 (the “Exchange Act”), 15 U.S.C. § 78j(b), and Rule 10b-5 promulgated
18 thereunder, 17 C.F.R. § 240.10b-5, by using any means or instrumentality of
19 interstate commerce, or of the mails, or of any facility of any national securities
20 exchange, in connection with the purchase or sale of any security:

- 21 (a) to employ any device, scheme, or artifice to defraud;
- 22 (b) to make any untrue statement of a material fact or to omit to state a
23 material fact necessary in order to make the statements made, in the
24 light of the circumstances under which they were made, not
25 misleading; or
- 26 (c) to engage in any act, practice, or course of business which operates or
27 would operate as a fraud or deceit upon any person.

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II.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that Defendant and Defendant's agents, servants, employees, attorneys, and all persons in active concert or participation with them who receive actual notice of this Judgment by personal service or otherwise are permanently restrained and enjoined from violating Section 17(a) of the Securities Act of 1933 (the "Securities Act"), 15 U.S.C. § 77q(a), in the offer or sale of any security by the use of any means or instruments of transportation or communication in interstate commerce or by use of the mails, directly or indirectly:

- (a) to employ any device, scheme, or artifice to defraud;
- (b) to obtain money or property by means of any untrue statement of a material fact or any omission of a material fact necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading; or
- (c) to engage in any transaction, practice, or course of business which operates or would operate as a fraud or deceit upon the purchaser.

III.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that Defendant and Defendant's agents, servants, employees, attorneys, and all persons in active concert or participation with them who receive actual notice of this Judgment by personal service or otherwise are permanently restrained and enjoined from violating Section 5 of the Securities Act, 15 U.S.C. § 77e, by, directly or indirectly, in the absence of any applicable exemption:

- (a) Unless a registration statement is in effect as to a security, making use of any means or instruments of transportation or communication in interstate commerce or of the mails to sell such security through the use or medium of any prospectus or otherwise;
- (b) Unless a registration statement is in effect as to a security, carrying or

1 causing to be carried through the mails or in interstate commerce, by
2 any means or instruments of transportation, any such security for the
3 purpose of sale or for delivery after sale; or

- 4 (c) Making use of any means or instruments of transportation or
5 communication in interstate commerce or of the mails to offer to sell
6 or offer to buy through the use or medium of any prospectus or
7 otherwise any security, unless a registration statement has been filed
8 with the Commission as to such security, or while the registration
9 statement is the subject of a refusal order or stop order or (prior to the
10 effective date of the registration statement) any public proceeding or
11 examination under Section 8 of the Securities Act, 15 U.S.C. § 77h.

12 **IV.**

13 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that
14 Defendant and Defendant's agents, servants, employees, attorneys, and all persons
15 in active concert or participation with them who receive actual notice of this
16 Judgment by personal service or otherwise are permanently restrained and enjoined
17 from violating, directly or indirectly, Section 206(1) and (2) of the Investment
18 Advisers Act of 1940 (the "Advisers Act"), 15 U.S.C. § 80b-6, by using the mails
19 or any means or instrumentality of interstate commerce:

- 20 (a) to employ any device, scheme, or artifice to defraud any client or
21 prospective client; or
22 (b) to engage in any act, practice, or course of business which operates as
23 a fraud or deceit upon any client or prospective client.

24 **V.**

25 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that
26 Defendant and Defendant's agents, servants, employees, attorneys, and all persons
27 in active concert or participation with them who receive actual notice of this
28 Judgment by personal service or otherwise are permanently restrained and enjoined

1 from violating, directly or indirectly, Section 15(a) of the Exchange Act, 15 U.S.C.
2 § 78o, which makes it unlawful for any broker or dealer which is either a person
3 other than a natural person or a natural person, to make use of the mails or any
4 means or instrumentality of interstate commerce to effect any transactions in, or to
5 induce or attempt to induce the purchase or sale of, any security (other than an
6 exempted security or commercial paper, bankers' acceptances, or commercial bills)
7 unless such broker or dealer is registered in accordance with subsection (b) of
8 Section 15, 15 U.S.C. § 78o(b).

9 **VI.**

10 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that the
11 Consent of Defendant Robert Louis Carver II to Judgment of Permanent
12 Injunction, signed by Defendant on July 1, 2008, and filed with this Court and
13 entered on its docket as Docket Number 37, is incorporated herein with the same
14 force and effect with respect to this Final Judgment as if fully set forth herein, and
15 that Defendant shall comply with all of the undertakings and agreements set forth
16 therein, except as to those relating to disgorgement, prejudgment interest, and civil
17 penalty.

18 **VII.**

19 There being no just reason for delay, pursuant to rule 54(b) of the Federal
20 Rules of Civil Procedure, the Clerk is ordered to enter this Final Judgment
21 forthwith and without further notice.

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24 Dated: September 12, 2011


HONORABLE CORMAC J. CARNEY
UNITED STATES DISTRICT JUDGE