UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934

INVESTMENT ADVISERS ACT OF 1940

ADMINISTRATIVE PROCEEDING
File No. 3-13275

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 James L. DeMers ("DeMers" or "Respondent").

II.

In anticipation of the institution of these proceedings, Respondent has submitted an Offer of Settlement (the “Offer”) 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 him and the subject matter of these proceedings, and the findings contained in Section III.2 below, which are admitted, Respondent
consents 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 Respondent’s Offer, the Commission finds that:

1. DeMers joined Brookstone Capital, Inc. (“Brookstone Capital”) in December 2004 as a sales agent and became the president in June 2006. In September 2006, DeMers also became the president of Brookstone Capital’s successor, Lincoln Funds International, Inc. (“Lincoln Funds”), which holds itself out as an investment management company providing fund management and managed account services. DeMers is currently a shareholder of Lincoln Funds and the president and director of Brookstone Capital. From December 2004 through late May 2008, DeMers participated in unregistered offers and sales of securities by Brookstone Capital and Lincoln Funds. DeMers has previously held series 4, 7, 24, 27, 53, 63, and 65 licenses. For varying periods until April 2007, DeMers was associated with registered broker-dealers and investment advisers. DeMers, 64 years old, is a resident of Cerritos, California.

2. On September 25, 2008, a judgment was entered by consent against DeMers, permanently enjoining him 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), 206(2), and 206(4) of the Advisers Act and Rule 206(4)-8 thereunder, 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.

3. The Commission’s complaint alleged that DeMers 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 DeMers misappropriated investor proceeds, while acting as an investment adviser, which constituted fraud on the biotechnology funds. Additionally, the complaint alleged that DeMers acted as an unregistered broker-dealer.

IV.

In view of the foregoing, the Commission deems it appropriate and in the public interest to impose the sanctions agreed to in Respondent DeMers’ Offer.

Accordingly, it is hereby ORDERED:

Pursuant to Section 15(b)(6) of the Exchange Act and Section 203(f) of the Advisers Act, that Respondent DeMers be, and hereby is barred from association with any broker, dealer, or investment adviser.
Any reapplication for association by the Respondent 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 Respondent, 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