

**ADVOCAT INC**  
Filed by  
**BRISTOL INVESTMENT FUND LTD**

**FORM SC 13D/A**  
(Amended Statement of Beneficial Ownership)

Filed 03/14/07

Address	1621 GALLERIA BLVD. BRENTWOOD, TN 37027
Telephone	6157717575
CIK	0000919956
Symbol	AVCA
SIC Code	8051 - Skilled Nursing Care Facilities
Industry	Healthcare Facilities
Sector	Healthcare
Fiscal Year	12/31

**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**  
Washington, D.C. 20549

**SCHEDULE 13D**  
Under the Securities Exchange Act of 1934  
(Amendment No. 3)\*

**Advocat Inc.**

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(Name of Issuer)

**Common Stock**

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(Title of Class of Securities)

007586100

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(CUSIP Number)

Amy Wang, Esq.  
Bristol Capital Advisors, LLC  
10990 Wilshire Boulevard, Suite 1410, Los Angeles, CA 90024  
(310) 696-0333

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(Name, Address and Telephone Number of Person  
Authorized to Receive Notices and Communications)

March 13, 2007

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(Date of Event which Requires Filing of This Statement)

If the filing person has previously filed a statement on Schedule 13G to report the acquisition that is the subject of this Schedule 13D, and is filing this schedule because of ss.ss.240.13d-1(e), 240.13d-1(f) or 240.13d-1(g), check the following box. [ ]

NOTE: Schedules filed in paper format shall include a signed original and five copies of the schedule, including all exhibits. See ss.240.13d-7 for other parties to whom copies are to be sent.

\* The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter disclosures provided in a prior cover page.

The information required on the remainder of this cover page shall not be deemed to be "filed" for the purpose of Section 18 of the Securities Exchange Act of 1934 ("Act") or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, see the Notes).

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1. Name of Reporting Persons.  
I.R.S. Identification Nos. of above persons (entities only).  
  
Bristol Investment Fund, Ltd.

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2. Check the Appropriate Box If a Member of a Group (See Instructions)  
(a)   
(b)

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3. SEC Use Only

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4. Source of Funds (See Instructions)  
Cash

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5. Check If Disclosure of Legal Proceedings Is Required Pursuant to  
Items 2(d) or 2(e)

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6. Citizenship or Place of Organization  
Cayman Islands

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NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	7. Sole Voting Power 256,861
	8. Shared Voting Power
	9. Sole Dispositive Power 256,861
	10. Shared Dispositive Power

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11. Aggregate Amount Beneficially Owned by Each Reporting Person  
256,861

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12. Check Box If the Aggregate Amount in Row (11) Excludes Certain Shares  
(See Instructions)

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13. Percent of Class Represented by Amount in Row (11)  
4.4%

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14. Type of Reporting Person (See Instructions)  
CO

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The following constitutes Amendment No. 3 ("Amendment No. 3") to the Schedule 13D filed by the undersigned. This Amendment No. 3 amends the Schedule 13D as specifically set forth herein.

**Item 4 is hereby amended to include the following:**

**ITEM 4. PURPOSE OF TRANSACTION**

On March 13, 2007, Bristol Investment Fund, Ltd. ("Bristol") sent a letter to the Chief Executive Officer of the Issuer. The letter is filed as Exhibit 1 hereto and is incorporated herein by reference. The letter addresses Bristol's concerns about the future role of the Chairman of the Board, the valuation of the Issuer's common stock, and the general direction of the Issuer. The letter also urges the Issuer to take certain measures to address Bristol's concerns and act in the best interests of all shareholders.

**Item 5(a) is hereby amended and restated as follows:**

**ITEM 5. INTEREST IN SECURITIES OF THE ISSUER**

(a) As of the date of the filing of this Amendment No. 3 to Schedule 13D, Bristol owns 256,861 Shares, which represents approximately 4.4% of the Shares outstanding, based upon 5,836,287 Shares outstanding as of November 1, 2006 as reported in the Issuer's quarterly report on Form 10Q, as filed with the Securities and Exchange Commission on November 8, 2006. Bristol filed its initial Schedule 13D and amendments thereto voluntarily, although under no obligation to do so pursuant to the statute. As long as Bristol continues to hold less than 5% of the Shares outstanding, Bristol does not intend to file any further amendments to the Schedule 13D.

**SIGNATURE**

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

Dated: March 13, 2007

**BRISTOL INVESTMENT FUND, LTD.**

*By: /s/ Paul Kessler*

**Exhibit 1**

March 13, 2007

**VIA FACSIMILE AND ELECTRONIC MAIL**

Mr. William R. Council, III  
President and Chief Executive Officer  
Advocat Inc.  
1621 Galleria Boulevard  
Brentwood, Tennessee 37027  
Fax: (615) 771-7409  
E-mail: wcouncil@advocat-inc.com

Dear Mr. Council:

I enjoyed speaking with you and Glynn Riddle today regarding Advocat Inc. (the "Company"). As one of the Company's largest shareholders, Bristol Investment Fund, Ltd. ("Bristol") feels it is imperative that management align its interests with that of its shareholders. It is disappointing to hear that the Company's Chairman of the Board, Wallace Olsen, will no longer be a spokesperson for the Company. We are concerned about the public perception of this change, as it is customary for chairpersons of public companies to champion their cause with management, employees, shareholders, and the investment community. Will Mr. Olsen's role going forward change in other ways? Will Mr. Olsen retain the chairmanship? Is a succession plan in place? Furthermore, we believe that the Company is currently undervalued based on a variety of industry metrics. I strongly urge you to have Mr. Olsen contact me to discuss these concerns.

In accordance with our discussion, we recommend that the Company take the following actions:

- a) Establish a special committee of directors which would immediately retain a well-known industry financial advisor to start an auction process and solicit offers for the Company and or engage in discussions with strategic buyers.
- b) Appoint a committee of outside directors to evaluate all potential offers and other financial alternatives.
- c) Refrain from expansion opportunities and focus resources on a stock buyback plan, especially at current prices.
- d) Work to nominate two Board members of Bristol's choice, which we agreed would be something you would inquire about with the Company's attorneys and report back to us.

As one of the Company's larger shareholders, we would prefer to work with you and the Board in a cooperative manner and hope that you appreciate that working with us is strongly in the Company's best interest and that of all shareholders. I suggest we schedule a time in the near future to personally meet and further discuss strategic initiatives. We remain optimistic about the Company's prospects and trust that you will diligently work to address our concerns.

Yours truly,

*/s/ Paul Kessler*  
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*Paul Kessler*  
*Manager, Bristol Capital Advisors, LLC*