

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

ADMINISTRATIVE PROCEEDING
File No. 3-21871

<p>In the Matter of</p> <p>HQDA Elderly Life Network Corp.,</p> <p>Respondent.</p>

DIVISION OF ENFORCEMENT’S MOTION
TO SERVE RESPONDENT VIA THE NEVADA
SECRETARY OF STATE AND BRIEF IN SUPPORT THEREOF

The Division of Enforcement (“Division”), by counsel, pursuant to Rule of Practice 141(a)(2)(iv), respectfully moves the Securities and Exchange Commission (“Commission”) for leave to serve the Order Instituting Proceedings (“OIP”) on Respondent HQDA Elderly Life Network Corp. (Ticker symbol: “HQDA”) (“HQDA” or “Respondent”) via the Nevada Secretary of State pursuant to 141(a)(2)(ii). The grounds for this motion are that Rule 141(a)(2)(ii) specifically provides for, and the Commission regularly accepts, such service and it adheres to Nevada Rule of Civil Procedure 4.2(c)(3).

BRIEF IN SUPPORT

I. BACKGROUND

On February 29, 2024, the Commission issued the OIP against HQDA pursuant to Exchange Act Section 12(j). The OIP was brought against HQDA, an issuer with a class of securities registered with the Commission pursuant to Exchange Act Section 12(g), for

failure to comply with the reporting requirements of Exchange Act Section 13(a) and Rules 13a-1 and 13a-13 thereunder. HQDA's last filing with the Commission was a 10-Q filed on July 19, 2022.

HQDA is a revoked Nevada corporation located in Shanghai, China. HQDA's Nevada registered agent resigned and HQDA's officers live in China. *See* Exhibits 1 and 2. China is a signatory to the Hague Convention on the Service Abroad of Judicial and Extrajudicial Documents ("Hague Convention"). However, service of process upon HQDA, a Chinese corporation, by "postal mail is prohibited because China has objected to Article 10 of the Hague Convention, which otherwise allows for such service. *See Smart Study Co.*, 620 F. Supp. 3d at 1394–97." *Banilla Games, Inc. v. Guangzhou Crazy Software Tech. Co.*, No. 3:23CV183 (RCY), 2023 WL 7413329, at *2 (E.D. Va. Nov. 9, 2023). "The primary method of service under the Hague Convention is for each signatory country to establish a Central Authority, which serves as a channel for receiving requests for and handling service of process within the country." *Amazon.com, Inc. v. Seller*, No. 2:23-CV-00898 TMC, 2024 WL 229579, at *2 (W.D. Wash. Jan. 22, 2024). Serving a corporation through the Chinese Central Authority could take a year or more. "Plaintiffs are not required to have attempted Hague Convention service under Rule 4(f)(1) before seeking service under Rule 4(f)(3)." *Id.* Nevada Rule of Civil Procedure 4.2(c)(3)(A) requires "leave of court to serve the Nevada Secretary of State in the entity's or association's stead...." In order to expeditiously serve the OIP, the Division requests the Commission's leave to serve the OIP upon the Nevada Secretary of State.

II. ARGUMENT

A. **The Commission Should Grant Leave to the Division to Serve HQDA via the Nevada Secretary of State.**

The Commission's Rule of Practice 141(a)(2), which governs service of the OIP on corporations or entities, provides that "notice of a proceeding shall be made to a person other than a natural person by delivering a copy of the order instituting proceedings to an officer, managing or general agent, *or any other agent authorized by appointment or law to receive such notice.*" 17 C.F.R. 201.141(a)(2)(ii) (emphasis added).

The state of Nevada requires every business entity registered in the state to designate a registered agent residing in the state. Nev. Rev. Stat. § 78.090(1). Nevada Rule of Civil Procedure ("NRCP") 4.2(c)(3) provides that service can be accomplished by serving the Nevada Secretary of State, under the following procedures:

(3) *Service via the Nevada Secretary of State.*

(A) If, for any reason, service on an entity or association required to appoint a registered agent in this state or to register to do business in this state cannot be made under Rule 4.2(c)(1) or (2), then the plaintiff may seek leave of court to serve the Nevada Secretary of State in the entity's or association's stead by filing with the court an affidavit:

- (i) setting forth the facts demonstrating the plaintiff's good faith attempts to locate and serve the entity or association;
- (ii) explaining the reasons why service on the entity or association cannot be made; and
- (iii) stating the last-known address of the entity or association or of any person listed in Rule 4.2(c)(1), if any.

(B) Upon court approval, service may be made by:

- (i) delivering a copy of the summons and complaint to the Nevada Secretary of State or his or her deputy; and
- (ii) posting a copy of the summons and complaint in the office of the clerk of the court in which such action is brought or pending.

Here, Respondent is located in China and its registered agent in Nevada has resigned. In addition, the officers and director listed their addresses in China. *See* Exhibits 1 and 2.

Exhibit 1 is a true copy of a printout of the summary pages from Respondent’s corporate status pages from the website of the Nevada Secretary of State, dated December 11, 2023, which shows that HQDA was in default. Exhibit 2 is a true copy of a printout of the summary pages from Respondent’s corporate status pages from the website of the Nevada Secretary of State, dated February 5, 2024, showing that, by then, HQDA’s status in Nevada had been revoked. Service of process “is valid regardless of whether the status of the entity in the records of the Secretary of State is in default or is revoked” as long as service is accomplished within three years of revocation. *Energetic Lath & Plaster, Inc. v. Cimini*, 132 Nev. 965, 386 P.3d 998 (2016). Here, HQDA was revoked in January 2024 – just two months ago. Accordingly, the Commission should grant leave to serve the Nevada Secretary of State with the OIP. *See In the Matter of the Registration Statements of Crest Radius, Inc., & Loyal Source Mkt. Servs., Inc.*, AP Rulings Release No. 6797, 2020 SEC LEXIS 4793, at *2-3 (ALJ Nov. 4, 2020) (ALJ found that “the Nevada Secretary of State is an agent authorized by law to receive service on behalf of each Respondent...”; *see also DLJ Mortg. Cap., Inc. v. Old Republic Title Ins. Grp., Inc.*, 2021 WL 1911342, at *3 (D. Nev. Apr. 15, 2021) (Court granted leave to serve defendant via the Nevada Secretary of State).

B. Service via the Secretary of State is Appropriate Here

Service via the Nevada Secretary of State is proper here since HQDA’s registered agent resigned and China objects to service of process by mail. *See In the Matter of Sleepaid Holding Co. n/k/a QDM, Inc.*, Release No. 96451 * n. 3, WL 17500968 * n. 3 (Dec. 6, 2022); *see also Fisher v. TheVegasPackage.com, Inc.*, 2019 WL 6828295, at *1 (D. Nev. Dec. 12, 2019) (Court granted leave to serve defendant via the Nevada Secretary

of State). Given that HQDA’s registered agent has resigned and HQDA is located in China, the Division should serve the Nevada Secretary of State as another “agent authorized by appointment or by law to receive such notice” under Rule 141. In order to comply with the procedural requirements of Nevada law, the Division asks that the Commission grant leave to serve Respondent via the Nevada Secretary of State, which is a required step under the Nevada Rules of Civil Procedure.

III. CONCLUSION

For the foregoing reasons, the Division hereby requests that the Commission grant leave to the Division to serve Respondent HQDA via the Nevada Secretary of State.

Dated: March 4, 2024

Respectfully submitted,

/s/ Gina Joyce

Samantha Williams (202) 551-4061

Gina M. Joyce (202) 551-4850

Securities and Exchange Commission

100 F Street, N.E.

Washington, D.C. 20549-5010

williamssam@sec.gov

joyceg@sec.gov

COUNSEL FOR

DIVISION OF ENFORCEMENT