

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 93507 / November 2, 2021

ADMINISTRATIVE PROCEEDING
File No. 3-20378

In the Matter of

Elaine A. Dowling, Esq.

Respondent.

ORDER MAKING FINDINGS, AND
IMPOSING REMEDIAL SANCTIONS
PURSUANT TO SECTION 4C OF THE
SECURITIES EXCHANGE ACT OF 1934 AND
RULE 102(e)(1)(ii) OF THE COMMISSION'S
RULES OF PRACTICE

I.

On June 29, 2021, the Securities and Exchange Commission (“Commission”) instituted public administrative proceedings against Elaine A. Dowling, Esq. (“Respondent” or “Dowling”) pursuant to Section 4C of the Securities Exchange Act of 1934 and Rule 102(e)(1)(ii) of the Commission’s Rules of Practice.¹ *In the Matter of Dowling*, SEC Administrative Proceeding 3-20378. (“Order Instituting Proceedings”).

¹ Section 4C(a), 15 U.S.C. 78d-3(a) provides, in pertinent part, that:

The Commission may . . . deny temporarily or permanently, to any person the privilege of appearing or practicing before the Commission in any way, if that person is found by the Commission . . . to have engaged in unethical or improper professional conduct

Rule 102(e)(1)(ii) provides, in pertinent part, that:

Commission may . . . deny, temporarily or permanently, the privilege of appearing or practicing before it . . . to any person who is found . . . (ii) to be lacking in character or integrity or to have engaged in unethical or improper professional conduct[.]

II.

In response to 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 her, the subject matter of these proceedings, and the findings contained in Sections III.1 and III.2 below, Respondent consents to the entry of this Order Making Findings, and Imposing Remedial Sanctions Pursuant to Rule 102(e) of the Commission’s Rules of Practice (“Order”), as set forth below.

III.

On the basis of the Order Instituting Proceedings and Respondent’s Offer, the Commission finds that:

1. Dowling, age 45, was admitted to the practice of law in the state of Nevada on March 7, 2003. She maintains a law practice that includes representing public companies in securities-related matters, including before the Commission.

2. From mid-2016 to the present, Dowling has owned and operated the law firm EAD Law Group (“EAD Law”) and was the sole attorney practicing at the firm.² During this time, Dowling employed as a “paralegal” Shawn Hackman-- a disbarred former attorney who was suspended from appearing or practicing before the Commission as an attorney on September 10, 2002.

3. Although purportedly employed by EAD Law as a paralegal, Dowling knowingly permitted Hackman to appear and practice before the Commission as an attorney, in violation of his suspension under Rule 102(e), by allowing him to: (a) draft documents, in whole or in part, that were filed with the Commission on behalf of EAD Law clients and provide legal advice relating to such documents; and (b) communicate directly with the Commission’s staff regarding certain filings that he had drafted, in whole or in part, that had been filed with the Commission on behalf of EAD Law clients.

4. Dowling failed in at least three material respects to make “reasonable efforts” to prevent Hackman from engaging in the practice of law that enabled him to assume the “representation” of EAD Law clients before the Commission. First, notwithstanding that Hackman was disbarred and permanently suspended from practicing before the Commission, Dowling permitted Hackman to present himself to clients, persons working with the firm (such as co-counsel, opposing counsel and auditors) and the public as a lawyer who was legally authorized to practice before the Commission, without taking measures to correct that misimpression or to avoid a recurrence. Hackman’s EAD Law business card listed his Juris Doctor degree but did not indicate that he was a paralegal. Clients and other persons with whom

² Before the formation of EAD Law, Dowling and Hackman worked at the law firm of Harold P. Gewerter, Esq. Ltd. (“Gewerter Law”) which, for some period of time, operated under the name Gewerter & Dowling.

Hackman worked repeatedly referred to Hackman as an “attorney” in conversations, and in documents sent to EAD Law, without correction by Hackman or Dowling. Further, to conceal that Hackman was providing legal services that he was not legally authorized to perform, Dowling permitted him to utilize her email and electronic signature so that it would appear Dowling had performed such services instead of Hackman. Second, Dowling permitted Hackman to undertake engagements with EAD Law clients that would involve practicing before the Commission and to negotiate the fees to be paid to the firm and/or directly to Hackman for such engagements. These engagements included those with former clients of Gewerter Law who had worked with Hackman (but not Dowling) who brought their work to EAD Law so Hackman could function as their “counsel” at EAD Law. For his work at EAD Law, Dowling paid Hackman more than \$200,000 per year in each of 2018 and 2019, far in excess of the approximately \$32,000 to \$52,000 per year she paid other paralegals who worked at EAD Law. Third, as described in Paragraph 5 below, Dowling permitted Hackman to perform legal services for EAD Law clients by providing legal advice concerning and drafting, in whole or in part, documents filed with the Commission on behalf of EAD Law clients that were not reviewed or approved by Dowling.

5. From mid-2016 through at least fall 2020, Hackman provided legal advice concerning documents filed with the Commission by a number of issuers; he also drafted these filings, in whole or in part, including:

- A Form 10 filed by DCA Management, Inc. on January 3, 2019, and amendments thereto, filed on January 10, 2019, April 10, 2019, April 29, 2019, June 11, 2019 and August 28, 2019;
- A Form 10 filed by Apex 11, Inc. on April 10, 2018, and amendments thereto, filed on December 18, 2018, January 10, 2019, April 10, 2019, April 29, 2019, June 11, 2019 and August 28, 2019;
- An S-1 filed by Lucent, Inc. on June 20, 2019, and amendments thereto, filed on January 10 and 21, 2020, April 1, 8 and 10, 2020;
- An S-1 filed by Gold Standard Mining Company on May 3, 2017, and amendments thereto, on July 5, 2017, August 7, 2017, August 14, 2017 and September 13, 2017; and,
- An S-1 filed by Sharp Holding Co. on August 30, 2019, and amendments thereto, on September 6, 2019 and November 14, 2019.

6. Dowling knowingly permitted Hackman to communicate directly with Commission staff on behalf of issuers that were EAD Law clients whose filings were pending before the Commission, including:

- On or about June 20, 2019, Hackman, on behalf of AS Capital, Inc. (“AS Capital”), engaged in a call with staff in the Commission’s Division of Corporation Finance (which reviews filings made by issuers) and counsel for the prospective buyer of AS

Capital in which Commission staff indicated that certain of the company's filings failed to adequately disclose the status of the pending transaction and what contingencies would need to be met for the transaction to close.

- On or about November 13, 2018, Hackman called an attorney in the Division of Corporation Finance and expressed his desire for Tenaya Group, Inc.'s registration statement to become effective before the financial disclosures provided in the filing became stale.

7. Dowling continued to permit Hackman to function as an attorney long after she and Hackman became aware of the Commission's investigation into Hackman's conduct, including with respect to an S-1 filed by Farstar, Inc. on August 28, 2020.

8. Respondent failed to properly supervise Hackman by knowingly allowing him to engage in the unauthorized practice of law by performing legal work in appearing and practicing before the Commission notwithstanding his disbarment and suspension from appearing or practicing before the Commission as an attorney. Respondent's conduct also reflected "dishonesty" and "deceit" in that by knowingly allowing Hackman to appear and practice before the Commission to perform legal services on behalf of EAD Law clients she created the false impression that he was legally authorized to perform such work. Respondent has thus engaged in improper professional conduct within the meaning of Section 4C(a)(2) of the Securities Exchange Act of 1934 and Rule 102(e)(1)(ii) of the Commission's Rules of Practice, in that Respondent violated:

- (1) Nevada Rule of Professional Conduct 5.3, which provides that "With respect to a nonlawyer employed or retained by or associated with a lawyer: (a) A partner, and a lawyer who individually or together with other lawyers possesses comparable managerial authority in a law firm shall make reasonable efforts to ensure that the firm has in effect measures giving reasonable assurance that the person's conduct is compatible with the professional obligations of the lawyer; (b) A lawyer having direct supervisory authority over the nonlawyer shall make reasonable efforts to ensure that the person's conduct is compatible with the professional obligations of the lawyer";
- (2) Nevada Rule of Professional Conduct 5.5(a), which provides that "A lawyer shall not * * * (2) Assist another person in the unauthorized practice of law"; and
- (3) Nevada Rule of Professional Conduct 8.4(c), which provides that a lawyer shall not "Engage in conduct involving dishonesty, fraud, deceit or misrepresentation."

IV.

In view of the foregoing, the Commission deems it appropriate to impose the sanction agreed to in Respondent Dowling's Offer.

Accordingly, it is hereby ORDERED, effective immediately, that:

Dowling is denied the privilege of appearing or practicing before the Commission.

By the Commission.

Vanessa A. Countryman
Secretary