

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 84342 / October 2, 2018

ADMINISTRATIVE PROCEEDING
File No. 3-18861

In the Matter of
PATRICK LANIER,
Respondent.

ORDER OF FORTHWITH SUSPENSION
PURSUANT TO RULE 102(e)(2) OF THE
COMMISSION'S RULES OF PRACTICE

I.

The Securities and Exchange Commission (“Commission”) deems it appropriate to issue an order of forthwith suspension of Patrick Lanier (“Lanier”) pursuant to Rule 102(e)(2) of the Commission’s Rules of Practice (17 C.F.R. § 200.102(e)(2)).¹

II.

The Commission finds that:

1. Patrick Lanier, age 69, is an attorney previously licensed to practice law in Texas.
2. In 2003 fugitive Harris Dempsey Ballow (“Ballow”) pleaded guilty to a single count of money laundering and was released on bond until his sentencing date of December 16, 2004. Ballow did not appear for sentencing; instead, he fled to Mexico. Lanier represented Ballow in the criminal matter and in the Commission’s parallel civil action against Ballow based on the same fraud involved in Ballow’s criminal conviction.² In 2005, Lanier withdrew from

¹ Rule 102(e)(2) provides, in pertinent part, that “[a]ny attorney who has been suspended or disbarred by a court of the United States or of any State . . . or any person who has been convicted of a felony or a misdemeanor involving moral turpitude shall be forthwith suspended from appearing or practicing before the Commission.” See 17 C.F.R. 201.102(e)(2).

² The SEC filed an enforcement action against Ballow in 2004. See *Securities and Exchange Commission v. Harris D. Ballow*, Case No. 4:04-cv-02799 (S.D. Tex. Jul. 9, 2004).

representing Ballow in the SEC’s civil action. In his notice of withdrawal filed with the court, Lanier stated falsely that he was “unable to locate and/or contact defendant since 2nd of December 2004.” In fact, Lanier was aware of where Ballow was hiding in Mexico and helped Ballow avoid capture by updating him on the government’s attempts to locate him. Lanier never informed the criminal authorities of Ballow’s whereabouts even though he knew Ballow was a fugitive.

3. Between 2006 and 2010, while Ballow remained a fugitive, Lanier traveled to Mexico to assist Ballow in perpetrating a securities fraud scheme. Lanier assisted Ballow in assuming control of four publicly-traded corporations—E-SOL, Medra Corporation, Aztec Technology Partners, Inc. and Deep Earth Resources—by using aliases to hide Ballow’s true identity as a fugitive and money launderer. Lanier also aided Ballow in making public offerings of the securities of these companies to unsuspecting investors by disseminating false and misleading information that resulted in inflating the market value of the securities of the four publicly-traded companies. Lanier was also aware that the securities of the four companies Ballow controlled contained restrictive legends that prevented public offerings of the stocks. Lanier’s actions contributed to the loss of \$37,544,944 by more than 500 investors.

4. On February 27, 2014, a jury of the U.S. District Court for the Southern District of Texas found Lanier guilty on wire fraud, conspiracy to commit wire fraud, harboring and concealing a person from arrest, and assisting a federal offender. On March 28, 2016, the court sentenced Lanier to 204 months of imprisonment and ordered that he pay a \$1,600 assessment and restitution of \$37,544,944.³ The United States Court of Appeals, Fifth Circuit (“Fifth Circuit”) affirmed all but two counts on which Lanier was convicted. In addition, on July 26, 2016 the Board of Disciplinary Appeals appointed by the Supreme Court of Texas (the “Board”) suspended Lanier from the practice of law based on his criminal convictions.⁴

³ Judgment, *United States v. Patrick Lanier*, Case No. 4:10CR00258-004 (Mar. 28, 2016).

⁴ The Board entered an interlocutory order of suspension against Lanier, by consent, based on his convictions by the United States District Court for the Southern District of Texas. This temporary suspension was to remain in effect pending Lanier’s appeal of his convictions. On January 2, 2018, the Fifth Circuit vacated Lanier’s convictions for harboring and assisting a federal offender, but otherwise affirmed the district court’s judgment. Lanier did not petition the Supreme Court for a writ of certiorari. The matter was remanded to the district court for entry of a judgment reflecting the Fifth Circuit’s decision. The judgment has not yet been entered. *See* https://www.texasbar.com/AM/Template.cfm?Section=Find_A_Lawyer&template=/Customsource/MemberDirectory/MemberDirectoryDetail.cfm&ContactID=233973; <http://txboda.org/cases/matter-patrick-lanier>

III.

In view of the foregoing, the Commission finds that Lanier has been suspended from the practice of law by the State of Texas and convicted of felonies involving moral turpitude, within the meaning of Rule 102(e)(2) of the Commission's Rules of Practice.

Accordingly, it is ORDERED, that Patrick Lanier is forthwith suspended from appearing or practicing before the Commission pursuant to Rule 102(e)(2) of the Commission's Rules of Practice.

By the Commission.

Brent J. Fields
Secretary