

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 88739 / April 24, 2020

ACCOUNTING AND AUDITING ENFORCEMENT
Release No. 4131 / April 24, 2020

ADMINISTRATIVE PROCEEDING
File No. 3-19767

In the Matter of

**PLS, CPA, A
PROFESSIONAL
CORPORATION,
a/k/a PLS CPAs,
CHANG G. PARK,
CPA, a/k/a
CHANGGEUN
PARK, JOSEPH
YONGYUN LEE,
CPA, a/k/a YONG
YUN LEE, and
JUCHI LEE, CPA,
a/k/a JUCHI LEE
FERNANDEZ, JU-
CHI LEE, JU CHI
LEE, SUE LEE**

Respondents.

**CORRECTED ORDER INSTITUTING PUBLIC
ADMINISTRATIVE AND CEASE-
AND-DESIST PROCEEDINGS PURSUANT TO
SECTIONS 4C AND 21C OF THE SECURITIES
EXCHANGE ACT OF 1934 AND RULE 102(e)
OF THE COMMISSION'S RULES OF
PRACTICE AND NOTICE OF HEARING**

I.

The Securities and Exchange Commission (“Commission”) deems it appropriate that public administrative and cease-and-desist proceedings be, and hereby are, instituted pursuant to Sections 4C¹ and 21C of the Securities Exchange Act of 1934 (“Exchange Act”) and Rule 102(e)(1)(ii) and 102(e)(1)(iii)² of the Commission’s Rules of Practice against PLS, CPA, a Professional Corporation, a/k/a PLS CPAs; Chang G. Park, CPA, a/k/a Changgeun Park; Joseph Yongyun Lee, CPA, a/k/a Yong Yun Lee; and Juchi Lee, CPA, a/k/a Juchi Lee Fernandez, Ju-chi Lee, Ju Chi Lee, Sue Lee (collectively, “Respondents”).

II.

After an investigation, the Division of Enforcement alleges that:

A. RESPONDENTS

1. PLS, CPA, A Professional Corporation (a/k/a “PLS CPAs”) (“PLS”), a California corporation, is a PCAOB-registered public accounting firm based in San Diego, California. PLS was incorporated in November 2009, and is co-owned by Park, Joseph Lee, and a third individual. Park, Joseph Lee, and Juchi Lee are PLS’s only individuals who perform audit services (collectively, the “individual auditors”).

2. Chang G. Park (a/k/a Changgeun Park) (“Park”), age 60, resides in San Diego, California. Park is a certified public accountant licensed in California. Park is the founder of

¹ Section 4C provides, in relevant part, that:

The Commission may censure any person, or deny, temporarily or permanently, to any person the privilege of appearing or practicing before the Commission in any way, if that person is found . . . (1) not to possess the requisite qualifications to represent others; (2) to be lacking in character or integrity, or to have engaged in unethical or improper professional conduct; or (3) to have willfully violated, or willfully aided and abetted the violation of, any provision of the securities laws or the rules and regulations issued thereunder.

² Rule 102(e)(1)(ii) provides, in pertinent part, that:

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

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

The Commission may . . . deny, temporarily or permanently, the privilege of appearing or practicing before it . . . to any person who is found . . . to have willfully violated, or willfully aided and abetted the violation of any provision of the Federal securities laws or the rules and regulations thereunder.

Chang G. Park, C.P.A., A Professional Corporation, which later reincorporated as PLS. Since November 2009, Park has been the managing partner and 55% co-owner of PLS, and one of the firm's three auditors.

3. Joseph Yongyun Lee (a/k/a Yong Yun Lee) ("Joseph Lee"), age 57, resides in San Diego, California. Joseph Lee is a certified public accountant licensed in California. Joseph Lee joined Chang G. Park, C.P.A. as an accountant in December 2003. Since November 2009, Joseph Lee has been a partner, 25% co-owner, and the CFO of PLS, where he is one of the firm's three auditors.

4. Juchi Lee (a/k/a Juchi Lee Fernandez, Ju-chi Lee, Ju Chi Lee, Sue Lee) ("Juchi Lee"), age 47, resides in San Diego, California. Juchi Lee is a certified public accountant licensed in California. Juchi Lee joined Chang G. Park, C.P.A. as a senior auditor in October 2007. Since November 2009, Juchi Lee has been one of the three auditors at PLS.

B. OTHER RELEVANT ENTITIES

5. Interactive Multi-Media Auction Corporation (n/k/a Stop Sleep Go Inc.) ("IMMA"), CIK# 0001565430, is a British Virgin Islands corporation with its principal place of business in the United Kingdom, and has common stock registered pursuant to Section 12(g) of the Exchange Act. IMMA was formerly headquartered in Hong Kong, and its stock was quoted on OTC Link under the ticker symbol "IMMA." In December 2016, IMMA entered into a business combination with another company and changed its name to "Stop Sleep Go Inc." Its stock currently is quoted on the OTC Link under the ticker symbol "SSGOF."

6. IMMA has not filed any annual or quarterly periodic reports with the Commission since 2016. The Commission filed an injunctive action against IMMA, *SEC v. McDiarmid et al.*, Case 2:17-cv-07201 (C.D. Cal.), and, on November 19, 2018, obtained a default judgment enjoining IMMA from violations of the antifraud provisions of the Securities Act and the Exchange Act. *SEC v. McDiarmid et al.*, 2018 WL 6062313 (C.D. Cal. Nov. 19, 2018). PLS issued audit reports for IMMA's Forms 10-K for the fiscal years ended October 31, 2014 and October 31, 2015, and resigned as IMMA's auditor on October 13, 2016.

7. IMK Group, Inc. ("IMKG"), CIK# 0001321710, is a Delaware corporation with its principal place of business in Seoul, South Korea. IMKG had common stock registered pursuant to Section 12(g) of the Exchange Act, which was quoted on OTC Link under the ticker symbol "IMKG."

8. IMKG has not filed any periodic reports with the Commission since 2016. The Commission suspended trading in IMKG from September 25, 2017 through October 6, 2017 (*In the Matter of IMK Group, Inc., et al.*, Exchange Act Release No. 81691 (September 22, 2017)), then revoked the registration of each class of registered securities of IMKG, effective April 16, 2019, for failure to file timely periodic reports with the Commission. *In the Matter of IMK Group, Inc., et al.*, Exchange Act Release No. 85648 (April 15, 2019). PLS issued an audit report for IMKG's Form 10-K for the fiscal year ended February 28, 2015.

9. RadTek, Inc. (“RDTK”), CIK# 0001487252, is a Nevada corporation with its principal place of business in Louisville, Kentucky, and has common stock registered pursuant to Section 12(g) of the Exchange Act which trades on the OTC Grey Market under the ticker symbol “RDTK.”

10. RadTek has not filed any periodic reports with the Commission since 2016. The Commission suspended trading in RDTK from August 28, 2019 through September 11, 2019 for failure to file timely periodic reports with the Commission and failure to maintain a valid address on file with the Commission. *In the Matter of LD Holdings, Inc., et al.*, Exchange Act Release No. 86780 (August 27, 2019). PLS issued audit reports for RDTK’s Forms 10-K for the fiscal years ended December 31, 2013, December 31, 2014, and December 31, 2015.

11. Therapeutic Solutions International, Inc. (“TSOI”), CIK# 0001419051, is a Nevada corporation with its principal place of business in Oceanside, California, and has common stock registered pursuant to Section 12(g) of the Exchange Act which is quoted on OTC Link under the ticker symbol “TSOI.” PLS issued audit reports for TSOI’s Forms 10-K for the fiscal years ended December 31, 2013, December 31, 2014, and December 31, 2015, and resigned as TSOI’s auditor on or around October 31, 2016.

12. Each of the Respondents signed a tolling agreement with the Commission that tolled and suspended the running of any applicable statute of limitations for the period beginning on January 13, 2020 through July 13, 2020.

C. RESPONDENTS’ IMPROPER PROFESSIONAL CONDUCT

1. Respondents’ Audit Practice

13. In or around 2001, Park founded an audit firm, initially named Chang G. Park, C.P.A. In November 2009, the firm was re-incorporated as PLS.

14. PLS currently provides audit and review services to microcap issuers, development stage companies, and shell companies. Park, Joseph Lee, and Juchi Lee are the three individual auditors who conduct PLS’s audits and reviews of public company financial statements.

15. PLS has never used any proprietary auditing software. The individual auditors use downloads of commercially available electronic audit templates to document audits. The individual auditors complete these templates electronically and/or print out hard copies to fill out manually.

16. The individual auditors either save their electronic work papers on PLS’s networked storage drive, or they save them in electronic client folders on their PLS computers which are copied to PLS’s networked storage drive. Hard copies are printed out and assembled in audit binders for the auditors’ review and signature; the resulting audit binders are then stored in the individual auditors’ offices.

17. Joseph Lee and Juchi Lee are generally responsible for preparing PLS's audit documentation and assembling and storing the audit binders. Park generally reviews the audit binders assembled by Joseph Lee or Juchi Lee.

18. As managing partner of the firm, Park manages the relationship of the firm with its clients, while Joseph Lee and Juchi Lee perform most of the audit and review work. When matters arise during a client's audit, all three individual auditors typically meet to discuss the audit.

19. As of early 2016, PLS was providing audit and review services to approximately thirty clients, including IMMA, IMKG, RDTK, and TSOI.

2. The July 2016 Commission Subpoena and the November 2016 PCAOB Inspection

20. On July 5, 2016, the Commission issued an administrative subpoena for documents to PLS (the "July 2016 Commission Subpoena"). The subpoena included requests for IMMA audit work papers created during, or concerning, the time period from September 30, 2014, to July 5, 2016.

21. PLS produced IMMA audit work papers in response to the July 2016 Commission Subpoena. Juchi Lee was responsible for gathering and producing PLS's documents in response to the subpoena.

22. On April 1, 2016, the PCAOB informed PLS that it would conduct an inspection of PLS during the week of November 7, 2016 (the "November 2016 PCAOB inspection").

23. On April 12, 2016, a representative of the PCAOB emailed Park, cc'ing Joseph Lee and Juchi Lee, requesting that PLS complete and return, prior to the inspection, an attached "issuer information form." The issuer information form required PLS to specify, among other information, the engagement partner ("EP") and engagement quality reviewer ("EQR") assigned to its client issuers.

24. Park asked Joseph Lee and Juchi Lee to fill out the issuer information form, for Park's review.

25. PLS sent the completed issuer information form back to the PCAOB on October 12, 2016. PLS subsequently amended the issuer information form to reflect the termination of its auditor relationship with TSOI, sending a final version to the PCAOB on October 31, 2016. The final version of the issuer information form PLS provided to the PCAOB included information for twenty-nine issuers.

26. The final version of the issuer information form PLS provided to the PCAOB identified the individual auditors' roles on audits for issuers IMMA, IMKG, RDTK and TSOI as follows:

Issuer	EP	EQR
IMMA	Juchi Lee	Park
IMKG	Park	Juchi Lee
RDTK	Park	Juchi Lee
TSOI	Joseph Lee	Juchi Lee

27. Park instructed Joseph Lee and Juchi Lee to review PLS's clients' audit binders in preparation for the inspection.

28. Before the November 2016 PCAOB inspection was scheduled to begin, the PCAOB informed PLS that it would review the audit work papers for IMKG, RDTK and TSOI during the inspection.

29. After learning which issuers were selected for the inspection, Park instructed Joseph Lee and Juchi Lee to review the audit binders for those issuers again.

30. The PCAOB conducted its inspection of PLS from November 7, 2016 to November 11, 2016.

3. Respondents Failed to Prepare and Retain Required Audit Documentation, and Inappropriately Modified Audit Documentation, in Violation of PCAOB Auditing Standard No. 3³

31. Respondents violated PCAOB Auditing Standard No. 3, *Audit Documentation* ("AS 3"), in that they: failed to timely prepare required audit documentation; failed to document the addition of documents to the work papers after the documentation completion date; and drafted back-dated, fraudulent work papers to create the appearance of having proper contemporaneous work papers.

32. AS 3 establishes general requirements for documentation the auditor should prepare and retain in connection with engagements conducted pursuant to the standards of the PCAOB. AS 3.1, AS 3.4. Audit documentation is the written record of the basis for the auditor's conclusions that provides the support for the auditor's representations, whether those representations are contained in the auditor's report or otherwise. AS 3.2. Audit documentation also facilitates the planning, performance, and supervision of the engagement, and is the basis for the review of the quality of the work because it provides the reviewer with written documentation of the evidence supporting the auditor's significant conclusions. *Id.*

³ PCAOB Auditing Standard No. 3 was renumbered from AS 3 to AS 1215, effective December 31, 2016; references herein are to the numbering in effect at the time of the alleged conduct.

33. Among other things, audit documentation includes records of the planning and performance of the work, the procedures performed, evidence obtained, and conclusions reached by the auditor. AS 3.2. The auditor also must identify all significant findings or issues in an engagement completion document. AS 3.13.

34. The report release date is the date the auditor grants permission to use the auditor's report in connection with the issuance of the company's financial statements. AS 3.14. Prior to the report release date, the auditor must have completed all necessary auditing procedures and obtained sufficient evidence to support the representations in the auditor's report. AS 3.15. A complete and final set of audit documentation should be assembled for retention as of a date not more than 45 days after the report release date (the "documentation completion date"). *Id.*

35. Circumstances may require additions to audit documentation after the report release date. AS 3.16. Audit documentation must not be deleted or discarded after the documentation completion date, however, information may be added. *Id.* Any documentation added must indicate the date the information was added, the name of the person who prepared the additional documentation, and the reason for adding it. *Id.*

36. Because PLS did not use automated auditing software, it was up to the individual auditors themselves to keep track of what audit work had been performed, and when, and to ensure that the audit documentation for each audit was completed by the 45-day documentation completion date, as required by AS 3.15.

37. The individual auditors were aware that PLS commonly lacked a complete audit binder for its clients' audits.

- a. Park noticed missing work papers when reviewing audits; reprimanded Joseph Lee for missing documentation; and told Juchi Lee that Joseph Lee's work papers were incomplete.
- b. Juchi Lee acknowledged that prior to the November 2016 PCAOB inspection, the individual auditors were less "serious" about complying with the audit documentation completion period, which she understood to be "45 days or 60 days."
- c. Joseph Lee admitted that he was unaware of the 45 day audit documentation completion period before the November 2016 PCAOB inspection.

38. PLS and the individual auditors inappropriately added documents to audit work papers after the audit report had been released and the applicable documentation completion date had passed, without disclosing the date that these documents were added, or other information required under AS 3.16. In certain instances, the individual auditors identified documents that were missing from the audit work papers, then intentionally prepared and backdated those documents in order to make it appear as though those documents had been prepared and included

in the audit work papers on or before the date of the corresponding PLS audit report. PLS subsequently produced backdated documents in response to the July 2016 Commission Subpoena and/or the November 2016 PCAOB inspection.

39. PLS and the individual auditors knew or were reckless in not knowing that they inappropriately added documents to audit work papers and backdated audit work papers.

a. IMMA Audits – Fiscal Years Ended October 31, 2014 and 2015

40. PLS performed the audit for IMMA’s fiscal year ended October 31, 2014 (the “IMMA 2014 audit”). IMMA filed the PLS audit report, dated February 12, 2014,⁴ with its Form 10-K on February 12, 2015. The audit report stated that PLS had conducted the audit in accordance with PCAOB standards. The applicable documentation completion date was March 29, 2015.

41. PLS also performed the audit for IMMA’s fiscal year ended October 31, 2015 (the “IMMA 2015 audit”). IMMA filed the PLS audit report, dated February 10, 2016, with its Form 10-K on February 10, 2016. The audit report stated that PLS had conducted the audit in accordance with PCAOB standards. The applicable documentation completion date was March 26, 2016.

42. The issuer information form that PLS provided to the PCAOB in connection with the November 2016 PCAOB inspection described Juchi Lee as the EP for IMMA, and Park as the EQR.

43. Juchi Lee was the lead auditor for the IMMA 2014 audit and the IMMA 2015 audit. Park reviewed the audit binders for these audits. Each of them knew or were reckless in not knowing that the IMMA 2014 audit and the IMMA 2015 audit had not actually been conducted in accordance with PCAOB standards.

44. The July 2016 Commission Subpoena required PLS to produce IMMA audit work papers for the time period from September 30, 2014, to July 5, 2016, which included both the IMMA 2014 audit and the IMMA 2015 audit. After PLS received the July 2016 Commission Subpoena on or around July 5, 2016, Juchi Lee prepared and backdated documents for both the IMMA 2014 audit and the IMMA 2015 audit.

45. Specifically, after PLS received the July 2016 Commission Subpoena on or around July 5, 2016, Juchi Lee prepared an audit form entitled “Inquiries of Management/Directors about the Risks of Fraud” for the IMMA 2014 audit. Juchi Lee admitted that she had searched the IMMA 2015 audit work papers for that audit’s version of the same form; hand copied the

⁴ The February 12, 2014 date on the PLS audit report appears to have been a typo, as the report was for the fiscal year ended October 31, 2014, and was filed with IMMA’s Form 10-K on February 12, 2015.

responses from that version onto a blank form, which she then signed and backdated to make it look like it had been prepared in 2015; and produced the backdated form to the Commission along with the IMMA 2014 audit work papers.

46. Or around July 21, 2016, Juchi Lee also prepared an “Engagement Acceptance and Continuance” form for the IMMA 2014 audit and backdated this document to December 1, 2014, approximately two months before the date of the corresponding PLS audit report, which was February 12, 2015. This document, which was filled out electronically prior to printing, included the names of both Juchi Lee (as “Lead Partner”) and Park (as “Concurring Partner”) next to the date December 1, 2014. Juchi Lee admitted that she had created this document after reviewing the audit work papers in July 2016.

47. On or around July 27, 2016, Juchi Lee prepared a form entitled “Engagement Completion Document” for the IMMA 2015 audit and backdated this document to February 10, 2016, the date of the corresponding PLS audit report. The hard copy version of this form included handwritten signatures from both Juchi Lee and Park, which also were backdated to February 10, 2016. Park admitted that his signature on this document was backdated.

b. IMKG Audit – Fiscal Year Ended February 28, 2015

48. PLS performed the audit for IMKG’s fiscal year ended February 28, 2015 (the “IMKG 2015 audit”). IMKG filed the PLS audit report, dated July 29, 2015, with its Form 10-K on July 29, 2015. The audit report stated that PLS had conducted the audit in accordance with PCAOB standards. The applicable documentation completion date was September 12, 2015.

49. The issuer information form that PLS provided to the PCAOB in connection with the November 2016 PCAOB inspection listed Park as the engagement partner for IMKG, and Juchi Lee as the EQR.

50. However, Park and Joseph Lee each admitted that they went together to Korea to conduct field work for the audit. Joseph Lee prepared most of the audit work papers for IMKG, which Park reviewed. Each of them knew or were reckless in not knowing that the IMKG 2015 audit had not actually been conducted in accordance with PCAOB standards.

51. The PCAOB reviewed audit work papers for the IMKG 2015 audit in connection with the November 2016 PCAOB inspection.

52. Both Park and Joseph Lee admitted that in October 2016, in the course of preparing for the November 2016 PCAOB inspection, they had become aware that Joseph Lee had failed to obtain all of the documents necessary for the IMKG 2015 audit.

53. With Park’s knowledge, Joseph Lee emailed IMKG’s former owner and outside consultants to request board minutes, bank reconciliations, and other documents, in an attempt to complete the audit binder before the PCAOB inspection.

54. Joseph Lee also prepared and backdated documents for the IMKG 2015 audit in preparation for the November 2016 PCAOB inspection. PLS produced backdated documents for the IMKG 2015 audit to the PCAOB in connection with the November 2016 PCAOB inspection.

55. On or around October 12, 2016, Joseph Lee prepared a document entitled “Audit Program for General Planning Procedures” for the IMKG 2015 audit. Joseph Lee admitted that he had created this document after the audit report date, in preparation for the November 2016 PCAOB inspection.

56. On or around October 12 or 13, 2016, Joseph Lee also prepared a form entitled “Engagement Completion Document” for the IMKG 2015 audit, and backdated it to July 29, 2015, the date of the corresponding PLS audit report. This document, which was filled out electronically prior to printing, included the names of Joseph Lee (as “Engagement Manager”), Park (as “Engagement Partner”), and Juchi Lee (as “Concurring Partner/Engagement Quality Reviewer”) next to the date July 29, 2015. Joseph Lee admitted that this document had not been prepared before the audit report was issued, and that he had backdated this document to the audit report date.

57. On or around October 14, 2016, Joseph Lee prepared a “Risk Assessment Summary Form” for the IMKG 2015 audit, and backdated it to July 9, 2015, a few weeks prior to the date of the corresponding PLS audit report. Joseph Lee admitted that he had created this document after the audit report date, in preparation for the November 2016 PCAOB inspection.

c. RDTK Audit – Fiscal Year Ended December 31, 2015

58. PLS performed the audit for RDTK’s fiscal year ended December 31, 2015 (the “RDTK 2015 audit”). RDTK filed the PLS audit report, dated April 27, 2016, with its Form 10-K on April 27, 2016. The audit report stated that PLS had conducted the audit in accordance with PCAOB standards. The applicable documentation completion date was June 11, 2016.

59. RDTK filed an amended Form 10-K for its fiscal year 2015 on August 24, 2016. The Amended RDTK Form 10-K included a PLS audit report that was amended as to one note only; that report was dual dated related to the one note for August 22, 2016. The audit report stated that PLS had conducted the audit in accordance with PCAOB standards. The applicable documentation completion date was October 6, 2016.

60. The issuer information form that PLS provided to the PCAOB in advance of the November 2016 PCAOB inspection listed Park as the engagement partner for RDTK, and Juchi Lee as EQR.

61. However, Park and Joseph Lee conducted the fieldwork for RDTK. Joseph Lee prepared most of the audit work papers for RDTK, which Park reviewed. Each of them knew or were reckless in not knowing that the RDTK 2015 audit had not actually been conducted in accordance with PCAOB standards.

62. The PCAOB reviewed audit work papers for the RDTK 2015 audit in connection with the November 2016 PCAOB inspection.

63. Joseph Lee admitted that he had contacted RDTK after the audit report was released to request supporting documentation that was missing from the audit binders.

64. Joseph Lee also prepared and backdated documents for the RDTK 2015 audit in preparation for the November 2016 PCAOB inspection. PLS produced backdated documents for the RDTK 2015 audit to the PCAOB in connection with the November 2016 PCAOB inspection.

65. On or around October 18, 2016, Joseph Lee prepared a document entitled “Audit Program for General Planning Procedures” for the RDTK 2015 audit. Joseph Lee admitted that he had noticed this document was missing from the audit work papers and that he had created this document in preparation for the November 2016 PCAOB inspection.

66. On or around October 19, 2016, Joseph Lee also prepared a “Supervision, Review and Approval Form” for the RDTK 2015 audit and backdated it to April 27, 2016, the date of the original PLS audit report. This document, which was filled out electronically prior to printing, included the typed “signatures” of Joseph Lee (under the “Detailed Review” section supposed to be “performed by the staff in charge of the field work”), Park (as “Engagement Partner”), and Juchi Lee (as “Engagement Quality Reviewer”) next to the date April 27, 2016. Joseph Lee admitted that he had created this document in preparation for the November 2016 PCAOB inspection. Park also admitted that this document was created in October 2016 to supplement the audit work papers, and backdated.

67. In addition, on or around October 19, 2016, Joseph Lee prepared an “Engagement Completion Document” for the RDTK 2015 audit, and backdated it to April 27, 2016, the original report release date. This document, which was filled out electronically prior to printing, included the names of Joseph Lee (as “Engagement Manager”), Park (as “Engagement Partner”), and Juchi Lee (as “Concurring Partner/Engagement Quality Reviewer”) next to the date April 27, 2016. Joseph Lee admitted that he had created this document in October 2016 in preparation for the November 2016 PCAOB inspection. Park also admitted that this document was created in October 2016 to supplement the audit work papers, and backdated.

d. TSOI Audit – Fiscal Year Ended December 31, 2014

68. PLS performed the audit for TSOI’s fiscal year ended December 31, 2014 (the “TSOI 2014 audit”). TSOI filed the PLS audit report, dated June 15, 2016, with its Form 10-K on June 16, 2016. The audit report stated that PLS had conducted the audit in accordance with PCAOB standards. The applicable documentation completion date was July 30, 2016.

69. The issuer information form that PLS provided to the PCAOB in connection with the November 2016 PCAOB inspection listed Joseph Lee as the engagement partner for TSOI, and Juchi Lee as the EQR.

70. However, Joseph Lee performed the substantive audit work for TSOI, including preparation of the audit binder, and Park served as the reviewer. Each of them knew or were reckless in not knowing that the TSOI 2014 audit had not actually been conducted in accordance with PCAOB standards.

71. Juchi Lee did not perform an engagement quality review for TSOI. In fact, Juchi Lee admitted that she had not performed engagement quality reviews for IMKG, RDTK, or TSOI, even though the issuer information form that PLS provided to the PCAOB in advance of the November 2016 PCAOB inspection listed her as the EQR for each of these issuers.

72. The PCAOB reviewed audit work papers for the TSOI 2014 audit in connection with the November 2016 PCAOB inspection.

73. Joseph Lee admitted that he did not fill out audit documentation forms for the TSOI 2014 audit until the fall of 2016, when he was reviewing audit binders in preparation for the November 2016 PCAOB inspection.

74. Joseph Lee prepared and backdated documents for the TSOI 2014 audit in preparation for the November 2016 PCAOB inspection. PLS produced backdated documents for the TSOI 2014 audit to the PCAOB in connection with the November 2016 PCAOB inspection.

75. Sometime between October 24 and November 1, 2016, Joseph Lee prepared a document entitled "Audit Program for General Planning Procedures" for the TSOI 2014 audit. Joseph Lee admitted that he had created this document several months after the TSOI 2014 Form 10-K had been filed, in preparation for the November 2016 PCAOB inspection.

76. Sometime between October 24 and November 1, 2016, Joseph Lee also prepared a document entitled "Risk Assessment Summary Form" for the TSOI 2014 audit. This document, which was filled out electronically prior to printing, included the names of Joseph Lee and Juchi Lee next to the date January 7, 2016, which was several months prior to the date of the corresponding PLS audit report.

77. In addition, on or around October 31 or November 1, 2016, Joseph Lee prepared a "Supervision, Review and Approval Form" for the TSOI 2014 audit. This document, which was filled out electronically prior to printing, included the names of Joseph Lee (as "Engagement Partner") and Juchi Lee (as "Engagement Quality Reviewer") next to the date June 15, 2016, the date of the corresponding PLS audit report.

4. Respondents Failed to Obtain or Perform Engagement Quality Reviews in Violation of PCAOB Auditing Standard No. 7⁵

78. Respondents violated PCAOB Auditing Standard No. 7, *Engagement Quality Review* (“AS 7”), by failing to obtain or perform adequate engagement quality reviews in connection with PLS’s clients’ audits.

79. AS 7 requires an engagement quality review and concurring approval of issuance for each audit engagement conducted pursuant to the standards of the PCAOB. AS 7.1. The objective of the EQR is to perform an evaluation of the significant judgments made by the engagement team and the related conclusions reached in forming the overall conclusion on the engagement and in preparing the engagement report, if a report is to be issued, in order to determine whether to provide concurring approval of issuance. AS 7.2. To evaluate such judgments and conclusions, the EQR to the extent necessary should hold discussions with the engagement partner and other members of the engagement team, and review documentation. AS 7.9.

80. The EQR must be an associated person of a registered public accounting firm. AS 7.3. An EQR from the firm that issues the engagement report must be a partner or another individual in an equivalent position. *Id.* The EQR may also be an individual from outside the firm. *Id.* To maintain objectivity, the EQR and others who assist the EQR should not make decisions on behalf of the engagement team or assume any of the responsibilities of the engagement team. AS 7.7.

81. In an audit, the EQR should evaluate, among other things, the significant judgments that relate to engagement planning, including consideration of the firm’s recent engagement experience with the company and risks identified in connection with the firm’s client acceptance and retention process. AS 7.10. The EQR also should evaluate the engagement team’s assessment of, and audit responses to, significant risks identified by the engagement team, including fraud risks, and other significant risks identified by the EQR. *Id.* The EQR’s review of documentation should specifically include the engagement completion document. *Id.*

82. Additionally, in an audit, the EQR should evaluate whether the engagement documentation that he or she reviewed indicates that the engagement team responded appropriately to significant risks, and supports the conclusions reached by the engagement team with respect to the matters reviewed. AS 7.11. The EQR may provide concurring approval of issuance only if, after performing with due professional care the review required by AS 7, he or she is not aware of a significant engagement deficiency, such as a failure by the engagement team to obtain sufficient appropriate evidence in accordance with the standards of the PCAOB.

⁵ PCAOB Auditing Standard No. 7 was renumbered from AS 7 to AS 1220, effective December 31, 2016; references herein are to the numbering in effect at the time of the alleged conduct.

AS 7.12. The audit firm may grant permission to the client to use the engagement report only after the EQR provides concurring approval of issuance. AS 7.13.

83. The issuer information form that PLS provided to the PCAOB in advance of the November 2016 PCAOB inspection represented that Park was the EQR for IMMA, and Juchi Lee was the EQR for IMKG, RDTK, and TSOI. PLS, however, was not actually staffing its audits in this manner.

84. PLS and the individual auditors violated AS 7 by failing to obtain or perform adequate engagement quality reviews, in accordance with the requirements of AS 7, for the IMMA 2014 audit; the IMMA 2015 audit; the IMKG 2015 audit; the RDTK 2015 audit; and the TSOI 2014 audit.

85. Juchi Lee, the purported EQR for the IMKG 2015 audit, the RDTK 2015 audit, and the TSOI 2014 audit, admitted that she had not performed engagement quality reviews for IMKG, RDTK, or TSOI. She also admitted that she had not even known that she was supposed to be EQR for these issuers until October 2016, when Park tasked her and Joseph Lee with the job of completing the issuer information form for the PCAOB in connection with the November 2016 PCAOB inspection.

86. Moreover, given the audit documentation deficiencies described above, PLS and the individual auditors could not have obtained or performed engagement quality reviews, in accordance with the requirements of AS 7, for the IMMA 2014 audit, the IMMA 2015 audit, the IMKG 2015 audit, the RDTK 2015 audit, or the TSOI 2014 audit. The documents that were inappropriately added to audit work papers, after the audit report had been released and the applicable documentation completion date had passed, included engagement acceptance, audit planning, risk assessment, engagement completion, and other documents that an EQR performing an engagement quality review pursuant to the standards of AS 7 should have reviewed before providing approval for the audit report to be released.

87. Respondents knew or were reckless in not knowing that they had failed to obtain or perform engagement quality reviews, in accordance with the requirements of AS 7, for the IMMA 2014 audit; the IMMA 2015 audit; the IMKG 2015 audit; the RDTK 2015 audit; and the TSOI 2014 audit.

5. Respondents Failed to Exercise Due Professional Care in Violation of PCAOB Interim Auditing Standard No. 230⁶

88. Respondents violated PCAOB Interim Auditing Standard No. 230, *Due Professional Care in the Performance of Work* (“AU 230”), by failing to exercise due

⁶ PCAOB Interim Auditing Standard No. 230 was renumbered from AU 230 to AS 1015, effective December 31, 2016; references herein are to the numbering in effect at the time of the alleged conduct.

professional care in connection with the IMMA 2014 audit; the IMMA 2015 audit; the IMKG 2015 audit; the RDTK 2015 audit; and the TSOI 2014 audit. Namely, Respondents failed to prepare and retain required audit documentation and produced backdated documents to the PCAOB and the Commission, and they failed to obtain and perform engagement quality reviews.

89. AU 230 requires an auditor to exercise due professional care in the planning and performance of the audit and the preparation of the report. AU 230.01 - 230.02. Due professional care imposes a responsibility upon each professional within an independent auditor's organization to observe the standards of field work and reporting. AU 230.02.

90. The matter of due professional care concerns what the independent auditor does and how well he or she does it. AU 230.04. An auditor should possess "the degree of skill commonly possessed" by other auditors and should exercise it with "reasonable care and diligence" (that is, with due professional care). AU 230.05. The engagement partner should know, at a minimum, the relevant professional accounting and auditing standards and should be knowledgeable about the client. AU 230.06.

91. Due professional care requires the auditor to exercise professional skepticism. AU 230.07. Professional skepticism is an attitude that includes a questioning mind and a critical assessment of audit evidence. *Id.* The auditor uses the knowledge, skill, and ability called for by the profession of public accounting to diligently perform, in good faith and with integrity, the gathering and objective evaluation of evidence. *Id.* Gathering and objectively evaluating audit evidence requires the auditor to consider the competency and sufficiency of the evidence. AU 230.08. Since evidence is gathered and evaluated throughout the audit, professional skepticism should be exercised throughout the audit process. *Id.*

92. PLS and the individual auditors failed to exercise due professional care in connection with the audit documentation for the IMMA 2014 audit; the IMMA 2015 audit; the IMKG 2015 audit; the RDTK 2015 audit; and the TSOI 2014 audit.

93. As described above, PLS and the auditors failed to prepare and retain required audit documentation for these audits, as required by AS 3. Although all three of the individual auditors were aware that PLS had a problem with missing work papers, they did not take any action to remedy this problem until the July 2016 Commission Subpoena and the announcement of the November 2016 PCAOB inspection threatened to expose their audit deficiencies.

94. Even then, Respondents did not follow the requirements for adding audit documentation set forth in AS 3.16, but intentionally attempted to conceal their actions from the Commission and the PCAOB by retroactively completing and backdating documents, which PLS then produced to the Commission or the PCAOB.

95. PLS and the individual auditors also failed to exercise due professional care in connection with engagement quality reviews for the IMMA 2014 audit; the IMMA 2015 audit; the IMKG 2015 audit; the RDTK 2015 audit; and the TSOI 2014 audit. PLS and the individual

auditors issued audit reports and provided information to the PCAOB, representing that engagement quality reviews had been obtained or performed for each of these audits, when in fact they had failed to obtain or perform engagement quality review, in accordance with the requirements of AS 7, for each of these audits.

96. Respondents knew or were reckless in not knowing that they failed to exercise due professional care in connection with the IMMA 2014 audit; the IMMA 2015 audit; the IMKG 2015 audit; the RDTK 2015 audit; and the TSOI 2014 audit.

6. Respondents Willfully Violated PCAOB Rules 3500T and 4006

97. PCAOB Rule 3500T, *Interim Ethics and Independence Standards* (“Rule 3500T”), requires a registered public accounting firm and its associated persons to comply with AICPA’s Code of Professional Conduct Rule 102 in connection with the preparation or issuance of any audit report. Rule 3500T(a).⁷

98. AICPA’s Code of Professional Conduct Rule 102, *Integrity and Objectivity* (“AICPA Rule 102”) mandates that “in the performance of any professional service, a member shall maintain objectivity and integrity.” AICPA Rule 102.01. The AICPA Code of Professional Conduct defines “professional services” as including “all services requiring accountancy or related skills performed by a member for a client, an employer, or on a volunteer basis. These services include, but are not limited to accounting, audit and other attest services, tax, bookkeeping, management consulting, financial management, corporate governance, personal financial planning, business valuation, litigation support, educational, and those services for which standards are promulgated by bodies designated by [the AICPA Council].” AICPA Code of Professional Conduct § 0.400.40.

99. PLS and the individual auditors willfully violated Rule 3500T because they failed to act with integrity in connection with the preparation and issuance of the audit reports for the IMMA 2014 audit; the IMMA 2015 audit; the IMKG 2015 audit; the RDTK 2015 audit; and the TSOI 2014 audit.

100. PLS and the individual auditors further demonstrated a lack of integrity by taking affirmative steps to conceal their auditing deficiencies from us and the PCAOB, including the preparation and backdating of additional audit documentation which was subsequently produced to us and/or the PCAOB.

101. PCAOB Rule 4006, *Duty to Cooperate with Inspectors* (“Rule 4006”), requires a public accounting firm and its associated persons to cooperate with the Board in the performance

⁷ The rule requires auditors to comply with the AICPA’s Code of Professional Conduct Rule 102, and interpretations and rulings thereunder, as in existence on April 16, 2003. Although PCAOB Rule 3500T references the AICPA Code as in existence on April 16, 2003, the definition of integrity remains identical to the current definitions in the Code of Professional Conduct promulgated by the AICPA and applicable to current members of the AICPA.

of any Board inspection. Cooperation includes, but it is not limited to, cooperating and complying with any request made by the PCAOB to “provide access to, and the ability to copy, any record in the possession, custody, or control of such firm or person.” *See* Rule 4006(a). “Implicit in this cooperation requirement is that auditors provide accurate and truthful information.” *In the Matter of the Application of Kabani & Company, Inc., et al.*, Exchange Act Release No. 80201, at 13-14 (March 10, 2017) (Commission Opinion).

102. PLS and the individual auditors willfully violated Rule 4006 in connection with the November 2016 PCAOB inspection by providing to the PCAOB documents that had been added to audit work papers for the IMKG 2015 audit, the RDTK 2015 audit, and the TSOI 2014 audit, after the audit report for each of these audits had been released and the applicable documentation completion date had passed, without disclosing of the date that these documents were added to the work papers, the persons who did so, or the reasons for doing so, as required under AS 3.

103. Moreover, PLS and the individual auditors attempted to deceive the PCAOB by backdating documents so that it would appear as though these documents had been prepared and included in the audit work papers before the audit report had been released.

D. VIOLATIONS

104. As a result of the conduct described above, PLS engaged in improper professional conduct pursuant to Section 4C(a)(2) of the Exchange Act and Rule 102(e)(1)(ii) of the Commission’s Rules of Practice by engaging in repeated instances of unreasonable conduct and/or engaging in intentional or knowing conduct, including reckless conduct, and willfully violated the federal securities laws under Section 4C(a)(3) of the Exchange Act and Rule 102(e)(1)(iii) of the Commission’s Rules of Practice, by willfully violating Rule 2-02(b)(1) of Regulation S-X, and willfully violating PCAOB Rule 3500T and PCAOB Rule 4006.

105. As a result of the conduct described above, Park engaged in improper professional conduct pursuant to Section 4C(a)(2) of the Exchange Act and Rule 102(e)(1)(ii) of the Commission’s Rules of Practice by engaging in repeated instances of unreasonable conduct and/or engaging in intentional or knowing conduct, including reckless conduct, and willfully violated or willfully aided and abetted violation of the federal securities laws under Section 4C(a)(3) of the Exchange Act and Rule 102(e)(1)(iii) of the Commission’s Rules of Practice, by willfully aiding and abetting and causing PLS’s violations of Rule 2-02(b)(1) of Regulation S-X, and by willfully violating PCAOB Rule 3500T and PCAOB Rule 4006.

106. As a result of the conduct described above, Joseph Lee engaged in improper professional conduct pursuant to Section 4C(a)(2) of the Exchange Act and Rule 102(e)(1)(ii) of the Commission’s Rules of Practice by engaging in repeated instances of unreasonable conduct and/or engaging in intentional or knowing conduct, including reckless conduct, and willfully violated or willfully aided and abetted violation of the federal securities laws under Section 4C(a)(3) of the Exchange Act and Rule 102(e)(1)(iii) of the Commission’s Rules of Practice, by willfully aiding and abetting and causing PLS’s violations of Rule 2-02(b)(1) of Regulation S-X, and by willfully violating PCAOB Rule 3500T and PCAOB Rule 4006.

107. As a result of the conduct described above, Juchi Lee engaged in improper professional conduct pursuant to Section 4C(a)(2) of the Exchange Act and Rule 102(e)(1)(ii) of the Commission's Rules of Practice by engaging in repeated instances of unreasonable conduct and/or engaging in intentional or knowing conduct, including reckless conduct, and willfully violated or willfully aided and abetted violation of the federal securities laws under Section 4C(a)(3) of the Exchange Act and Rule 102(e)(1)(iii) of the Commission's Rules of Practice, by willfully aiding and abetting and causing PLS's violations of Rule 2-02(b)(1) of Regulation S-X, and by willfully violating PCAOB Rule 3500T and PCAOB Rule 4006.

III.

In view of the allegations made by the Division of Enforcement, the Commission deems it necessary and appropriate in the public interest that public administrative and cease-and-desist proceedings be instituted to determine:

A. Whether the allegations set forth in Section II hereof are true and, in connection therewith, to afford Respondents an opportunity to establish any defenses to such allegations;

B. What, if any, remedial action is appropriate in the public interest against Respondents pursuant to Section 4C of the Exchange Act and Rule 102(e) of the Commission's Rules of Practice;

C. Whether, pursuant to Section 21C of the Exchange Act, Respondents should be ordered to cease and desist from committing or causing violation of and any future violations of Rule 2-02(b)(1) of Regulation S-X, PCAOB Rule 3500T, and PCAOB Rule 4006; whether PLS should be ordered to pay disgorgement of audit fees for each of the audits at issue pursuant to Sections 21B(e) and 21C(e) of the Exchange Act; and whether Respondents should be ordered to pay civil penalties pursuant to Section 21B(a) of the Exchange Act.

IV.

IT IS ORDERED that a public hearing before the Commission for the purposes of taking evidence on the questions set forth in Section III hereof shall be convened not earlier than 30 days and not later than 60 days from service of this Order at a time and place to be fixed by further order of the Commission, pursuant to Rule 110 of the Commission's Rules of Practice, 17 C.F.R. § 201.110.

IT IS FURTHER ORDERED that Respondents shall file an Answer to the allegations contained in this Order within twenty (20) days after service of this Order, as provided by Rule 220(b) of the Commission's Rules of Practice, 17 C.F.R. § 201.220(b).

IT IS FURTHER ORDERED that the Division of Enforcement and Respondents shall conduct a prehearing conference pursuant to Rule 221 of the Commission's Rules of Practice,

17 C.F.R. § 201.221, within fourteen (14) days of service of the Answer. The parties may meet in person or participate by telephone or other remote means; following the conference, they shall file a statement with the Office of the Secretary advising the Commission of any agreements reached at said conference. If a prehearing conference was not held, a statement shall be filed with the Office of the Secretary advising the Commission of that fact and of the efforts made to meet and confer.

If any Respondent fails to file the directed Answer, or fails to appear at a hearing after being duly notified, the Respondent may be deemed in default and the proceedings may be determined against them upon consideration of this Order, the allegations of which may be deemed to be true as provided by Rules 155(a), 220(f), 221(f) and 310 of the Commission's Rules of Practice, 17 C.F.R. §§ 201.155(a), 201.220(f), 201.221(f) and 201.310.

This Order shall be served forthwith upon Respondents by any means permitted by the Commission's Rules of Practice.

Attention is called to Rule 151(b) and (c) of the Commission's Rules of Practice, 17 C.F.R. § 201.151(b) and (c), providing that when, as here, a proceeding is set before the Commission, all papers (including those listed in the following paragraph) shall be filed with the Office of the Secretary and all motions, objections, or applications will be decided by the Commission. The Commission requests that an electronic courtesy copy of each filing should be emailed to APFilings@sec.gov in PDF text-searchable format. Any exhibits should be sent as separate attachments, not a combined PDF.

The Commission finds that it would serve the interests of justice and not result in prejudice to any party to provide, pursuant to Rule 100(c) of the Commission's Rules of Practice, 17 C.F.R. § 201.100(c), that notwithstanding any contrary reference in the Rules of Practice to filing with or disposition by a hearing officer, all filings, including those under Rules 210, 221, 222, 230, 231, 232, 233, and 250 of the Commission's Rules of Practice, 17 C.F.R. §§ 201.210, 221, 222, 230, 231, 232, 233, and 250, shall be directed to and, as appropriate, decided by the Commission. This proceeding shall be deemed to be one under the 120-day timeframe specified in Rule of Practice 360(a)(2)(i), 17 C.F.R. § 201.360(a)(2)(i), for the purposes of applying Rules of Practice 233 and 250, 17 C.F.R. §§ 201.233 and 250.

The Commission finds that it would serve the interests of justice and not result in prejudice to any party to provide, pursuant to Rule 100(c) of the Commission's Rules of Practice, 17 C.F.R. § 201.100(c), that the Commission shall issue a decision on the basis of the record in this proceeding, which shall consist of the items listed at Rule 350(a) of the Commission's Rules of Practice, 17 C.F.R. § 201.350(a), and any other document or item filed with the Office of the Secretary and accepted into the record by the Commission. The provisions of Rule 351 of the Commission's Rules of Practice, 17 C.F.R. § 201.351, relating to preparation and certification of a record index by the Office of the Secretary or the hearing officer are not applicable to this proceeding.

The Commission will issue a final order resolving the proceeding after one of the following: (A) The completion of post-hearing briefing in a proceeding where the public hearing has been completed; (B) The completion of briefing on a motion for a ruling on the pleadings or a motion for summary disposition pursuant to Rule 250 of the Commission's Rules of Practice, 17 C.F.R. § 201.250, where the Commission has determined that no public hearing is necessary; or (C) The determination that a party is deemed to be in default under Rule 155 of the Commission's Rules of Practice, 17 C.F.R. § 201.155, and no public hearing is necessary.

In the absence of an appropriate waiver, no officer or employee of the Commission engaged in the performance of investigative or prosecuting functions in this or any factually related proceeding will be permitted to participate or advise in the decision of this matter, except as witness or counsel in proceedings held pursuant to notice. Since this proceeding is not "rule making" within the meaning of Section 551 of the Administrative Procedure Act, it is not deemed subject to the provisions of Section 553 delaying the effective date of any final Commission action.

By the Commission.

Vanessa A. Countryman
Secretary