

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 98118 / August 14, 2023

ACCOUNTING AND AUDITING ENFORCEMENT
Release No. 4438 / August 14, 2023

ADMINISTRATIVE PROCEEDING
File No. 3-21560

In the Matter of

**CROWE U.K. LLP,
NIGEL D. BOSTOCK, FCA,
AND
MATTHEW C.
STALLABRASS, FCA**

Respondents.

**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, MAKING FINDINGS, AND
IMPOSING REMEDIAL SANCTIONS AND A
CEASE-AND-DESIST ORDER**

I.

The Securities and Exchange Commission (“Commission”) deems it appropriate that public administrative and cease-and-desist proceedings be, and hereby are, instituted against Crowe U.K. LLP (“Crowe U.K.”), Nigel D. Bostock, FCA, and Matthew C. Stallabrass, FCA (each a “Respondent” and collectively “Respondents”) pursuant to Sections 4C¹ and 21C of the Securities

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.

Exchange Act of 1934 (“Exchange Act”) and Rule 102(e)(1)(ii) of the Commission’s Rules of Practice.²

II.

In anticipation of the institution of these proceedings, Respondents have submitted Offers of Settlement (“Offers”) 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 them and the subject matter of these proceedings, which are admitted, Respondents consent to the entry of this 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 Rule of Practice, Making Findings, and Imposing Remedial Sanctions and a Cease-and-Desist Order (“Order”), as set forth below.

III.

On the basis of this Order and Respondents’ Offers, the Commission finds³ that:

SUMMARY

1. These proceedings arise out of Crowe U.K.’s deficient audit of Akazoo Limited’s (“Old Akazoo”) 2018 financial statements (“2018 Audit”) in connection with Old Akazoo’s business combination with a special purpose acquisition company (“the SPAC”). Crowe U.K. audited Old Akazoo’s financial statements for the years ended 2016 through 2018 subject to PCAOB standards. The SPAC included Crowe U.K.’s audit report containing an unqualified opinion dated June 7, 2019 (“Audit Report”) in its joint proxy and registration statement filed for the initial business combination with Old Akazoo (known as a “de-SPAC transaction”). This filing falsely stated Old Akazoo earned over \$120 million in revenue and had over four million paying subscribers in 2018. In reality, Old Akazoo had only negligible amounts of revenue and subscribers.

2. In order to give the appearance of revenue, Old Akazoo fabricated companies it called “aggregators.” Old Akazoo explained to Crowe U.K., but not to the

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.

³ The findings herein are made pursuant to Respondents’ Offers of Settlement and are not binding on any other person or entity in this or any other proceeding.

SPAC’s investors, that it never received cash payments from the purported aggregators in 2018 because Old Akazoo netted out the revenues and expenses attributable to the aggregators. In support of its false explanation to Crowe U.K., Old Akazoo presented Crowe U.K. with facially problematic agreements that lacked a commercial purpose and dubious confirmation letters – both of which were fake. Crowe U.K., however, did not design audit procedures to respond to these red flags or even attempt to contact the aggregators directly. Less than a year after Crowe U.K. signed the Audit Report, Akazoo S.A. (“Akazoo”), Old Akazoo’s public company successor after the de-SPAC transaction, reported that Old Akazoo’s management had conducted a financial fraud that lasted several years, including the years audited by Crowe U.K.

3. During the 2018 Audit, Crowe U.K. violated applicable PCAOB standards. Crowe U.K. did not exercise an appropriate level of due professional care or professional skepticism when it came to the aggregators, even though improper revenue recognition is a significant risk and fraud risk per PCAOB guidance. Crowe U.K. also violated other PCAOB standards, such as failing to control the confirmation process and failing to conduct a meaningful engagement quality review (“EQR”). Further, Crowe U.K. had deficient quality controls. As a result of these failures, Crowe U.K. engaged in improper professional conduct during the 2018 Audit of Old Akazoo.

RESPONDENTS

4. **Crowe U.K. LLP** was a PCAOB-registered public accounting firm headquartered in London, U.K. Crowe U.K. submitted a request to withdraw its registration from the PCAOB on June 2, 2023. It provides audit, tax, advisory, and risk services through its offices in the United Kingdom, and is affiliated with Crowe Global, a multinational professional services network consisting of more than 220 firms licensed to use “Crowe” or “Horwath.”

5. **Nigel D. Bostock, FCA**, (the “Engagement Partner”) resides in the United Kingdom, has served as the CEO of Crowe U.K. since September 2017, and is a member of the board of Crowe Global. He was the engagement partner for each of Crowe U.K.’s audits of Old Akazoo from 2015 through 2018 and supervised the audit team in London and Athens, Greece. The Engagement Partner is a Fellow of the Institute of Chartered Accountants in England and Wales (“ICAEW”).

6. **Matthew C. Stallabrass, FCA**, (the “Engagement Quality Reviewer”) resides in the U.K., is a partner at Crowe U.K., and member of the firm’s Supervisory Board. He was the engagement quality reviewer for Crowe U.K.’s 2018 Audit of Old Akazoo as required by PCAOB standards. The Engagement Quality Reviewer is a Fellow

of the ICAEW.

OTHER RELATED ENTITY

7. **Akazoo** is organized under the laws of Luxembourg. From September 2019 to May 2020, Akazoo’s principal place of business was Athens, Greece. Akazoo was formed in September 2019 as a result of a merger between the SPAC and Old Akazoo, a purported music streaming company that offered its services to emerging markets. Akazoo’s ordinary shares were registered under the Exchange Act pursuant to Section 12(b) and traded on the Nasdaq under the ticker “SONG,” before being delisted on June 2, 2020. The shares were deregistered in January 2021. As of the date of this Order, Akazoo has no operations and exists only to respond to legal disputes.

FACTS

Background

8. Crowe U.K. became Old Akazoo’s auditor in 2016 for the audit year ending December 31, 2015 when Old Akazoo was a private company. Old Akazoo retained Crowe U.K. to conduct its U.K. statutory audit and component reporting to the auditors of Old Akazoo’s then-London Stock Exchange listed parent company (“Parent Company”). After Parent Company went private, Crowe U.K. continued to conduct Old Akazoo’s statutory audits and reporting to Parent Company’s auditors for the years ended 2016 and 2017 using International Standards on Auditing applicable in the U.K. During this time, the members of the engagement team visited Old Akazoo’s primary location in Athens at least twice.

9. In January 2019, the SPAC publicly disclosed Old Akazoo as its target for a de-SPAC transaction. Because Old Akazoo needed three years of audited financial statements for the de-SPAC transaction, Old Akazoo retained Crowe U.K., using the same engagement team it had worked with since 2016. This new engagement required Crowe U.K. to apply PCAOB auditing standards to re-audit Old Akazoo’s financial statements for the years ended 2016 and 2017 and to conduct Old Akazoo’s 2018 Audit.

10. On August 14, 2019, the SPAC filed a joint proxy and registration statement with the SEC on Form F-4 (“August 14, 2019 Filing”), in which the SPAC’s board of directors recommended that shareholders vote for the proposed business combination with Old Akazoo. The August 14, 2019 Filing falsely described Old Akazoo’s music streaming business as of December 31, 2018, with the following highlights:

- Over 4.6 million subscribers paid for Old Akazoo’s streaming content monthly;
- Old Akazoo’s subscribers either paid Old Akazoo directly or through partners;
- Old Akazoo also generated revenue through a free, ad-supported radio service with 2.6 million users;
- Old Akazoo operated in 25 separate markets;

- Old Akazoo was a profitable business with positive EBITDA since inception;
- Old Akazoo had €104.8 million (or \$120 million) in revenue in 2018; and
- Old Akazoo had developed deep relationships with a large number of global, regional, and local music content providers.

11. The August 14, 2019 Filing included Crowe U.K.’s Audit Report. In the Audit Report, Crowe U.K. claimed it had audited Old Akazoo’s financial statements for the years ended 2018, 2017, and 2016 and that, in its opinion, Old Akazoo fairly presented its financial statements in all material respects in accordance with International Financial Reporting Standards. Crowe U.K. also stated it conducted its audits in accordance with PCAOB standards. Crowe U.K. permitted the Audit Report’s inclusion in the August 14, 2019 Filing.

12. The merger between the SPAC and Old Akazoo became effective on September 11, 2019, which created Akazoo. On September 17, 2019, Akazoo filed a Shell Company Report on Form 20-F that incorporated the Audit Report by reference with Crowe U.K.’s permission.

13. Approximately seven months later, on April 20, 2020, a short-selling hedge fund published a report claiming that Akazoo had negligible operations, subscribers, and revenue. Akazoo promptly formed a special committee of independent directors to investigate the claims. On May 1, 2020, Akazoo disclosed that it had terminated its CEO – who had been Old Akazoo’s CEO – and asked him to resign from the Board because of his failure to cooperate with the investigation. In the same filing, Akazoo disclosed that Old Akazoo’s 2018, 2017, and 2016 financial statements “should no longer be relied upon due to the possibility that such financial statements contain material errors.”

14. Akazoo released the results of the internal investigation in a Form 6-K filing with the SEC on May 21, 2020, admitting that “former members of Akazoo’s management team and associates defrauded Akazoo’s investors . . . by materially misrepresenting Akazoo’s business, operations, and financial results as part of a multi-year fraud.” Akazoo admitted that its “historical financial statements were materially false and misleading, that Akazoo has had only negligible actual revenue and subscribers for years and that former members of Akazoo management and associates participated in a sophisticated scheme to falsify Akazoo’s books and records...”

15. On September 30, 2020, the SEC filed *SEC v. Akazoo S.A.*, 1:20-cv-08101-AKH (S.D.N.Y.), an emergency action charging Akazoo with fraud and other violations. That case concluded in October 2021, after the Commission received all requested relief.

The Crowe U.K. Engagement Team

16. Crowe U.K.’s engagement team for the 2018 Audit was led by the Engagement Partner and included audit managers based in London and Athens that

conducted the fieldwork under the Engagement Partner’s supervision. The engagement team and the Engagement Quality Reviewer had almost no experience and limited training conducting PCAOB audits.

The Aggregators

17. Crowe U.K. overlooked red flags pertaining to Old Akazoo’s music streaming revenue and expenses that should have caused it to show greater skepticism and expand its audit procedures before opining on Old Akazoo’s financial statements. The notes to the financial statements contained in the August 14, 2019 Filing stated that Old Akazoo’s revenue was generated through the sale of music-streaming subscriptions directly to end-users or “through partners who are generally telecommunications, social messaging or Original Equipment Manufacturers (OEM) companies.” The August 14, 2019 Filing also stated that Old Akazoo’s major expense was the licensing fees it paid to music record labels, publishers, and other rights holder for the rights to stream music. Nowhere in the notes to the financial statements or elsewhere did the August 14, 2019 Filing disclose that Old Akazoo claimed to pay the music licensing fees indirectly.

18. Crowe U.K.’s audit work papers, however, described Old Akazoo’s revenue and expense model differently from the SPAC’s August 14, 2019 Filing. According to Crowe U.K.’s audit work papers, Old Akazoo’s business model depended on three so-called “aggregators” – third-party businesses that supposedly maintained contracts with telecommunication companies through which Old Akazoo’s streaming service was sold to end-users. These aggregators purportedly generated and collected 90% of Old Akazoo’s streaming revenue.

19. Despite the aggregators’ substantial and critical role in Old Akazoo’s revenue generation, Crowe U.K.’s work papers reflected that Old Akazoo never received any cash payments from them in 2018, a critical fact that was not included in the August 14, 2019 Filing. Old Akazoo’s explanation for this – which the engagement team accepted without skepticism – was that the aggregators also managed Old Akazoo’s licensing arrangements with content providers and paid licensing fees for content streamed through Old Akazoo’s platform, which were Old Akazoo’s largest expense. Old Akazoo documented this dual relationship with the aggregators through so-called “set-off” agreements.

20. Crowe U.K.’s work papers also reflected that the aggregators paid other Old Akazoo expenses in 2018 through arrangements the engagement team called “tripartite agreements.” As Crowe U.K.’s work papers described, Old Akazoo contracted with various vendors to provide services (such as software development). Instead of Old Akazoo paying its vendors directly, the aggregators purportedly agreed to pay the vendors using the streaming revenue the aggregators collected for Old Akazoo. In theory, the tripartite agreements purportedly worked as follows: (1) the vendor agreed to release its claim against Old Akazoo and look exclusively to the aggregator for payment; (2) the aggregator agreed

to accept liability to the vendor; and (3) Old Akazoo released the aggregator for an amount of receivables equal to the vendor's invoice.

21. In reality, the aggregators were fictional. During its internal investigation of the short seller's allegations, Akazoo's board of directors learned that the aggregators did not exist and that the alleged transactions with them were simply an elaborate ruse papered with false documents and non-existent transactions. The tripartite agreements likewise were fabrications that did not reflect any actual transactions with real vendors. Old Akazoo created these fictions to cover for its lack of cash flow despite claiming to have a large and growing subscriber base.

Crowe U.K. Did Not Validate the Aggregators' Existence

22. Per PCAOB guidance, Crowe U.K. identified improper revenue recognition as a significant risk and as a fraud risk. Even so, it did not sufficiently design audit procedures to respond to the identified risk appropriately.

23. The engagement team never validated the existence of the aggregators. In particular, no one from the engagement team ever directly contacted the aggregators. During the 2018 Audit, the engagement team did not perform additional audit procedures to resolve inconsistencies. For example, the engagement team did not verify the physical addresses of the aggregators – even when audit documentation showed that a certain aggregator had the same address as another purported service provider.

Crowe U.K. Did Not Control the Confirmation Process with the Aggregators and Failed to Follow-up on Red Flags

24. Crowe U.K. allowed Old Akazoo to control the process of confirming revenues and expenses with the aggregators. An employee in Old Akazoo's finance department sent account receivable confirmation letters to email addresses purporting to belong to aggregators and sometimes copied the Greek audit manager on the request. Although Crowe U.K.'s confirmations explicitly directed the aggregators to return the confirmation to a partner at Crowe Greece, some were returned to Old Akazoo, who then forwarded the confirmations it received from the aggregator to the Greek audit manager, or the aggregator copied the Greek audit manager on its response to Old Akazoo.

Red Flags in Aggregator A's Confirmation Response

25. Other aspects of the aggregators' confirmation process raised more red flags. For instance, none of the aggregators' representatives' emails contained an email signature, and one aggregator's email address did not correlate to the aggregator's corporate name. But the engagement team did not question the discrepancy.

26. On February 15, 2019, Old Akazoo gave Crowe U.K. an account receivable report purporting to reflect balances as of December 31, 2018 ("February AR Report").

Using the figure in the February AR Report, Crowe U.K. drafted a confirmation letter to the aggregator that supposedly operated in Latin America (“Aggregator A”) asking Aggregator A to confirm that it owed Old Akazoo €19,143,029.50 as of December 31, 2018. Crowe U.K. allowed Old Akazoo to email the confirmation letter directly to Aggregator A. When Crowe U.K. received the confirmation letter back through Old Akazoo months later in May 2019, “€19,143,029.50” was scratched out and “€3,702,750.14” was hand-written in the margins. Aggregator A included no documentation or explanation for this in the response, even though the confirmation letter requested such support for any discrepancies.

27. Crowe U.K. did not conduct audit procedures in response to the discrepancy. Instead, Crowe U.K. accepted Old Akazoo’s explanation that it failed to incorporate additional transactions between Old Akazoo and the aggregators that purportedly were entered into before December 31, 2018, in the February AR Report. In support of this claim, Old Akazoo then provided Crowe U.K. a second “updated” AR report dated May 15, 2019 (“May AR Report”) that reflected Aggregator A’s balance as of December 31, 2018, as €3,702,750.14. The engagement team accepted this explanation even though it meant that – at best – Old Akazoo’s 2018 year-end accounting records were grossly incomplete as of February 15, 2019.

Additional Red Flags in the Confirmation Response

28. The audit documentation related to the confirmation of Old Akazoo’s two other aggregators was even more suspicious because both aggregators confirmed the balance reflected on Old Akazoo’s February AR Report — the same balance Old Akazoo later told the engagement team was inaccurate in May 2019. For example, Crowe U.K. dated the first confirmation letter for the aggregator that supposedly operated in Eastern Europe (“Aggregator B”) for February 15, 2019, using the figure “€14,198,520.68,” which was represented on the February AR Report. Again, Crowe U.K. allowed Old Akazoo to email the confirmation letter to Aggregator B’s purported representative. On April 16, 2019, Aggregator B emailed Old Akazoo a signed confirmation letter agreeing to the balance, which was copied to Crowe Greece.

29. Because the May AR report reflected that Aggregator B owed Old Akazoo €10,881,822.55 as of December 31, 2018, not €14,198,520.68, the Engagement Partner requested on June 6, 2019, that Old Akazoo provide a second set of confirmations from Aggregator B. Rather than securing the confirmations directly from the aggregators, the Engagement Partner relied on confirmations that Old Akazoo’s Financial Controller forwarded to him. On June 6, 2019 – the same day of the Engagement Partner’s request – Old Akazoo provided a new confirmation purportedly from Aggregator B that matched the

same balance as listed on Old Akazoo’s May AR report.

30. Crowe U.K. accepted the June 6, 2019 confirmation letters from Old Akazoo – one day before issuing the Audit Report – without conducting any other audit procedures related to the authenticity of the confirmation letters. For instance, Crowe U.K. did not contact Aggregator B to ask why it originally confirmed the balance of €14,198,520.68 if that amount did not reflect all the transactions between Old Akazoo and Aggregator B occurring in 2018. The below chronology illustrates the suspicious timeline associated with the confirmation letters related to Aggregator B.

Date	February 15, 2019	March 28, 2019	April 16, 2019	May 15, 2019	June 6, 2019	June 6, 2019	June 7, 2019
Event	Date of Aggregator B's confirmation letter indicating a balance of €14,198,520.68.	Old Akazoo sends confirmation letter to Aggregator B.	Aggregator B returns a signed confirmation letter to Old Akazoo confirming the balance of €14,198,520.68.	Date of Old Akazoo's aged receivable report indicating Aggregator B's balance was €10,881,822.55.	Bostock asks Old Akazoo for confirmation letters from Aggregator B that are consistent with Akazoo's reported balance of €10,881,822.55.	Old Akazoo attaches a confirmation letter purportedly signed by Aggregator B confirming transactions that brought Aggregator B's balance down to €10,881,822.55.	Crowe U.K. signs the Audit Report.

Crowe U.K. Did Not Exercise Appropriate Professional Skepticism Regarding the Tripartite Agreements

31. Crowe U.K. used deficient audit procedures to evaluate the tripartite agreements. Crowe U.K. did nothing beyond reviewing the invoices and the tripartite agreements, which both raised red flags that Crowe U.K. did not address. For example, Old Akazoo supposedly entered into a tripartite agreement with a purported content provider (“Vendor A”) and Aggregator A on December 31, 2018, to transfer approximately €11.6 million. Crowe U.K.’s work papers included invoices from Vendor A. But those invoices contained little detail, listed Vendor A’s name slightly differently than the tripartite agreement, and reflected that Vendor A had the same mailing address in Belize as Aggregator A.

32. Although the tripartite agreements represented significant unusual transactions, no one from the engagement team verified the commercial purpose of the transactions or directly contacted the parties to the agreements. The engagement team’s blanket acceptance of the tripartite agreements was insufficient given that the agreements – on their face – provided no details explaining the rationale for the transactions.

33. Rather than responding to the tripartite agreements with appropriate audit procedures, Crowe U.K. relied on questionable representations by Old Akazoo’s management. Old Akazoo’s management told the Engagement Partner that the purpose of the tripartite agreements was to simplify Old Akazoo’s balance sheet. But Crowe U.K.

failed to document even this inadequate explanation in its work papers. Instead, the Engagement Partner required that Old Akazoo's management provide additional representations that Old Akazoo's creditors could not hold the company liable for the debts transferred via the tripartite agreement.

Crowe U.K. Did Not Maintain Adequate Audit Documentation

34. Much of the audit evidence in the audit documentation was deficient for at least two reasons. First, the work papers described testing that Crowe U.K. did not actually perform. Work papers, including Crowe U.K.'s audit findings report, reflected that Crowe U.K. reviewed payments received by the aggregators post year-end, but the aggregators never made any payments to Old Akazoo at any time in 2018 or 2019 that Crowe U.K. could review. Second, Crowe U.K.'s audit documentation did not include sufficient appropriate audit evidence to support its audit conclusions. For example, Crowe U.K.'s work papers claiming to support the accuracy of Old Akazoo's account receivable balances, merely attached excel spreadsheets containing a listing of Old Akazoo's aged receivable balances and purported revenue per segment. These spreadsheets did not – in any way – support a conclusion that the information listed in the spreadsheets supported management's assertions.

Crowe U.K. Did Not Conduct a Sufficient EQR

35. Crowe U.K. did not conduct a sufficient EQR in accordance with PCAOB standards, giving rise to a number of deficiencies during the audit. Rather than conducting his review independently, the Engagement Quality Reviewer felt pressured by the engagement team to complete his review quickly in order to meet a deadline set by Old Akazoo related to the de-SPAC transaction. Consequently, the Engagement Quality Reviewer deviated from his standard practice of independently accessing and reviewing work papers in the audit file and instead relied on the engagement team's answers to his questions. He also relied on a handful of documents selected by the engagement team, including a draft version of the audit findings report that contained false statements, such as the engagement team's representation that they reviewed cash payments from the aggregators as part of their audit procedures.

36. The engagement team provided the Engagement Quality Reviewer with only the select following documents for his review: (1) a draft of Old Akazoo's financial statements, (2) a draft of Crowe U.K.'s 2018 Audit Findings Report, (3) an IT audit report addressing Old Akazoo's general IT controls, and (4) a document from 2015 drafted by Old Akazoo describing its business model. With respect to these documents, the Engagement Quality Reviewer failed to note inconsistencies with Crowe U.K.'s audit conclusions that should have caused him to question the engagement team and independently access and review the work papers.

37. Although the Engagement Quality Reviewer focused on Old Akazoo's

revenue recognition, which the engagement team had identified as the most significant risk in the audit, he did not devote sufficient time to the EQR to understand the basis for the engagement team's conclusions. The Engagement Quality Reviewer understood the significance of the aggregators to Old Akazoo's revenue, asking [the engagement team]:

Can you clarify the work done on revenue recognition[?] In particular we seem to be placing a lot of reliance on the aggregators, how have they ensured completeness and how have we checked this?

38. In response, the engagement team emailed the Engagement Quality Reviewer the IT audit report and a 2015 document describing Old Akazoo's business model. These documents, however, did not support the engagement team's conclusions about revenue recognition or the aggregators' involvement. For example, the document describing Old Akazoo's business model was four years old, which focused on Old Akazoo's claim that it was growing rapidly. More concerning, the document contradicted the engagement team's conclusions about the aggregators' role because it reflected that Old Akazoo paid royalty costs to content providers directly, not indirectly through the aggregators. Likewise, the IT audit document merely reflected testing of Old Akazoo's general IT controls, not the accuracy of its revenue or expense reconciliation. Despite the shortcomings of this documentation, the Engagement Quality Reviewer did not request or review additional documentation before providing his concurring approval of issuance.

39. In his haste to complete the EQR, the Engagement Quality Reviewer did not follow his normal practice of accessing the audit file to confirm that the audit evidence supported the engagement team's conclusions. As a result, the Engagement Quality Reviewer's concurrence rested on the engagement team's answers to his questions and the four documents they provided, which undermined his judgement as the Engagement Quality Reviewer and provided an insufficient basis for him to determine whether there were any significant engagement deficiencies.

Crowe U.K.'s Inaccurate Statements in its Audit Report

40. Crowe U.K.'s Audit Report falsely claimed that Old Akazoo fairly presented its financial statements in all material respects for the years ended 2018, 2017, and 2016, when Old Akazoo had a negligible amount of revenue, not the over \$120 million in revenue Old Akazoo's 2018 financial statements represented. Crowe U.K.'s Audit Report also falsely stated that Crowe U.K. conducted the 2018 Audit in accordance with PCAOB standards. Further, Crowe U.K. failed to perform procedures that responded to the risk that Old Akazoo was engaged in financial fraud. Crowe U.K. knew that its Audit Report would be incorporated in the August 14, 2019 Filing and Akazoo's post de-SPAC filing of its

Form 20-F on September 17, 2019.

The Engagement Team Did Not Sufficiently Follow the Firm’s Policies and Procedures

41. Although Crowe U.K. had engagement and review policies and procedures related to the auditing deficiencies described above, the firm failed to establish monitoring policies and procedures to provide the firm with reasonable assurance that those policies and procedures were suitably designed and effectively applied by the engagement team. For instance, Crowe U.K. had access to the Crowe Global Audit Manual, which contained relevant policies and procedures, but the engagement team never consulted the manual. Crowe U.K. also periodically emailed audit alerts to the entire firm, which covered subjects such as fraud risks and proper confirmation procedures. Nevertheless, the Old Akazoo engagement team did not follow the guidance in the relevant audit alerts.

THE RESPONDENTS VIOLATED NUMEROUS PCAOB AUDITING STANDARDS

Crowe U.K. Failed to Adhere to the Quality Control Standards

42. PCAOB Quality Control Standards Section (“QC”) 20.13 requires an audit firm to establish policies and procedures to provide reasonable assurance that, among other things: (1) those hired possess the appropriate characteristics to enable them to perform competently, and (2) work is assigned to personnel having the degree of technical training and proficiency required in the circumstances.

43. QC 20.03 requires an audit firm to ensure that its personnel comply with the professional standards applicable to its accounting and auditing practice, which includes adopting policies and procedures to provide the firm with reasonable assurance that its auditors are complying with professional standards and monitoring compliance with the firm’s policies and procedures.

44. QC 30.03 requires an audit firm to have monitoring procedures that should enable the firm to obtain reasonable assurance that its system of quality control is effective.

45. QC 40.08 requires the firm’s policies and procedures to address competency requirements for the engagement partner, such as the ability to practice sound professional judgment. The exercise of sound professional judgment includes the “ability to exercise professional skepticism and identify areas requiring special consideration including, for example, the evaluation of the reasonableness of estimates and representations made by management[.]”

46. As detailed above, Crowe U.K. violated QC Sections 20, 30, and 40. In particular, Crowe U.K. failed to appropriately establish and monitor its policies and procedures with respect to: (1) demonstrating training and proficiency; (2) exercising due

professional care in the performance of work; (3) obtaining sufficient appropriate audit evidence; (4) maintaining sufficient audit documentation; (5) supervising the audit engagement; (6) conducting proper engagement quality reviews; (7) appropriately confirming Old Akazoo's revenues; and (8) conducting appropriate procedures to obtain reasonable assurances that the financial statements were free of material misstatements caused by fraud. In addition, Crowe U.K.'s quality control policies and procedures failed to address that the engagement partner had the ability to practice sound professional judgment as evidenced by the engagement partner's lack of professional skepticism in accepting deficient audit evidence and management's representations regarding the aggregators.

AS 1010: Training and Proficiency of the Independent Auditor

47. AS 1010.01 requires that the audit is performed by a person or persons having adequate technical training and proficiency as an auditor.

48. Crowe U.K. violated AS 1010. As detailed above, the engagement team had almost no experience and limited training conducting an audit pursuant to PCAOB auditing standards. Further, the training provided did not sufficiently prepare the engagement team to conduct the Old Akazoo engagement in conformity to PCAOB auditing standards.

AS 1015: Due Professional Care in the Performance of Work

49. AS 1015.01 requires an auditor to exercise due professional care in the planning and performance of the audit and the preparation of the report.

50. AS 1015.09 requires that the auditor neither assumes that management is dishonest nor assumes unquestioned honesty. The auditor should not be satisfied with less than persuasive evidence because of a belief that management is honest.

51. Crowe U.K. and the Engagement Partner violated AS 1015. As detailed above, the engagement team did not exercise professional skepticism about Old Akazoo's explanation for entering into the tripartite agreements. The engagement team did not consider whether the tripartite agreements were evidence of fraud, despite the lack of audit evidence showing a commercial reason for the unusual and significant agreements.

AS 1105: Audit Evidence

52. AS 1105.04 requires an auditor to plan and perform audit procedures to obtain sufficient appropriate audit evidence to provide a reasonable basis for the audit opinion.

53. AS 1105.06 requires that audit evidence be appropriate, meaning both relevant and reliable in providing support for the conclusions on which the auditor's opinion

is based.

54. AS 1105.09 requires that, if conditions indicate that a document may not be authentic or that the terms in a document have been modified but that the modifications have not been disclosed to the auditor, the auditor should modify the planned audit procedures or perform additional audit procedures to respond to those conditions and should evaluate the effect, if any, on the other aspects of the audit.

55. AS 1105.29 requires that, if audit evidence obtained from one source is inconsistent with that obtained from another, or if the auditor has doubts about the reliability of information to be used as audit evidence, the auditor should perform the audit procedures necessary to resolve the matter and should determine the effect, if any, on other aspects of the audit.

56. Crowe U.K. and the Engagement Partner violated AS 1105. First, they did not perform audit procedures to obtain sufficient appropriate audit evidence to provide a reasonable basis that Old Akazoo had over \$100 million in revenue. For example, some of the engagement team's work papers reflected that the engagement team reviewed payments received by the aggregator post year-end, but the aggregators never made any payments to Old Akazoo at any time in 2018 or 2019 that Crowe U.K. could review.

57. Second, Crowe U.K.'s audit evidence did not support the audit testing that the engagement team claimed to perform or the conclusions they reached in the audit. Certain work papers, which claimed to prove the accuracy of Old Akazoo's account receivable balances, attached spreadsheets containing a listing of Old Akazoo's aged receivable balances and purported revenue per segment. These spreadsheets did not – in any way – prove that the information listed in the spreadsheets was accurate.

58. Third, the engagement team indirectly received all but one of the first round of aggregator confirmations through Old Akazoo. None of the aggregator representatives' emails contained an email signature, and one aggregator's email address did not correlate to the aggregator's corporate name. Crowe U.K. conducted no audit procedures in response. Further, the amount of revenue Aggregator B confirmed in its first confirmation letter conflicted with the February 2019 AR Report. Without additional corroborating evidence or applying professional skepticism, Crowe U.K. relied on assurances from Old Akazoo's management that the discrepancy was caused by Old Akazoo failing to incorporate additional transactions with the aggregators in Old Akazoo's February 2019 AR report that purportedly were entered into before December 31, 2018.

59. Fourth, Crowe U.K. and the Engagement Partner accepted without sufficient explanation or challenge, the aggregators' June 6, 2019 confirmations directly from management, the same day the Engagement Partner requested the new confirmations. The Engagement Partner received the confirmations without any direct contact with the aggregators, and he conducted no alternative procedures to obtain sufficient evidence of the

authenticity of the confirmations.

AS 1201: Supervision of the Audit Engagement

60. AS 1201.03 states that the engagement partner is responsible for proper supervision of the work of engagement team members and for compliance with PCAOB standards.

61. AS 1201.05 requires that the engagement partner review the work of engagement team members to evaluate whether the work was performed and documented, the objectives of the procedures were achieved, and the results of the work support the conclusions reached.

62. AS 1201.06 requires that the engagement partner consider the nature of the assigned work for each engagement team member, the risks of material misstatement, and the knowledge, skill, and ability of each engagement team member.

63. Crowe U.K. and the Engagement Partner violated AS 1201. The Engagement Partner did not appropriately supervise the audit. The Engagement Partner did not staff auditors to the engagement team that had the requisite training to conduct a PCAOB audit. Nor did he evaluate whether they complied with PCAOB auditing standards.

AS 1215: Audit Documentation

64. AS 1215.04 requires an auditor to prepare audit documentation in sufficient detail to provide a clear understanding of its purpose, source, and the conclusions reached.

65. AS 1215.05 requires that audit documentation support the representations in the audit report.

66. AS 1215.06 requires that the auditor document the procedures performed, evidence obtained, and conclusions reached with respect to relevant financial statement assertions.

67. Crowe U.K. and the Engagement Partner violated AS 1215. First, Crowe U.K.'s audit documentation did not show that the engagement sufficiently complied with the applicable PCAOB standards.

68. Second, Crowe U.K.'s work papers did not provide a clear understanding of its purpose, source, and the conclusions reached. The work papers were so disorganized and confusing that, before the issuance of the Audit Report, the Engagement Partner added another section into the work papers that reflected his independent analysis, where he tried to make sense of the other audit documents. But the Engagement Partner's work papers only purported to tie together underlying audit documentation that did not actually support

the conclusions of the audit. Consequently, the Engagement Partner was unsuccessful at curing the deficiencies in the audit documentation. Considering that the Engagement Partner had trouble reviewing the work papers, an experienced auditor with no connection to the Old Akazoo engagement would not understand Crowe U.K.'s work papers.

69. Third, Crowe U.K.'s audit documentation did not clearly demonstrate that significant work was actually performed.

AS 1220: EQR

70. AS 1220.05 requires an engagement quality reviewer to possess the level of knowledge and competence related to accounting, auditing, and financial reporting required to serve as the engagement partner on the engagement under review.

71. AS 1220.06 requires an EQR be independent of the company, perform the engagement quality review with integrity, and maintain objectivity in performing the review.

72. AS 1220.10 requires an engagement quality reviewer to evaluate the engagement team's assessment of, and responses to significant risks, such as fraud risks, and other significant risks identified by the engagement quality reviewer. Also, the engagement quality reviewer should evaluate the team's determination, communication, and documentation of critical audit matters.

73. AS 1220.11 requires that the engagement quality reviewer should evaluate whether the engagement documentation he or she reviews supports the conclusions reached by the engagement team.

74. Crowe U.K. and the Engagement Quality Reviewer violated PCAOB auditing standards when conducting the EQR of Akazoo's 2018 Audit. First, Engagement Quality Reviewer had never conducted an audit or an EQR under PCAOB auditing standards. Second, the Engagement Quality Reviewer did not comply with the requisite standard because he deviated from his standard practice of independently accessing the audit work file because of the pressure he felt from the engagement team to conduct the EQR quickly. Third, the Engagement Quality Reviewer relied only on the handful of work papers the engagement team emailed him and their answers to questions he posed in email communications. Consequently, the Engagement Quality Reviewer was unable to evaluate the engagement team's determination, communication, and documentation of critical audit matters because he did not have unfettered access to Old Akazoo's audit file. Fourth, two of the audit work papers that the Engagement Quality Reviewer reviewed contradicted Crowe U.K.'s conclusions about Old Akazoo's revenue. The Engagement Quality Reviewer, thus did not sufficiently evaluate the engagement team's assessment of and audit

responses to the significant risk that Old Akazoo's misstated its revenue.

AS 2301: The Auditor's Responses to the Risks of Material Misstatement and AS 2401: Consideration of Fraud in a Financial Statement Audit

75. AS 2301.11A requires auditors to respond to risks associated with significant unusual transactions and references to the requirements in AS 2401.66-67A to perform procedures to respond to fraud risks posed by the significant unusual transactions in the risk assessment process.

76. AS 2401.66 recognizes that evaluating whether the business purpose for significant unusual transactions indicates that the transactions may have been entered into to engage in fraud.

77. AS 2401.66A requires that the auditor design and perform procedures to obtain an understanding of the business purpose (or lack thereof) of each significant unusual transaction that the auditor has identified.

78. AS 2401.67 requires that the auditor evaluate whether the business purpose (or the lack thereof) indicates that the significant unusual transaction may have been entered into to engage in fraudulent financial reporting or conceal misappropriation of assets. In making that evaluation, the auditor should, among others, evaluate whether:

- The form of the transaction is overly complex (e.g., the transaction involves multiple entities within a consolidated group or unrelated third parties); and
- The transaction enables the company to achieve certain financial targets.

79. Crowe U.K. and the Engagement Partner violated AS 2301 and AS 2401. As noted above, the engagement team did not perform procedures to respond to the fraud risk caused by the tripartite agreements, which were significant and unusual transactions. No one from the engagement team tried to verify the commercial purpose of the transactions or directly contact the other parties to the agreements. Nor was there any explanation for the tripartite agreements in the work papers. Last, the engagement team never evaluated whether the tripartite agreements represented a fraud risk even though Old Akazoo used the agreements to justify why the aggregators never made cash payments to Old Akazoo in 2018.

AS 2310: The Confirmation Process

80. AS 2310.26 requires an auditor to direct the confirmation request to a third party who the auditor believes is knowledgeable about the information to be confirmed.

81. AS 2310.27 requires an auditor to exercise a heightened degree of professional skepticism, such as, for significant unusual year-end transactions that have a

material effect on the financial statements.

82. AS 2310.28 requires an auditor maintain control over the confirmation requests and responses. Maintaining control means establishing direct communication between the intended recipient and the auditor to minimize the possibility that the results will be biased because of interception and alteration of the confirmation requests or responses.

83. AS 2310.29 recognizes that there may be situations in which a third-party responds to a confirmation request other than in a written communication mailed to the auditor. In those instances, additional evidence may be required to support the confirmations validity.

84. AS 2310.33 requires the auditor, after performing any alternative procedures, to evaluate the combined evidence provided by the confirmations and the alternative procedures, to determine whether sufficient evidence has been obtained about all the applicable financial statement assertions. In performing that evaluation, the auditor should consider (a) the reliability of the confirmations and alternative procedures; (b) the nature of any exceptions, including the implications, both quantitative and qualitative, of those exceptions; (c) the evidence provided by other procedures; and (d) whether additional evidence is needed. If the combined evidence provided by the confirmations, alternative procedures, and other procedures is not sufficient, the auditor should request additional confirmations or extend other tests, such as tests of details or analytical procedures.

85. Crowe U.K. and the Engagement Partner performed deficient audit procedures related to confirmations. First, the engagement team did not direct the confirmations to the aggregators. Rather, they allowed Old Akazoo to direct and control the confirmation process, which included Old Akazoo selecting the person at the aggregator to sign the confirmation letter. Second, the engagement team did not exercise a heightened degree of professional skepticism when presented with the June 6, 2019, confirmation letters that they received indirectly from Old Akazoo. Even though the aggregators confirmed significant unusual transactions that Old Akazoo claimed to have entered into with the aggregators by December 31, 2018, but failed to record in Old Akazoo's records until May 2019. Third, notwithstanding red flags, the engagement team did not undertake appropriate and sufficient procedures regarding the validity of the confirmations process with the aggregators. Fourth, the engagement team did not analyze whether sufficient evidence was obtained about all the applicable financial statement assertions, namely, the amount of Old Akazoo's revenue.

VIOLATIONS

86. Rule 2-02(b)(1) of Regulation S-X requires an accountant's report to state whether the audit was performed in accordance with applicable auditing standards. 17 CFR 210.2-02(b)(1). Crowe U.K. violated Rule 2-02(b)(1) of Regulation S-X and the

Engagement Partner and the Engagement Quality Reviewer caused Crowe U.K.'s violation of the same when Crowe U.K. issued the Audit Report attesting that it had conducted Old Akazoo's 2018 Audit in accordance with PCAOB standards when it had not.

87. Section 13(a) of the Exchange Act and Rule 13a-19 requires every foreign private issuer that was a shell company to file a report on Form 20-F. Crowe U.K., the Engagement Partner, and the Engagement Quality Reviewer caused Akazoo to violate Section 13(a) of the Exchange Act and Rule 13a-9 thereunder by allowing the incorporation of Crowe U.K.'s Audit Report in Akazoo's Form 20-F.

88. Section 14(a) of the Exchange Act and Rule 14a-9 thereunder prohibit any person from soliciting or permitting the use of their name to solicit any proxy or consent or authorization in respect to any registered security at the time and in the light of the circumstances under which it was made, was false or misleading with respect to a material fact, or which omitted to state a material fact necessary in order to make the statements therein not false or misleading or necessary to correct any statement in any earlier communication with respect to the solicitation of a proxy for the same meeting or subject matter which has become false or misleading while using the mail or any means or instrumentality of interstate commerce. Crowe U.K. violated Section 14(a) of the Exchange Act and Rule 14a-9 thereunder and the Engagement Partner and the Engagement Quality Reviewer caused Crowe U.K.'s violations of the same by permitting the inclusion of Crowe U.K.'s Audit Report in the August 14, 2019 Filing.

89. Section 4C(a)(2) of the Exchange Act and Rule 102(e)(1)(ii) of the Commission's Rules of Practice provide, in part, that the Commission may censure a person or deny, temporarily or permanently, the privilege of appearing or practicing before the Commission to any person who is found by the Commission to have engaged in improper professional conduct. With respect to persons licensed to practice as accountants, "improper professional conduct" includes either of the following two types of negligent conduct: (i) a single instance of highly unreasonable conduct that results in a violation of applicable professional standards in circumstances in which an accountant knows, or should know, that heightened scrutiny is warranted; or (ii) repeated instances of unreasonable conduct, each resulting in violations of applicable professional standards, that indicate a lack of competence to practice before the Commission. *See* Rule 102(e)(1)(iv)(B)(1) and (2). By violating PCAOB standards in connection with the 2018 Audit of Old Akazoo, as described above, Crowe U.K., the Engagement Partner, and the Engagement Quality Reviewer engaged in improper professional conduct as defined in Rule 102(e)(1)(iv).

FINDINGS

90. Based on the foregoing, the Commission finds that Crowe U.K. violated Rule 2-02(b)(1) of Regulation S-X.

91. Based on the foregoing, the Commission finds that the Engagement Partner

and the Engagement Quality Reviewer caused Crowe U.K. to violate Rule 2-02(b)(1) of Regulation S-X.

92. Based on the foregoing, the Commission finds that Crowe U.K., the Engagement Partner, and the Engagement Quality Reviewer caused Akazoo to violate Section 13(a) of the Exchange Act and Rule 13a-19 promulgated thereunder.

93. Based on the foregoing, the Commission finds that Crowe U.K. violated Section 14(a) of the Exchange Act and Rule 14a-9 promulgated thereunder.

94. Based on the foregoing, the Commission finds that the Engagement Partner and the Engagement Quality Reviewer caused Crowe U.K. to violate Section 14(a) of the Exchange Act and Rule 14a-9 promulgated thereunder.

95. Based on the foregoing, the Commission finds that Crowe U.K., the Engagement Partner, and, the Engagement Quality Reviewer 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.

DISGORGEMENT AND CIVIL PENALTIES

96. The disgorgement ordered in Section IV.D. is consistent with equitable principles and does not exceed Crowe U.K.'s net profits from its violations. Crowe U.K.'s \$187,740 in disgorgement and \$28,104 in prejudgment interest are deemed satisfied by Crowe U.K.'s payment of \$11,500,000 to Akazoo's defrauded investors.

UNDERTAKINGS

97. Crowe U.K. has resigned from all audit engagements for issuer clients and has withdrawn its PCAOB registration.

Acceptance of New Clients

98. Crowe U.K. undertakes not to accept an audit engagement from any new client who is: (1) an issuer as that term is defined in Section 2(a)(7) of the Sarbanes-Oxley Act of 2002; (2) registered with the Commission; (3) seeking an audit for the purpose of registering securities with the Commission from the date of entry of this order; or (4) permitting the inclusions of its audit report in any SEC filing.

99. If Crowe U.K. wishes to accept any audit engagement from any new client described in paragraph 98, Crowe U.K. undertakes that, before it accepts such engagements, it will: (1) certify that it is registered with the PCAOB in accordance with the Sarbanes-Oxley Act of 2002, and such registration continues to be effective; (2) comply with the undertakings discussed in paragraphs 100 through 113 below; and (3) provide the Division of Enforcement with written certification of such compliance by an independent consultant,

as set forth in paragraph 110 below.

Independent Consultant

100. If Crowe U.K. wishes to accept any audit engagement from any new client described in paragraph 98, it shall retain the services of an independent consultant (“Independent Consultant”) not unacceptable to the Division of Enforcement of the Commission (“Division of Enforcement”), to review and evaluate Crowe U.K.’s policies and procedures regarding: (1) demonstrating training and proficiency, (2) exercising due professional care in the performance of work, (3) obtaining sufficient appropriate audit evidence, (4) maintaining sufficient audit documentation, (5) supervising the audit engagement, (6) conducting proper EQRs, (7) confirmation procedures, (8) conducting appropriate procedures to obtain reasonable assurance that the financial statements are free of material misstatements caused by fraud, and (9) adhering to the quality control standards. The Independent Consultant will also review and evaluate whether Crowe U.K. has adopted policies and procedures to provide the firm with reasonable assurance that its auditors are complying with professional standards and monitoring compliance with the firm’s policies and procedures.

101. Crowe U.K. shall provide to the Commission staff a copy of the engagement letter detailing the scope of the Independent Consultant’s responsibilities. The Independent Consultant’s compensation and expenses shall be borne exclusively by Crowe U.K.

102. Crowe U.K. shall cooperate fully with the Independent Consultant and shall provide reasonable access to firm personnel, information, and records as the Independent Consultant may reasonably request for the Independent Consultant’s review and evaluation described herein and the reports specified in paragraphs 106 and 109 below.

103. To ensure the independence of the Independent Consultant, Crowe U.K.: (1) shall not have the authority to terminate the Independent Consultant or substitute another independent compliance consultant for the initial Independent Consultant, without the prior written approval of the Commission staff; and (2) shall compensate the Independent Consultant and persons engaged to assist the Independent Consultant for services rendered pursuant to this Order at their reasonable and customary rates.

104. Crowe U.K. shall require the Independent Consultant to enter into an agreement that provides that for the period of engagement and for a period of two years from completion of the engagement, the Independent Consultant shall not enter into any employment, consultant, attorney-client, auditing or other professional relationship with Crowe U.K. or Crowe Global or any of their present or former affiliates, directors, officers, employees, or agents acting in their capacity. The agreement will also provide that the Independent Consultant will require that any firm with which he/she is affiliated or of which he/she is a member, and any person engaged to assist the Independent Consultant in performance of his/her duties under this Order shall not, without prior written consent of the

Division of Enforcement's Fort Worth Regional Office, enter into any employment, consultant, attorney-client, auditing, or other professional relationship with Crowe U.K. or Crowe Global or any of its present or former affiliates, directors, officers, employees, or agents acting in their capacity as such for the period of the engagement and for a period of two years after the engagement.

105. The reports by the Independent Consultant will likely include confidential financial, proprietary, competitive business or commercial information. Public disclosure of the reports could discourage cooperation, impede pending or potential government investigations or undermine the objectives of the reporting requirement. For these reasons, among others, the reports and the contents thereof are intended to remain and shall remain non-public, except (1) pursuant to court order, (2) as agreed to by the parties in writing, (3) to the extent that the Commission determines in its sole discretion that disclosure would be in furtherance of the Commission's discharge of its duties and responsibilities, or (4) is otherwise required by law.

Independent Consultant Reports and Certifications

106. Within five months of the Independent Consultant being retained, Crowe U.K. shall require the Independent Consultant to issue a detailed written report ("Report") to Crowe U.K.: (1) describing the Independent Consultant's review and evaluation of the areas identified in paragraph 100 above; and (2) making recommendations, where appropriate, reasonably designed to ensure that audits conducted by Crowe U.K. comply with Commission regulations and with PCAOB standards and rules. Crowe U.K. shall require the Independent Consultant to provide a copy of the Report to the Commission staff when the Report is issued.

107. Crowe U.K. shall adopt, implement, and thereafter maintain all recommendations made by the Independent Consultant in the Report; provided, however, that within thirty days of issuance of the Report, Crowe U.K. may advise the Independent Consultant and the Division of Enforcement in writing of any recommendation that it considers to be unnecessary, unduly burdensome, or impractical. With respect to any such recommendation, Crowe U.K. need not adopt that recommendation at that time but shall propose in writing to the Independent Consultant and the Division of Enforcement an alternative policy, procedure, or system designed to achieve the same objective or purpose. As to any of the Independent Consultant's recommendations about which Crowe U.K. and the Independent Consultant do not agree, Crowe U.K. shall attempt in good faith to reach agreement with the Independent Consultant within sixty days of the date of the Report. In the event that Crowe U.K. and the Independent Consultant are unable to agree on an alternative proposal, Crowe U.K. shall abide by the determinations of the Independent Consultant and adopt those recommendations deemed appropriate by the Independent Consultant.

108. Within sixty days of issuance of the Report, but not sooner than thirty days

after a copy of the Report is provided to the Commission staff, Crowe U.K. shall certify to the Commission staff in writing that it has adopted and has implemented or will implement all recommendations of the Independent Consultant (“Interim Certification of Compliance”). Crowe U.K. shall provide a copy of the Interim Certification of Compliance to the Commission staff.

109. Within six months of the issuance of the Report, Crowe U.K. shall require the Independent Consultant to: (1) test whether Crowe U.K. has implemented and enforced its policies and procedures concerning the areas specified in paragraph 100 above; (2) assess the effectiveness of those policies and procedures; and (3) test whether Crowe U.K.’s staff has completed the training specified in paragraph 111 below. Crowe U.K. shall require the Independent Consultant to issue a written final report summarizing the results of the Independent Consultant’s test and assessment (“Final Report”) and to provide a copy of the Final Report to the Commission Staff.

110. Upon issuance of the Final Report, if the Independent Consultant determines that the undertakings discussed herein have been completed to the satisfaction of the Independent Consultant, Crowe U.K. shall require the Independent Consultant to certify in writing that the undertakings have been completed (“Independent Consultant Certification”) and provide a copy of this certification to the Commission staff. Crowe U.K.’s undertaking to not accept any new clients described in paragraph 98 above shall continue until the Independent Consultant has issued the Independent Consultant Certification.

Training

111. If Crowe U.K. wishes to accept any audit engagement from any new client described in paragraph 98, Crowe U.K. shall require each audit and attest professional who will participate in such engagement to complete successfully: (a) a minimum of 24 hours of PCAOB audit-related training; and (b) a minimum of 8 hours of fraud-detection training. The audit-related training requirement will cover the topics specified in paragraph 100 above, with no less than four hours being devoted to confirmation procedures. The audit-related training requirement may be fulfilled by completing course(s) conducted in accordance with the applicable governing professional boards or agencies. The fraud-detection training requirement will include training in techniques in detecting and responding to possible fraud in the course of public company audits by audit clients or by employees, officers, or directors of audit clients.

Crowe U.K. Certification

112. Within sixty days from the date of completion of the undertakings, Crowe U.K. shall certify, in writing, compliance with the undertakings set forth above (“Final Certification of Compliance”). The Final Certification of Compliance shall identify the undertakings, provide written evidence of compliance in the form of a narrative, and be supported by exhibits sufficient to demonstrate compliance. The Commission staff may

make reasonable requests for further evidence of compliance, and Crowe U.K. agrees to provide such evidence.

113. The engagement letter, Report, Interim Certification of Compliance, Final Report, Independent Consultant Certification, Final Certification of Compliance, and any related correspondence or other documents shall be submitted to Samantha Martin, Division of Enforcement, Securities and Exchange Commission, 801 Cherry Street., Ste. 1900, Fort Worth, TX 76102, with a copy to the Office of Chief Counsel of the Division of Enforcement.

114. For good cause shown, the Commission staff may extend any of the procedural dates relating to the undertakings. Deadlines for procedural dates shall be counted in calendar days, except that if the last day falls on a weekend or federal holiday, the next business day shall be considered to be the last day.

IV.

In view of the foregoing, the Commission deems it appropriate to impose the sanctions agreed to in the Respondents' Offers.

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

A. Respondents shall cease and desist from committing or causing any violations and any future violations of Sections 13(a), and 14(a) of the Exchange Act and Rules 14a-9 and 13a-19, promulgated thereunder, and Rule 2-02(b)(1) of Regulation S-X.

B. Crowe U.K. is censured.

C. Crowe U.K. shall comply with the undertakings enumerated in paragraphs 98 to 113 of Section III above.

D. Crowe U.K. shall pay \$187,740 in disgorgement plus prejudgment interest of \$28,104, and payment is deemed satisfied by Crowe U.K.'s payment of \$11,500,000 to Akazoo's defrauded investors pursuant to settlements approved in private litigation.

E. The Engagement Partner and the Engagement Quality Reviewer are hereby denied the privilege of appearing or practicing before the Commission as an accountant.

F. After five years from the date of the Order, the Engagement Partner may request that the Commission consider his reinstatement by submitting an application to the attention of the Office of the Chief Accountant.

G. After two years from the date of the Order, the Engagement Quality Reviewer may request that the Commission consider his reinstatement by submitting an application to the attention of the Office of the Chief Accountant.

H. In support of any application for reinstatement to appear and practice before the Commission as a preparer or reviewer, or a person responsible for the preparation or review, of financial statements of a public company to be filed with the Commission, other than as a member of an audit committee, as that term is defined in Section 3(a)(58) of the Exchange Act, the Engagement Partner and/or the Engagement Quality Reviewer shall submit a written statement attesting to an undertaking to have work by the Engagement Partner and/or the Engagement Quality Reviewer reviewed by the independent audit committee of any public company for which the Engagement Partner and/or the Engagement Quality Reviewer work or in some other manner acceptable to the Commission, as long as the Engagement Partner and the Engagement Quality Reviewer practice before the Commission in this capacity and will comply with any Commission or other requirements related to the appearance and practice before the Commission as an accountant.

I. In support of any application for reinstatement to appear and practice before the Commission as a member of an audit committee, as that term is defined in Section 3(a)(58) of the Exchange Act, as a preparer or reviewer, or as a person responsible for the preparation or review, of any public company's financial statements that are filed with the Commission, the Engagement Partner and/or the Engagement Quality Reviewer shall submit a statement prepared by the audit committee(s) with which the Engagement Partner and/or the Engagement Quality Reviewer will be associated, including the following information:

1. A summary of the responsibilities and duties of the specific audit committee(s) with which the Engagement Partner and/or the Engagement Quality Reviewer will be associated;
2. A description of the Engagement Partner's and/or the Engagement Quality Reviewer's role on the specific audit committee(s) with which the Engagement Partner and/or the Engagement Quality Reviewer will be associated;
3. A description of any policies, procedures, or controls designed to mitigate any potential risk to the Commission by such service;
4. A description relating to the necessity of the Engagement Partner's and/or the Engagement Quality Reviewer's service on the specific audit committee; and
5. A statement noting whether the Engagement Partner and/or the Engagement Quality Reviewer will be able to act unilaterally on behalf of the Audit Committee as a whole.

J. In support of any application for reinstatement to appear and practice before the Commission as an independent accountant (auditor) before the Commission, the Engagement Partner and/or the Engagement Quality Reviewer must be associated with a public accounting firm registered with the PCAOB, and the Engagement Partner and/or the Engagement Quality Reviewer shall submit the following additional information:

1. A statement from the public accounting firm (the “Firm”) with which the Engagement Partner and/or the Engagement Quality Reviewer are associated, stating that the firm is registered with the PCAOB in accordance with the Sarbanes-Oxley Act of 2002;
2. A statement from the Firm with which the Engagement Partner and/or the Engagement Quality Reviewer are associated that the Firm has been inspected by the PCAOB and that the PCAOB did not identify any criticisms of or potential defects in the Firm’s quality control system that would indicate that the Engagement Partner and/or the Engagement Quality Reviewer will not receive appropriate supervision; and
3. A statement from the Engagement Partner and/or the Engagement Quality Reviewer indicating that the PCAOB has taken no disciplinary actions against the Engagement Partner and/or the Engagement Quality Reviewer since seven (7) years prior to the date of the Order other than for the conduct that was the basis for the Order.

K. In support of any application for reinstatement, the Engagement Partner and/or the Engagement Quality Reviewer shall provide documentation showing that the Engagement Partner and/or the Engagement Quality Reviewer are currently licensed as certified public accountants (“CPA”), or Associate Chartered Accountants (“ACA”), or Fellow Chartered Accountants (“FCA”) and that the Engagement Partner and/or the Engagement Quality Reviewer have resolved all other disciplinary issues with any applicable state boards of accountancy. If the Engagement Partner and/or the Engagement Quality Reviewer are not currently licensed as CPAs, ACAs, or FCAs, the Engagement Partner and/or the Engagement Quality Reviewer shall provide documentation showing that their licensure is dependent upon reinstatement by the Commission.

L. In support of any application for reinstatement, the Engagement Partner and/or the Engagement Quality Reviewer shall also submit a signed affidavit truthfully stating, under penalty of perjury:

1. That the Engagement Partner and/or the Engagement Quality Reviewer have complied with the Commission suspension Order, and with any related orders and undertakings, or any related Commission proceedings, including any orders requiring payment of disgorgement or penalties;

2. That the Engagement Partner and/or the Engagement Quality Reviewer undertake to notify the Commission immediately in writing if any information submitted in support of the application for reinstatement becomes materially false or misleading or otherwise changes in any material way while the application is pending;
3. That the Engagement Partner and/or the Engagement Quality Reviewer, since the entry of the Order, have not been convicted of a felony or a misdemeanor involving moral turpitude that would constitute a basis for a forthwith suspension from appearing or practicing before the Commission pursuant to Rule 102(e)(2);
4. That the Engagement Partner and/or the Engagement Quality Reviewer, since the entry of the Order:
 - a. have not been charged with a felony or a misdemeanor involving moral turpitude as set forth in Rule 102(e)(2) of the Commission's Rules of Practice, except for any charge concerning the conduct that was the basis for the Order;
 - b. have not been found by the Commission or a court of the United States to have committed a violation of the federal securities laws, and have not been enjoined from violating the federal securities laws, except for any finding or injunction concerning the conduct that was the basis for the Order;
 - c. have not been charged by the Commission or the United States with a violation of the federal securities laws, except for any charge concerning the conduct that was the basis for the Order;
 - d. have not been found by a court of the United States (or any agency of the United States) or any state, territory, district, commonwealth, or possession, or any bar thereof to have committed an offense (civil or criminal) involving moral turpitude, except for any finding concerning the conduct that was the basis for the Order; and
 - e. have not been charged by the United States (or any agency of the United States) or any state, territory, district, commonwealth, or possession, civilly or criminally, with having committed an act of moral turpitude, except for any charge concerning the conduct that was the basis for the Order.

5. That the Engagement Partner's and/or the Engagement Quality Reviewer's conduct is not at issue in any pending investigation of the Commission's Division of Enforcement, the PCAOB's Division of Enforcement and Investigations, any criminal law enforcement investigation, or any pending proceeding of a State Board of Accountancy, except to the extent that such conduct concerns that which was the basis for the Order; and
6. That the Engagement Partner and/or the Engagement Quality Reviewer have complied with any and all orders, undertakings, or other remedial, disciplinary, or punitive sanctions resulting from any action taken by any State Board of Accountancy, or other regulatory body.

M. The Engagement Partner and/or the Engagement Quality Reviewer shall also provide a detailed description of:

1. The Engagement Partner's and/or the Engagement Quality Reviewer's professional history since the imposition of the Order, including
 - a. all job titles, responsibilities and role at any employer;
 - b. the identification and description of any work performed for entities regulated by the Commission, and the persons to whom the Engagement Partner and/or the Engagement Quality Reviewer reported for such work; and
2. The Engagement Partner's and/or the Engagement Quality Reviewer's plans for any future appearance or practice before the Commission.

N. The Commission may conduct its own investigation to determine if the foregoing attestations are accurate.

O. If the Engagement Partner and/or the Engagement Quality Reviewer provide the documentation and attestations required in this Order and the Commission (1) discovers no contrary information therein, and (2) determines that the Engagement Partner and/or the Engagement Quality Reviewer truthfully and accurately attested to each of the items required in the Engagement Partner's and/or the Engagement Quality Reviewer's affidavit, and the Commission discovers no information, including under Paragraph N, indicating that the Engagement Partner and/or the Engagement Quality Reviewer have violated a federal securities law, rule or regulation or rule of professional conduct applicable to the Engagement Partner and/or the Engagement Quality Reviewer since entry of the Order (other than by conduct underlying the Engagement Partner's and/or the Engagement Quality Reviewer's original Rule 102(e) suspension), then, unless the Commission determines that reinstatement would not be in the public

interest, the Commission shall reinstate the Engagement Partner and/or the Engagement Quality Reviewer for cause shown.

P. If the Engagement Partner and/or the Engagement Quality Reviewer are not able to provide the documentation and truthful and accurate attestations required in this Order or if the Commission has discovered contrary information, including under Paragraph N, the burden shall be on the Engagement Partner and/or the Engagement Quality Reviewer to provide an explanation as to the facts and circumstances pertaining to the matter setting forth why the Engagement Partner and/or the Engagement Quality Reviewer believe cause for reinstatement nonetheless exists and reinstatement would not be contrary to the public interest. The Commission may then, in its discretion, reinstate the Engagement Partner and/or the Engagement Quality Reviewer for cause shown.

Q. If the Commission declines to reinstate the Engagement Partner and/or the Engagement Quality Reviewer pursuant to Paragraphs K and L, it may, at the Engagement Partner's and/or the Engagement Quality Reviewer's request, hold a hearing to determine whether cause has been shown to permit the Engagement Partner and/or the Engagement Quality Reviewer to resume appearing and practicing before the Commission as an accountant.

R. Crowe U.K. shall, within 10 days of the entry of this Order, pay a civil money penalty in the amount of \$750,000 to the Securities and Exchange Commission for transfer to the general fund of the United States Treasury, subject to Exchange Act Section 21F(g)(3). If timely payment is not made, additional interest shall accrue pursuant to 31 U.S.C. § 3717.

S. The Engagement Partner shall, within 10 days of the entry of this Order, pay a civil money penalty in the amount of \$25,000 to the Securities and Exchange Commission for transfer to the general fund of the United States Treasury, subject to Exchange Act Section 21F(g)(3). If timely payment is not made, additional interest shall accrue pursuant to 31 U.S.C. § 3717.

T. The Engagement Quality Reviewer shall, within 10 days of the entry of this Order, pay a civil money penalty in the amount of \$10,000 to the Securities and Exchange Commission for transfer to the general fund of the United States Treasury, subject to Exchange Act Section 21F(g)(3). If timely payment is not made, additional interest shall accrue pursuant to 31 U.S.C. § 3717.

Payment must be made in one of the following ways:

- (1) Respondents may transmit payment electronically to the Commission, which will provide detailed ACH transfer/Fedwire instructions upon request;
- (2) Respondents may make direct payment from a bank account via Pay.gov through the SEC website at <http://www.sec.gov/about/offices/ofm.htm>; or

- (3) Respondents may pay by certified check, bank cashier's check, or United States postal money order, made payable to the Securities and Exchange Commission and hand-delivered or mailed to:

Enterprise Services Center
Accounts Receivable Branch
HQ Bldg., Room 181, AMZ-341
6500 South MacArthur Boulevard
Oklahoma City, OK 73169

Payments by check or money order must be accompanied by a cover letter identifying Crowe U.K. LLP, Nigel Bostock, or Matthew Stallabrass as a Respondent in these proceedings, and the file number of these proceedings; a copy of the cover letter and check or money order must be sent to Eric Werner, Associate Regional Director, Division of Enforcement, Securities and Exchange Commission, 801 Cherry Street, Ste. 1900, Fort Worth, TX 76102.

U. Amounts ordered to be paid as civil money penalties pursuant to this Order shall be treated as penalties paid to the government for all purposes, including all tax purposes. To preserve the deterrent effect of the civil penalty, Respondents agree that in any Related Investor Action, it shall not argue that it is entitled to, nor shall it benefit by, offset or reduction of any award of compensatory damages by the amount of any part of Respondent's payment of a civil penalty in this action ("Penalty Offset"). If the court in any Related Investor Action grants such a Penalty Offset, Respondent agrees that it shall, within 30 days after entry of a final order granting the Penalty Offset, notify the Commission's counsel in this action and pay the amount of the Penalty Offset to the Securities and Exchange Commission. Such a payment shall not be deemed an additional civil penalty and shall not be deemed to change the amount of the civil penalty imposed in this proceeding. For purposes of this paragraph, a "Related Investor Action" means a private damages action brought against Respondent by or on behalf of one or more investors based on substantially the same facts as alleged in the Order instituted by the Commission in this proceeding.

V.

It is further Ordered that, solely for purposes of exceptions to discharge set forth in Section 523 of the Bankruptcy Code, 11 U.S.C. §523, the findings in this Order are true and admitted by the Engagement Partner and the Engagement Quality Reviewer, and further, any debt for disgorgement, prejudgment interest, civil penalty or other amounts due by the Engagement Partner and the Engagement Quality Reviewer under this Order or any other judgment, order, consent order, decree or settlement agreement entered in connection with this proceeding, is a debt for the violation by Engagement Partner and the Engagement Quality Reviewer of the federal securities laws or any regulation or order issued under such laws, as set forth in Section 523(a)(19) of the Bankruptcy Code, 11 U.S.C. §523(a)(19).

By the Commission.

Vanessa A. Countryman
Secretary