UNITED STATES OF AMERICA
BEFORE THE
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 205-49

In the Matter of		
Anton & Chia, LLP	:	
Gregory A. Wahl, CPA	:	Administrative Proceeding
Michael Deutchman, CPA	:	File No. 3-18292
Georgia Chung, CPA and	:	
Tommy Shek, CPA	:	

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Petition of Gregory A. Wahl, CPA inactive, Michael Deutchman and Georgia Chung, CPA inactive ("Respondents") For Review of Initial Decision

Pursuant to U.S. Securities and Exchange Commission ("SEC" or "Commission") Rule of Practice 410, Respondents Gregory A. Wahl, CPA inactive CA, NY ("Wahl"); Michael Deutchman ("Deutchman") and Georgia Chung, CPA inactive CA ("Chung") hereby petitions the Commission for review of the Initial Decision (the "Initial Decision")[1] rendered by Administrative Law Judge ("ALJ") Jason S. Patil in this matter on February 8, 2021.

INTRODUCTION:

The Initial Decision is not supported by an expert in US GAAP and GAAS as "Devor's opinions are generally helpful but those about specific violations will not be considered. "I have not relied, however, on Devor's opinions about specific violations of GAAP or PCAOB standards." "And I have not relied on Devor's testimony to resolve legal questions." But the Initial Decision gives weight to Devor's report which Respondents determined that is a fraudulent document based on the findings in its July 8, 2020 motion which the Division never posted on its website. The Respondents Motion demonstrates that Devor changed US GAAP and GAAS over 100 times at a minimum and other false statements throughout his Report[2].

The Initial Decision has no merit because the Division does not have a "reasonable accountant" that can assess the decisions determined by Wahl, Chung and Deutchman. The Initial Decision is based on not one person that has audited a public company as an engagement partner or has the same or higher expertise than Respondents.

"Scienter is thus established when an auditor acts with an "egregious refusal to see the obvious, or investigate the doubtful, or that the accounting judgments which were made were such that no reasonable accountant would have made the same decisions if confronted with the same facts." N.M. State Inv. Counsel v. Ernst & Young LLP 641 F. 2d 111, 120-21 (2d Cir. 1982).

Analysis of Scienter by the Initial Decision is overstated since there is no expert in US GAAP or GAAS and is comparable to a Hockey Player judging the expertise, skill and craft of a gymnast.

Initial Decision provides further evidence that the case brought by the Division was nothing more than a hit job. It confirms that the Division provided "no evidence of investor harm" confirming Respondents opening statement in their July 14, 2020 Briefs that "*the disturbing reality from the Enforcement-Division while being-so-clearly-aware that there never any facts in evidence, not one shred of proof of even a single penny of loss to any investor, zero risk of any future-investor- losses and without having presented even-one-single-connection between any rule-of-law or any specific-accounting-standard relied on by the Corrupt-Government-Officials presented from the day the Order Instituting Proceedings ("OIP") and the Press Release was released as a "Hit-Job" using the word Fraud over and over thereby immediately destroying the Honest-Hardworking-Americans and their small business along with 100+ great jobs and many-millions-of-dollars of commerce, denying Honest-Hardworking-Americans Due Process in their case and a right to pursue their Great American Dream guaranteed by the U.S. Constitution*."

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[1] Cited herein as "ID at_," References to Respondents Proposed Findings of Fact & Conclusions of Law (July 13, 2020) are cited here as "PFF#_."

[2] Exhibit 88 and See Respondent's Motion Filed July 8, 2020.

The Initial Decision dismisses Respondents efforts by evaluating the conduct of Wahl, Deutchman, and Chung against an incorrect and impermissibly "novel" interpretation of the accounting principles and audit standards that was unsupported by the record evidence. The Initial Decision exacerbates that error by (1) disregarding record evidence upon a misapplication of audit documentation standards, and (2) ignoring and failing to weigh critical record evidence submitted by Respondents, including testimony of other CPA witnesses on issues such as the applicable professional standards, without any reasoned explanation for doing so other than claiming that Respondent's argument was "post hoc", etc.

These errors were compounded by the Initial Decision's improper reliance on hindsight to second-guess the judgments made by Wahl, Dutchman, Chung and the engagement teams.

The Initial Decision further misapplies the standards embodied in Rule 102(e) to it truncated and myopic review of the record to impose an unnecessary and unwarranted sanctions that punishes Wahl, Deutchman, and Chung for exercising their professional judgment in a manner that was completely prudent and in compliance with appropriate professional standards.

The Initial Decision warrants review as it reflects arbitrary and capricious decision-making and denies Wahl, Deutchman and Chung the ability to practice their livelihood before the Commission based on erroneous legal and factual determinations made in a context where further Commission review is important.

First, the ruling against Wahl, Chung and Deutchman derives from a misapprehension, misunderstanding and misapplication of applicable accounting principles and auditing standards regarding fair value estimates, consolidation, valuation of a note receivable, goodwill assessment and business combinations specifically to purchase price allocations and the role of appraisals in the context of an accounting estimate with a range of reasonableness. The Initial Decision misconstrues and misapplies ASC 805, ASC 810, ASC 820, ASC 310 and ASC 350 and the Financial Accounting Standards Board ("FASB") Staff application of these standards. Initial Decision likewise misconstrues auditing standards pertinent to testing of the purchase price allocations, goodwill testing and consolidations.

The ruling then improperly applies these novel and incorrect standards to the conduct of Wahl, Deutchman and Chung.

The Initial Decision intentionally ignored A&C's quality control because it demonstrates that Wahl and Chung took matters seriously to create a culture of quality control standards that strived for excellence (training, third party advisory, audit methodology, research tools, etc.) and spending hundreds of thousands of dollars on quality control each year from 2013 and on. Both Anton & Chia's and Wahl's quality control advisors testified at trial and was completely ignored in the Initial Decision[3].

Not only does the Initial Decision ignore A&C's quality control it demonstrates their complete lack of understanding of the PCAOB Inspection process. The PCAOB provides comments at the end of their visit and the Firm has 30 days to respond to those comments. Since Wahl was the most experienced auditor at Anton & Chia he prepared all of the PCAOB's responses with this staff. Not only did Wahl prepare the responses he prepared training for the Firm based on the PCAOB's comments[4] which even Shane Garbutt, Richard Koch, Michael Deutchman and Tom Parry all

[3] ID at P.F.F. #80 to P.F.F. #92

[4] ID at P.F.F. #80 to P.F.F. #92.

testified to. As a result of the PCAOB inspection, Wahl had Garbutt shadow the engagement teams which Garbutt called to be "unprecedented" in his experience as a quality control advisor[5].

Instead the Initial Decision utilizes testimony of Tommy Shek that admitted he had no experience in business combinations or valuations (admitted he didn't understand anything of significance to the case) but Shek made false allegations that "turnover was high" which is not mathematically supported by any information or data. This was heavily disputed by Wahl and mathematically bench marked by industry standards demonstrating that the statements by La and Shek were their own distorted measures of their reality and not based on any fact or evidence[6].

These errors infected the Initial Decision's analysis and its assessment of Wahl, Chung and Deutchman's conduct and warrant reversal. Plus, they warrant the awarding of the damages that Respondents requested in the amount of $167,661,372, apparently the Division cant award this money under their existing rules but they could if were to go before Congress to obtain approval of the damage payments to Wahl, Chung and Deutchman.

Second, the Initial Decision is arbitrary, capricious and contrary to law because it fails to address material and pertinent evidence submitted by Wahl, Deutchman and Chung, demonstrating that their conduct was reasonable under the applicable auditing standards. Indeed, the Initial Decision erroneously invokes audit documentation standards as an evidentiary rule to reject undisputed evidence of work performed by the engagement teams. The failure to assess evidence, and the improper rejection of pertinent evidence, resulted in erroneous determinations that are unsupported by substantial evidence when measured against the record as a whole, as required by the Administrative Procedure Act and due process.

Third, the Initial Decision misapplies the standards of Rule 102(e). It fails to measure the conduct of Wahl, Chung and Deutchman against the actions of a reasonable engagement partner or second partner, for Chung and Deutchman. There is no one as part of the Division's team or the ALJ that has audited a public company. Most of the Division's witness were never engagement partners most of their key witnesses weren't even accountants and if they were they did not have the track record and experience that Wahl, Chung and Deutchman have and had.

Devor lied non -top on the stand, in his report, which even parlayed into the Divisions' briefs. Wahl identified over 100 intentional changes to US GAAP and GAAS by Devor himself to make a mockery out of the ALJ process, which the Division decided not to post Wahl's July 8, 2020 motion on its website. Clearly, the Initial Decision is tainted because the ALJ decided to rely on Devor's fraudulent and dishonest report.

As the Commission has explained, Rule 102(e) "does not permit judgment by hindsight, but rather compares the actions taken by an accountant at the time of the violation with actions a reasonable accountant should have taken if faced with the same situation." Amendment to Rule 102(e), Exhange Act Release No. 33-7593, 63 Fed. Reg. 57, 164, 57,168 (Oct 26, 1998) ("Rule 102(e) Release").

The Initial Decision makes claims that auditing public companies can be determined by "other means" this statement is patently false and is not consistent with the requirement of the Division's

[5] ID at P.F.F.#85.
[6] ID at PFF#80 to PFF#92.

rule under 102(e) that Wahl, Deutchman and Chung should be judged by their peers, equivalent or someone that has the same education, training and actual work experience or higher.

Nevertheless, the Initial Decision makes no effort to explain how Wahl, Deutchman, Chung's conduct can be deemed "highly unreasonable conduct" within the meaning of Rule 102(e). In addition, the Initial Decision conflates Rule 102(e)'s two standards for non-intentional conduct, concluding that Respondents are liable for a single instance of supposedly "highly unreasonable conduct' and "repeated" instances of "unreasonable" conduct based upon the very same conduct. This ruling renders the distinction between these two Rule 102(e) standards meaningless.

Finally, the Division lead with the a press release claiming that Respondents committed "fraud" and "fraudulent" acts citing those words six times and ensured it was spread to news organizations in the USA and Canada. In an attempt to cover up the material allegations between the Press Release and the OIP the Initial Decision claims Wahl "unintentionally" committed fraud and further states none of the acts were "intentional". Even more troubling is that the Division never even attempted to determine that there was investor losses. The Division put out this "hit job" of a Press Release and A&C was converted to Chapter 7 eight months after the fact. To come back with this "Initial Decision" is insulting to Wahl, Chung and Deutchman, to the accounting profession and to basic decency of human beings; given the fact that not every 102(e) case has its own press release materially overstating the charges with blind intent to create damage intentionally and material damages which it did with direct linkage to losses incurred by Respondents. If the press release wasn't a tool to create damage then every single accountant should be treated in this manner. The Division only decided in this case that it warranted a press release and was not consistent in its treatment of Wahl, Chung and Deutchman or Anton & Chia.

The Initial Decision lacks foundation of law as it has no expertise in the Constitution, in fact the entire SEC administrative process is designed to deny small business owners and other citizens their constitutional rights to an appropriate hearing among its peers and a jury trial.

The Initial Decision attempts to minimize Respondent's claims regarding their constitutional rights and the regulatory taking in this case, which with the Press Release was an overstatement of false claims against regular citizens and the constant attacks by the Division against Respondents that did nothing incorrectly. In fact, Wahl and Chung's record have and has always been nothing short of exemplary until this witch hunt falsely used by the SEC to attempt to destroy their lives. Michael Deutchman has had a long and successful career which was taken from him when the Press Release was used at a hearing to take his license.

In United States constitutional law, a regulatory taking is a situation in which a government regulation limits the uses of private property (Wahl, Chung lost substantial private property and Respondents effectively lost use of their license[7]) to such a degree that the regulation effectively deprives the property owners of economically reasonable use or value of their property to such an extent that it deprives them of utility or value of that property, even though the regulation does not formally divest them of title to it (in this case it did divest their right to title in their business, homes and their licenses).

Even worse for the Initial Decision it can't even comply with its own rules under Rule 102(e) and smacks of unrelenting bias in favor of the Division, which is why the 9th circuit and the Supreme

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[7] ID at P.F.F.#837 and P.F.F. #840

Court has over turned a number of recent cases that initially ruled in favor of the SEC in lower courts[8]

When Respondents conduct is compared to a few instances in which other partners were sanctioned – for truly egregious conduct as contemplated by Rule 102(e) - the fact that Respondents received a sanction at all constitutes an arbitrary and capricious decision. Imposition of a sanction against Respondents is particularly inappropriate where, as here, there is no dispute that Respondents acted diligently and in good faith.

The Initial Decision falsely claims that Wahl, Chung and Deutchman violated the following laws:

Exchange Act Section 10 (b) and Rule 10b-5

Exchange Act Section 13 (a)

Rule 2-02(b) of Regulation S-X

Exchange Act Section 4C

As described in our analysis, there is no evidence that Wahl, Chung and Deutchman engaged in misconduct or intentionally violated any of US GAAP and GAAS based on our analysis of Rule 102(e) but further the arguments that the Respondents should have been aware are not truthful as multiple witnesses testified that they were unaware of facts at the time of issuing the audit reports. Most of the facts were identified substantially after the fact, which means at the time of the issuance of the audit reports. The financial statements fully complied with US GAAP and GAAS. The Division has not provided any evidence that the financial statements didn't comply with US GAAP and GAAS at the time that Anton & Chia, LLP issued the reports. The Initial Decision and the Division can't prove this because they don't have an expert in US GAAP and GAAS on their team.

There is no evidence that any of the Respondents signed the audit reports. The audit reports were issued by Anton & Chia, LLP a separate legal entity that was licensed in itself to issue audit opinions. A CPA by him or herself cannot issue an audit opinion, only a legal entity that is licensed can carry out this task. Therefore, Wahl, Chung and Deutchman cannot conceivably be liable for the actions of Anton & Chia, LLP a separate entity in itself which is licensed to issue audit opinions. To further support this position, Wahl, Chung and Deutchman's signature are not on the audit opinions in the Form 10-Ks in the Registrants identified in this tribunal. Only Anton & Chia, LLP's signature is on the audit opinions relating to the Form 10-Ks of said Registrants.

The standard for evidence is the Preponderance of the Evidence as in most civil cases. The Initial Decision and Division can't meet this standard since they don't have anyone that is "credible and convincing" to assess the evidence for its credibility and determine whether the financial statements comply with US GAAP and GAAS[9]. Therefore, the Initial Decision and the Division has not met their requirement to provide enough evidence to prove their false claims which they have the burden to do so.

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[8] Lucia v SEC; Liu vs. SEC; Kokesh vs. SEC

[9] The standard of proof in most civil cases in which the party bearing the burden of proof must present evidence which is more credible and convincing than that presented by the other party or which shows that the fact to be proven is more probable than not *also* **:** the evidence meeting this standard

Wahl requested subpoenas of various Division attorneys. Wahl's subpoenas requested that Leslie Kazon, Daniel J. Hayes and Alyssa A. Qualls testify in the matter were denied. The request for these witnesses to testify in the 9th Circuit or the Supreme Court would not be denied.

In all events, the Initial Decision fails to justify why any sanction for Wahl, Chung and Deutchman is required to protect the integrity of the Commission's processes.

These errors, overstatement of facts of law, individually and collectively, warrant review by the Commission.

BACKGROUND

An understanding of the issues presented in this Petition for Review requires a brief discussion of the applicable legal standards under Rule 102(e), the CannaVEST quarterly reviews, the 2013 Premier audit and the 2013 and 2014 Accelera audits, and the pertinent rulings in the Initial Decision.

A. Applicable Legal Standards:

Rule 102(e), in its current form, was adopted by the Commission in response to criticism leveled by the D.C. Circuit regarding the Commission's definition of "improper conduct" necessary to violate Rule 102. Rule 102(e) Release, 63 Fed, Reg, at 57,164 & n.4 (citing Checkosky v. SEC, 139 F. 3d 221 (D.C. Cir 1998) ("Checkosky II")). The D.C. Circuit had explained that clear limits regarding the requirements for "improper conduct" were critical because "(a) proceeding under Rule (102(e)) threatens 'to deprive a person of a way of life to which he devoted years of preparation and on which he and his family have come to rely." Checkosky v. SEC, F.3d 452, 479 (D.C. Cir. 1994) (per curiam) (Randolph, J.) ("Checkosky I") (quoting Henry J. Friendly, Some Kind of Hearing, 123 U P.A. L. Rev. 1267, 1297 (1975)).

As relevant here, Rule 102(e) (1)(iv), as amended, defines negligent "improper professional conduct" as either (1) "(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 (2) "Repeated instances of unreasonable conduct, each resulting in a violation of applicable professional standards, that indicate a lack of competence to practice before the Commission." 17 C.F.R. §201. 102(e) (1)(iv). In adopting this amendment to the Rule 102(e), the Commission explained that the Rule was "not intended to cover all forms of professional misconduct" but instead only to address "that category of professional conduct that threatens harm to the Commission's processes." Rule 102(e) Release, 63 Fed Reg at 57,165. For example, "a single judgement error….even if unreasonable when made, may not indicate a lack of competence to practice before the Commission." Id at 57,166. Likewise, even "repeated instances" may not always demonstrate a lack of competence to practice before the Commission." Id. At 57169.

The Commission further clarified that it "does not seek to use Rule 102(e)(1)(iv) to establish new standards for the accounting profession." ID at 57,166. Indeed, Rule 102(e) "does not permit judgment by hindsight but rather compares the actions taken by an accountant at the time of the violation with the actions a reasonable accountant should have taken if faced with the same situation." Id, at 57,168 (emphasis added). And, in assessing whether conduct is highly unreasonable." "the conduct at issue is measured by the degree of the departure from professional standards," id, at 57,167, rather than "the impact of a violation on financial filed with the Commission" of "the risk of harm posed by the conduct." Id. At 57168 (emphasis added).

The Initial Decision is wrong for two reasons. First and foremost, the Commission does not "use Rule 102(e)(1)(iv) to establish new standards for the accounting profession." Rule 102(e) Release, 63 Fed. Reg. at 57,166. Thus in adopting amendments to Rule 102(e) the Commission squarely rejected the suggestion that Rule 102(e) authorizes "rulemaking by enforcement."

Second, even if "rule making by enforcement" had not been rejected by the Commission in all circumstances – and as a matter of policy it has – rulemaking by enforcement is inappropriate here.[10]

B. The ALJ's Initial Decision

The Initial Decision is nothing more than a biased support of the Division's facts for the case and the ALJ decided to become experts in US GAAP and GAAS.

The Initial Decision ignores any and all evidence provided by Respondents that is in the transaction record. The Initial Decision ignores testimony by Respondents which Wahl, Chung and Deutchman have been representing for almost eight years into this overstated witch hunt.

The Initial Decision even more insulting is that it ignores specific work papers identified by Respondents, such as contracts, board minutes and even testimony supporting the transactions that are recorded in the financial statements that were in accordance with US GAAP and GAAS. These arguments from Respondents have been consistently applied for almost eight years.

Initial Decision based on evidentiary facts and testimony clearly demonstrates their inability to objectively look at undisputed facts and application of law. The Initial Decision cannot even apply the Division's own rules in 102 (e).

REASONS FOR GRANTING REVIEW

Review by the Commission is necessary because the Initial Decision presents questions regarding the application and construction of important professional standards applicable to auditors practicing before the Commission.

The Commission has the responsibility that the Division follows the rule of law and files litigation that is supported with facts. In this case, the facts were overstated, embellished and not filed to protect the Commissions processes but to inflict intentional harm. The Initial Decision has no US GAAP or GAAS expert to support its determinations therefore it could not meet the preponderance of the evidence requirement. The Initial Decision needs to be reversed and damages awarded.

The Initial Decision's determination that Wahl, Chung and Deutchman violated Rule 102(e) and imposition of devastating sanction is based upon clearly erroneous findings of fact, erroneous conclusions of law, and the misapplication and misapprehension of the applicable professional

[10] The Initial Decision also invades the purview of the Public Company Accounting Oversight Board ("PCAOB") pursuant to the Sarbanes-Oxley Act. With respect to rulemaking, the PCAOB is vested with authority to promulgate standards governing the auditing profession. 15 U.S.C. § 7213 (a)(1). The Commission may amend PCAOB rules only as permitted by statute. See 15 U.S.C. § 7217 (b)(3), id §7217 (b)(5) (incorporating the requirements of 15 U.S.C§ 78s(c)). The Financial Accounting Standards Board ("FASB") and the SEC's Office of the Chief Accountant ("OCA") are vested with the authority to promulgate accounting principles. Any accounting "rule or regulation of general application other than an interpretive rule' must be accompanied by standard notice-and-comment procedures subject to certain exceptions that are not applicable here. 17 C.F.R. § 201.192(b).

standards. Review is necessary to address these errors and to resolve issues of law and policy that unquestionably are important for the Commission to decide. See Rule 411(b)(2).[11]

Accelera[12]

I. THE INITIAL DECISION MISCONSTRUES AND MISAPPLIES THE PROFESSIONAL STANDARDS APPLICABLE TO THE 2013 AND 2014 AUDITS:

Review is necessary because the Initial Decision's erroneous views of the professional standards applicable to the 2013 and 2014 audits permeate and infect its analysis and evaluation of Wahl and Deutchman's conduct. Indeed, in violation of the APA, due process and the requirements of 102(e), Wahl, Chung and Deutchman was denied notice of the standards of which their conduct was judged because the Initial Decision erroneously interprets the professional standards applicable to the 2013 and 2014 audits and impermissibly applies those novel interpretations retroactively to the conduct of Wahl and Deutchman.

A. The Initial Decision Misconstrues The Standards For Determining Consolidation ASC 810:

The Initial Decision completely ignores the basis for consolidation, similar to Devor's testimony it looks at only one aspect of the contracts that could potentially determine consolidation[13]. It does not reflect consolidation by contract alone and variable interest entities but it goes further it ignores basic terms and conditions of the contracts. The Initial Decision makes claims surrounding what US GAAP represents and its incorrect[14]. The Initial Decision claims this statement is in accordance with US GAAP but makes no reference to US GAAP.

The Initial Decision claims that Employment Agreement is only effective upon payment. This is not correct, nor factual[15]. Plus, the claims that Wolfrum received shares for other reasons is not documented in the board minutes which clearly state that the shares are issued for compensation in accordance with the employment agreement.[16] The Initial Decision claims the shares weren't issued but this is not the legal standard. It's whether the shares are legally owed to the individual and Wolfrum testified that he did receive the shares. The Initial Decision completely ignores other facts that give rise to the employment agreement being in effect. Accelera obtained D&O insurance for all of its officers, which included Dr. Blaise Wolfrum.[17]

The Initial Decision on page 23 paragraph 2 provides a laundry list of items that apparently didn't happen but none of these items comply with US GAAP or GAAS.

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[11] The Initial Decision also violates due process and the Administrative Procedure Act as it is (1) arbitrary, capricious, an abuse of discretion, and otherwise not in accordance with law, (2) contrary to constitutional right, and (3) unsupported by substantial evidence. 5 USC § 706 (2).

[12] ID at P.F.F.# 520 – P.F.F.# 806.

[13] Page 21 second paragraph conflicts with all contracts signed and the amendments to those contracts. ID at P.F.F#658 to #666.

[14] Page 21 third paragraph, second sentence "Consolidation did not comply with GAAP, which requires…………………..for consideration to change hands." Consolidation by contract and variable interest entities can obtain control with no or nominal consideration provided. The statement is not factual.

[15] Exhibit 1212 and ID at P.F.F #725. Exhibit 191 is not the employment agreement and this document was never provided to A&C, Wahl or Deutchman.

[16] Exhibit 1259 documents the issuance of shares to Wolfrum for the employment agreement.

[17] ID at P.F.F# 723 and exhibit #243.

The Initial Decision claims "there is no indication that VIE accounting would have been appropriate" which then agrees that the liability was owed to Wolfrum but ignores that Wolfrum signed our audit confirmation each year[18]. These statements conflict with US GAAP and demonstrate the lack of sophistication with US GAAP and GAAS the Initial Decision delineates. The debt obligation alone creates the "economic interest" completing the basis for consolidation, which Wahl and Deutchman testified to.

Initial Decision also further claims that the Stock Purchase Agreement (Exhibit 1207) was not in effect however, Exhibit 1207, clearly states "*Debtor (i.e. Accelera) purchased l00% of the shares of stock of Behavioral Health Care Associates, Ltd., an Illinois corporation, (the "Company") from Secured Party*."

The applicable standards governing Wahl and Deutchman's conduct nowhere required them to obtain a purchase price allocation in connection with estimating fair value "the auditor does not function as an appraiser and is not expected to substitute his or her judgement for that entity's management" (quoting AU 328.39). Indeed, the applicable standards warn that auditors exercising professional judgment, have good reason, reflected in ASC 820, for not requiring that purchase price allocation until it is finalized. Applied here, the Initial Decision's determinations that Wahl and Deutchman violated Rule 102(e) should be reviewed by the Commission because they retroactively impose new obligations on accountants through this enforcement proceeding in violation of limits on Rule 102(e) and the requirements of the Administrative Procedures Act and due process.

In evaluating Wahl's and Deutchman's judgments regarding the purchase price allocation and goodwill, the Initial Decision disregards that an accounting estimate such as the purchase price allocation and goodwill is inherently imprecise with no single right number. The auditor's responsibility is to assess whether management's estimate within a reasonable range. (AU 312.36; AU 342.02 (effective 2008). Instead, the Initial Decision fixates on existence, or lack, of "current" purchase price allocation and ignores that an auditor exercises professional judgment in applying relevant accounting guidance. Indeed, the auditing standards recognize that professional judgment affects all facets of the audit, including the selection of the "areas to be tested and the nature, timing, and extent of tests to be performed," the interpretation of "the results of audit testing," and the evaluation of "audit evidence," including the evaluation of "the reasonableness of accounting estimates." AU 230.11 (effective 2008). The Initial Decision ignores the role of professional judgment in the 2013 and 2014 audits, and provides no indication of what efforts by Wahl and Deutchman would have been deemed sufficient, in the exercise of professional judgment under the circumstances in the absence of a memorandum from management and a purchase price allocation[19].

B. The Initial Decision Misconstrues The Standards For Management's Responsibility:

In the Accelera Matter, the Initial Decision misconstrues witness testimony as during the period that Anton & Chia audited Accelera they lacked internal financial reporting expertise. This is not

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[18] Confirmations were signed each year creating the economic interest (Exhibits 1248, 1249, 1250) with documentation in all of the agreements that indicate that the transaction was closed and effective Exhibits #658 to #666.

[19] The Initial Decision improperly rejects Wahl and Deutchman's challenge to the testimony of the Division's expert with Devor. (ID at P.F.F#93 – P.F.F#147) Devor has not audited a public in over 30 years and is not an expert on fair value determinations, business combinations, and goodwill and was not qualified to opine on complicated accounting matters in general or to modify the requirements of ASC 810, ASC 820, ASC 805, ASC 350 in particular. His view on the consolidation of BHCA has no support under US GAAP and GAAS, which is to be expected.

an uncommon situation while auditing a small cap registered company which is exactly why the expertise and knowledge of this space is so critical to understand the facts derived in this case. The Division has no witnesses in the Accelera matter that are competent and qualified at the time of the audits. Knowledge of the market is critical and important. Especially, with matters pertaining to independence. Its management's responsibility for compliance with US GAAP and preparing the financial statements[20]. Deutchman knew that if he provided any guidance to Dan Freeman that he would have simply taken that information as Accelera's decision because Freeman has no experience with ASC 805 or ASC 820 the standards for consolidation[21]. Especially, Geoff Thompson, who was Accelera's Chairman at the time. Thompson even tried to blame Tommy Shek for their financial reporting matters in 2013 when Tommy wasn't even on the 2013 engagement[22].

Dan Freeman thought he was on Nasdaq and the Initial Decision doesn't consider that Freeman had multiple accounting firms available to him to analyze the consolidation on his behalf. One firm was handling the books and records for Accelera while Freeman was CFO, which was ignored by the Initial Decision.

II. THE INITIAL DECISION FAILS TO CONSIDER, EVALUATE AND PROPERLY ASESS THE RELEVANT RECORD EVIDENCE[23]:

A. The Initial Decision Misconstrues The Standards For Auditing And Testing Consolidation:

The Initial Decision also applies an erroneous interpretation of the auditing standards pertinent to testing the consolidation and the components of purchase price estimates.

An auditor's objective is to obtain reasonable assurance to allow the auditor to express opinions on whether the financial statements are free of material misstatement and whether a material weakness exists. AU 230.10. The auditor does not express an opinion on the reasonableness of a single accounting estimate such as the consolidation of an entity.

The Initial Decision also erroneously concludes that the engagement team was required to document audit conclusions for every transaction and every inquiry. To the contrary, the audit documentation standards require conclusions for financial statement assertions (AS No. 3 paragraph 6). The audit team complied with this standard by documenting their conclusions relation to the consolidation of BHCA.

Under the Administrative Procedure Act, "(a) sanction may not be imposed….except on consideration of the whole record or those parts thereof cited by a party and supported by and in accordance with the reliable, probative, and substantial evidence." 5 U.S.C. § 556(d); see also 15 U.S.C. § 78(a)(4). Further, "an agency violates the APA when it fails to include in its adjudicatory decision a meaningful 'statement of findings and conclusions, and the reasons or basis therefor, on all the material issues of fact, law, or discretion presented on the record." Checkosky II, 139 F. 3d at 226 (quoting and applying 5 U.S.C. 557(c)(3)(A)). The Initial Decision violates these requirements by ignoring critical evidence submitted by and favorable to Respondents and by

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[20] AS 1001.02 and 1001.03

[21] ID at P.F.F# 594 to P.F.F.#601 and P.F.F# 575 to P.F.F.# 593, specifically #592.

[22] Geoff Thompson email **Exhibit 274** where he blames everyone else for his problems when he is the key fiduciary of Accelera."Then imagine you just cleaned up a huge mess from Tommy on reporting………" And ID at P.F.F# 603.

[23] Wahl and Deutchman respectfully incorporates the designation of any portion of the Initial Decision that materially disagrees with the Proposed Findings of Fact and Conclusions of Law filed on July 13, 2020.

failing to reconcile that evidence with the determinations in the Initial Decision. See, eg, Morall v. DEA, 412 F. 3d 165, 178-80 (D.C. Cir. 2005) (setting aside agency decision because petitioner "presented extensive testimony pertaining to each of these disputed facts" but "one would not know it from the (agency's) analysis"); Lakeland Bus Lines, Inc. v. NLRB, 347. 3d 955, 963 (D.C. Cir. 2003) (holding that NLRB's 'clipped view of the record" did not support conclusion that the employer committed an unfair labor practice); Landry v. FDIC, 204 F.3d 1125, 1140 (D.C Cir. 2000) (explaining that APA requires "consideration of the evidence on both sides"); see also Steadman v. SEC, 450 U.S. 91, 98 (1981) (citing 5. U.S.C. § 556(d)). In failing to consider and weigh the relevant record evidence, the Initial Decision lacks and adequate evidentiary foundation.

The Initial Decision cannot side-step these requirements through an assertion that "Wahl and Deutchman are wrong, or it's a post hoc decision, or I am going to ignore it because I don't understand how it ties to the record…." Such boilerplate is inadequate because "if the administrative action is to be tested by the basis upon which it purports to rest, that basis must be set forth with such clarity as to be understandable." See SEC v. Chenery Corp., 332 U.S. 194, 196 (1947); State Corp. Comm'n v. Fed. Power Comm'n, 206 F. 2d 690, 723 (8th Cir. 1953) ("A mere assertion that the Commission has examined all of the available evidence of record on this subject" is inadequate to satisfy the Administrative Procedure Act (internal quotation marks omitted)); see also Trailways, Inc. v. ICC, 673 F. 2d 514, 518 (D.C. Cir. 1982) (Section 557© of the APA not satisified by "cursory findings and conclusions").

B. The Initial Decision Misconstrues AS No. 3 To Disregard Critical Evidence:

The Initial Decision improperly misapplies the audit documentation standards of AS No. 3 to reject critical record evidence. AS No. 3 is not a rule of evidence, but rather is an auditing standard that requires auditors to document their work so that an experienced auditor not involved in the audit can understand the nature, timing, extent, and results of the procedures performed, evidence obtained, and conclusions reached. An auditor's documentation involves the exercise of professional judgment, and an auditor need not document every fact considered or conversation had. Nothing AS No. 3 precludes testimonial or other documentary evidence that proves work actually was performed, or dictates the weight to be accorded such evidence.

The Initial Decision's reliance on commentary to AS No. 3 to disregard relevant and probative evidence was arbitrary and capricious and violates fundamental notions of due process. The Initial Decision states:

If audit documentation does not exist for a particular procedure or conclusion related to a significant matter, it casts doubt as to whether the necessary work was done. AS No. 3, App. A A10.

That commentary does not justify exclusion from consideration of Wahl and Deutchman's testimony regarding audit procedures performed and evidence obtained. Nor does it justify exclusion from consideration of work papers regarding the consolidation outside of those documents pertaining explicitly to consolidation, particularly the contracts that were read by Wahl

and Deutchman[24]. (The work papers must be considered as a whole in evaluating the sufficiency of audit documentation). That is what the Initial Decision does, however, ignoring material and pertinent evidence that corroborated the reasonableness of Wahl and Deutchman's professional judgments.

AS No. 3 requires an evaluation of documentation by "an experienced auditor" with a "reasonable understanding of audit activities" and who "has studied the company's industry as well as the accounting and auditing issues relevant to the industry."[25]

Indeed, the failure to address the record evidence had a ripple effect because, as discussed above, the Initial Decision relies upon its misrepresentations of AS No. 3 to disregard evidence about Respondents efforts in reviewing ASC 805, ASC 810, ASC 820, ASC 350 and our findings in Exhibits 1204 and 1205. In fact, the Initial Decision brushes off the entirety of the work completed by Wahl and Deutchman which is an incorrect analysis under 102(e).

Because of the characteristics of fraud, even a properly planned and performed audit may not detect a material misstatement or material weakness in internal control AU 230.12, 13 (effective 2008).

The common theme here is that first it was the Division and Devor ignoring the contracts, Respondent testimony and working papers then it's the Initial Decision.

C. The Initial Decision Reflects Clearly Erroneous Determinations About Key Aspects of the 2013 and 2014 Audits:

The Initial Decision inappropriately looks at only one aspect of the Accelera 2013 and 2014 audits, when it should be evaluating the entire audit as a whole, not one single transaction. Wahl and Deutchman attempted to re-focus the Division's analysis (Initial Decision) as it was entirely inappropriate to not analyze the entire work performed by Anton & Chia, LLP. In this Wahl brought attention to the 2013 audit where material audit adjustments and material weaknesses were identified by Anton & Chia, LLP demonstrating their diligence and high regard for professional standards[26].

For the 2014 audit, both Wahl and Deutchman, attempted again to demonstrate to the Division (Initial Decision) that the audit as a whole but they refused as Anton & Chia proposed and forced management to record a number of audit adjustments to its financial statements that increased Accelera's losses by over $18.0MM.[27]

The fact that the Division did not focus on the audit as a whole clearly indicates their investigative failures and that the Initial Decision would support this error in application of the law indicates a further failure.

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[24] ID at P.F.F.# 658 to P.F.F.# 666.

[25] The Initial Decision and the Division cant meet this standard for their analysis because they don't have an expert in US GAAP or GAAS.

[26] Exhibit 1205

[27] Exhibit 1204 at 5; TR612-17, TR4612, 4616-17, 4614, Tr. 703-04, 911.

The Initial Decision claims that the write off of goodwill by Deutchman should indicate a review of the consolidation. This is nonsense. The write off of goodwill indicates only one thing to the investing public, that the investment by management was a poor or badly managed investment.

III THE INITIAL DECISION MISCONSTRUES AND MISAPPLIES RULE 102(e)

A.The Initial Decision Fails to Identify The Acts A Reasonable Partner Would Have Taken:

The Initial Decision does not acknowledge that “Respondents” conduct must be compared with action a reasonable accountant would have taken at the time of the audit, without the benefit of hindsight, and evaluated in light of standards in effect at the time of the conduct at issue…” (ID at 24 (citing In re Hall & Meyer, Exchange Act Release No. 61162, 2009 WL 4809215, at *7 n. 25 (Dec. 14, 2009); Rule 102(e) Release, 63 Fed. Reg. at 57,168).) It fails, tough to apply that standard when analyzing Respondent’s conduct as audit partners[28].

But nowhere does the Initial Decision explain how Wahl and Deutchman’s conduct departed from what a reasonable partner would have done at that time. Nor does the Initial Decision make any mention of what a reasonable partner would have done differently, in circumstances where, it is undisputed, Wahl and Deutchman did not withhold any information, acted with due care and were conservative in their analysis of the consolidation and recording other material audit adjustments.

Further, the Initial Decision makes no effort to explain how Wahl and Deutchman conduct was “highly unreasonable” within the meaning of Rule 102(e). Rule 102(e) requires both that the challenged conduct (i) occurred under circumstances where “heightened scrutiny is warranted” and (ii) involve an “instance of highly unreasonable conduct.” That omission is particularly stark since the Commission has made plain that a determination of “highly unreasonable” conduct must be made based on an analysis of “the degree of the departure from professional standards.” Rule 102(e) Release, 63 Fed. Reg at 56,167. The Initial Decision never accesses the conduct of Wahl and Deutchman against how a reasonable Partner would have acted, attempts to measure the “degree of departure” of Wahl and Deutchman’s conduct from the applicable “professional standards,” or explains how such a departure qualifies as “highly unreasonable.” See Checkosky II, 139 F.3d at 225 (rejecting SEC’s imposition of sanctions under Rule 102(e) because the Court was “at a loss to know what kind of standard (the agency) is applying or how it is applying that standard too his record” (internal quotation marks omitted)).

B. The Initial Decision Improperly Collapses The Separate Standards For “Unreasonable” and “Highly Unreasonable” Conduct.

The Initial Decision also misapplies the distinct standards of liability for non-intentional, unreasonable conduct under Rule 102(e).

First the Initial Decision states that Wahl and Deutchman conduct relate to the audit taken as whole, constitutes a “single instance of highly unreasonable conduct.”[29]

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[28] The Initial Decision also impermissibly invokes hindsight, relying on events that occurred after Respondents performed their work the most specific pertains to AJ Robbins which restated only the 2015 year (Wahl and Deutchman never worked on the 2015 audit) and never communicated this to Anton & Chia, LLP. Nor does the Division provide any documentation as to why AJ Robbins restated. This is not incompliance with Rule 102 (e) its materially after the fact with no benefit to dissect whether the information provided to Anton & Chia, LLP was consistent with the information that AJ Robbins was provided. See ID at P.F.F.#842.

[29] Notably, the Initial Decision only makes reference to other audit work other than the consolidation of BHCA when Wahl and Deutchman brought forward their findings in Exhibits 1204 and 1205. This is an incorrect analysis and

"*Wahl engaged in many instances of professional conduct in the Accelera,…… by failing to follow PCAOB standards and ensure GAAP compliance. At times his behavior was reckless, at times highly unreasonable, and at the very least, was repeatedly unreasonable………….Deutchman also engaged in reckless, highly unreasonable professional misconduct during his work on Accelera*."

With respect to the issue of "unreasonable conduct," the Initial Decision relies on the same conduct. Actually, the decision does not elaborate further on the conduct.

"*Wahl engaged in many instances of professional conduct in the Accelera,…… by failing to follow PCAOB standards and ensure GAAP compliance. At times his behavior was reckless, at times highly unreasonable, and at the very least, was repeatedly unreasonable………….Deutchman also engaged in reckless, highly unreasonable professional misconduct during his work on Accelera*."

The Initial Decision thus aggregates Wahl and Deutchman's conduct with respect to the consolidation of BHCA to conclude that they engaged in a single instance of highly unreasonable conduct, but disaggregates the same conduct to conclude that he engaged in repeated instances of unreasonable conduct. This is improper and conflates the separate negligence standards in Rule 102(e).

Second, the narrow scope of this case – addressed to the aspect of the audit directed at the consolidation of BHCA does not support a sanction for repeated instances of "unreasonable" conduct under Rule 102(e). In amending Rule 102(e), the Commission explained that "a single judgment error, even if unreasonable when made, may not indicate a lack of competence to practice before the Commission" and therefore may not "require Commission action under Rule 102(e)." Rule 102(e) Releases, 63 Fed, Reg. at 57,166. Here, the Initial Decision focuses exclusively on one component of a single financial statement assertion (the consolidation of BHCA) within a single audit for 2013 with carry over to 2014. That determination, even if accepted, should not support liability based on repeated instances of unreasonable conduct under Rule 102(e). See id at 57,169 ("A single error that results in an issuer's financial statements being misstated in more than one place would not, by itself, constitute a violation of this subparagraph.").

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makes it clear that the ALJ was not considering the audit as a whole for purpose of assessing Wahl and Deutchman's competence.

Premier Holdings, Inc.[30]

I. THE INITIAL DECISION MISCONSTRUES AND MISAPPLIES THE PROFESSIONAL STANDARDS APPLICABLE TO THE 2013 AUDIT

Review is necessary because the Initial Decision's erroneous views of the professional standards applicable to the 2013 audit permeate and infect its analysis and evaluation of Wahl's conduct. Indeed, in violation of the APA, due process and the requirements of Rule 102(e), Wahl was denied notice of the standards of which their conduct was judged because the Initial Decision erroneously interprets the professional standards applicable to the 2013 audit and impermissibly applies those novel interpretations retroactively to the conduct of Wahl.

A. The Initial Decision Misconstrues The Standards For Estimating Fair Value:

The applicable standards governing Wahl's conduct nowhere required them to obtain a purchase price allocation, or a third party valuation report in connection with estimating fair value "the auditor does not function as an appraiser and is not expected to substitute his or her judgement for that entity's management" (quoting AU 328.39). Indeed, the applicable standards warn that auditors exercising professional judgment, have good reason, reflected in ASC 820, for not requiring that purchase price allocation until it is finalized or even obtaining a third party valuation report. Applied here, the Initial Decision's determinations that Wahl violated Rule 102(e) should be reviewed by the Commission because they retroactively impose new obligations on accountants through this enforcement proceeding in violation of limits on Rule 102(e) and the requirements of the Administrative Procedures Act and due process.

In evaluating Wahl's judgments regarding the purchase price allocation, associated goodwill and the Note, the Initial Decision disregards that an accounting estimate such as the purchase price allocation, goodwill and a heavily discounted Note is inherently imprecise with no single right number. The auditor's responsibility is to assess whether management's estimate with a reasonable range. (AU 312.36 (Resp'ts Ex. 57); AU 342.02 (effective 2008). Instead, the Initial Decision fixates on existence, or lack, of "current" purchase price allocation, recording and goodwill and valuing management's best estimate for a discounted Note and ignores that an auditor exercises professional judgment in applying relevant accounting guidance. Indeed, the auditing standards recognize that professional judgment affects all facets of the audit, including the selection of the "areas to be tested and the nature, timing, and extent of tests to be performed," the interpretation of "the results of audit testing," and the evaluation of "audit evidence," including the evaluation of "the reasonableness of accounting estimates." AU 230.11 (effective 2008). The Initial Decision ignores the role of professional judgment in the 2013 audit, and provides no indication of what efforts by Wahl would have been deemed sufficient, in the exercise of professional judgment under the circumstances[31].

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[30] ID at P.F.F.#362 – P.F.F.#519

[31] The Initial Decision improperly rejects Wahl's challenge to the testimony of the Division's expert with Devor. (ID at P.F.F#93 – P.F.F#147) Devor has not audited a public in over 30 years and is not an expert on fair value determinations, business combinations, and goodwill and was not qualified to opine on complicated accounting matters in general or to modify the requirements of ASC 820, ASC 805 in particular. His view on the purchase price allocation and accounting for the note transaction has no support under US GAAP and GAAS, which is to be expected.

B. The Initial Decision Misconstrues The Standards For Auditing and Testing Purchase Price Allocations, Impairment of Goodwill and Notes that Are Discounted:

The Initial Decision also applies an erroneous interpretation of the auditing standards pertinent to testing the valuation of the Note Receivable and the TPC purchase price allocation and value of goodwill.

An auditor's objective is to obtain reasonable assurance to allow the auditor to express opinions on whether the financial statements are free of material misstatement and whether a material weakness exists. AU 230.10. The auditor does not express an opinion on the reasonableness of a single accounting estimate such as the consolidation of an entity.

The Initial Decision also erroneously concludes that the engagement team was required to document audit conclusions for every transaction and every inquiry. To the contrary, the audit documentation standards require conclusions for financial statement assertions (AS No. 3 paragraph 6). The audit team complied with this standard by documenting their conclusions related to the Note transaction, TPC's purchase price allocation and goodwill. For the Note transaction the Wahl clearly explained and documented for the Initial Decision how the Note was recorded and settled with the 7,500,000 shares, however it was completely ignored. How can the Initial Decision ignore transactions that are properly recorded in the financial statements?

Under the Administrative Procedure Act, "(a) sanction may not be imposed….except on consideration of the whole record or those parts thereof cited by a party and supported by and in accordance with the reliable, probative, and substantial evidence." 5 U.S.C. § 556(d); see also 15 U.S.C. §78(a)(4). Further, "an agency violates the APA when it fails to include in its adjudicatory decision a meaningful 'statement of findings and conclusions, and the reasons or basis therefor, on all the material issues of fact, law, or discretion presented on the record." Checkosky II, 139 F. 3d at 226 (quoting and applying 5 U.S.C. §557(c)(3)(A)). The Initial Decision violates these requirements by ignoring critical evidence submitted by and favorable to Respondent and by failing to reconcile that evidence with the determinations in the Initial Decision. See, eg, Morall v. DEA, 412 F. 3d 165, 178-80 (D.C. Cir. 2005) (setting aside agency decision because petitioner "presented extensive testimony pertaining to each of these disputed facts" but "one would not know it from the (agency's) analysis"); Lakeland Bus Lines, Inc. v. NLRB, 347. 3d 955, 963 (D.C. Cir. 2003) (holding that NLRB's 'clipped view of the record" did not support conclusion that the employer committed an unfair labor practice); Landry v. FDIC, 204 F.3d 1125, 1140 (D.C Cir. 2000) (explaining that APA requires "consideration of the evidence on both sides"); see also Steadman v. SEC, 450 U.S. 91, 98 (1981) (citing 5. U.S.C. § 556(d)). In failing to consider and weigh the relevant record evidence, the Initial Decision lacks and adequate evidentiary foundation.

The Initial Decision cannot side-step these requirements through an assertion that "Wahl is wrong, or it's a post hoc decision, or I am going to ignore it because I don't understand how it ties to the record…." Such boilerplate is inadequate because "if the administrative action is to be tested by the basis upon which it purports to rest, that basis must be set forth with such clarity as to be understandable." See SEC v. Chenery Corp., 332 U.S. 194, 196 (1947); State Corp. Comm'n v. Fed. Power Comm'n, 206 F. 2d 690, 723 (8th Cir. 1953) ("A mere assertion that the Commission has examined all of the available evidence of record on this subject" is inadequate to satisfy the Administrative Procedure Act (internal quotation marks omitted)); see also Trailways, Inc. v. ICC,

673 F. 2d 514, 518 (D.C. Cir. 1982) (Section 557© of the APA not satisfied by "cursory findings and conclusions").

II THE INITIAL DECISION FAILS TO CONSIDER, EVALUATE AND PROPERLY ASESS THE RELEVANT RECORD EVIDENCE[32]:

A.The Initial Decision Misconstrues AS No. 3 To Disregard Critical Evidence:

The Initial Decision improperly misapplies the audit documentation standards of AS No. 3 to reject critical record evidence. AS No. 3 is not a rule of evidence, but rather is an auditing standard that requires auditors to document their work so that an experienced auditor not involved in the audit can understand the nature, timing, extent, and results of the procedures performed, evidence obtained, and conclusions reached. An auditor's documentation involves the exercise of professional judgment, and an auditor need not document every fact considered or conversation had. Nothing in AS No. 3 precludes testimonial or other documentary evidence that proves work actually was performed, or dictates the weight to be accorded such evidence.

The Initial Decision's reliance on commentary to AS No. 3 to disregard relevant and probative evidence was arbitrary and capricious and violates fundamental notions of due process. The Initial Decision states:

If audit documentation does not exist for a particular procedure or conclusion related to a significant matter, it casts doubt as to whether the necessary work was done. AS No. 3, App. A A10. The Initial Decision and the Division have also ignored and don't understand how the transactions are recorded in the financial statements.

That commentary does not justify exclusion from consideration of Wahl's testimony regarding audit procedures performed and evidence obtained. Nor does it justify exclusion from consideration of work papers regarding the note receivable and the purchase price allocation for TPC outside of those documents pertaining explicitly to note receivable and the purchase price allocation for TPC. (The work papers must be considered as a whole in evaluating the sufficiency of audit documentation).) That is what the Initial Decision does, however, ignoring material and pertinent evidence that corroborated the reasonableness of Wahl's professional judgments.

AS No. 3 requires an evaluation of documentation by "an experienced auditor" with a "reasonable understanding of audit activities" and who "has studied the company's industry as well as the accounting and auditing issues relevant to the industry." The Division's team and the Initial Decision don't have anyone that understands the industry.

Indeed, the failure to address the record evidence had a ripple effect because, as discussed above, the Initial Decision relies upon its misrepresentations of AS No. 3 to disregard evidence about Respondents efforts in reviewing ASC 805, ASC 820, ASC 310 and ASC 350.

Because of the characteristics of fraud, even a properly planned and performed audit may not detect a material misstatement or material weakness in internal control AU 230.12, 13 (effective 2008).

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[32] Wahl respectfully incorporates the designation of any portion of the Initial Decision that materially disagrees with the Proposed Findings of Fact and Conclusions of Law filed on July 13, 2020.

B) The Initial Decision Reflects Clearly Erroneous Determinations About Key Aspects of the 2013 Audit:

The Initial Decision did not fully comprehend the dates that were specific to the audited financial statements for Premier. The audit period would be from January 1, 2013 to December 31, 2013. This means that events that occurred prior to January 1, 2013 would not be recorded in the financial statements and events that occurred after December 31, 2013 would not be recorded in the financial statements. Events occurring subsequent to December 31, 2013 would be disclosed or may impact the value of assets based on professional judgement.

Key Dates:

January 1, 2013 Audit and Financial Reporting Period for 2013 commences.

January 7, 2013 PRHL receives the Note in exchange for the green assets.

February 20, 2013 The Board of Directors approve the settlement of the Note for 5,000,000 shares, which is $0.18 * 5,000,000 = $900,000.

February 28, 2013 TPC transaction is closed and PRHL shares are transferred to TPC.

March 1, 2013 Provisional Period commences under ASC 805 (twelve months from today)

December 31, 2013 Audit and Financial Reporting Period for 2013 ENDS!

February 28, 2014 Provisional Period under ASC 805 ends for the TPC transaction – Subsequent to December 31, 2013.

March 4, 2014 Marvin Winkler takes back the Note in exchange for 7,500,000 shares that were retired to PRHL treasury. The Note was not recorded in the financial statements anymore.

1) Accounting for the Note Receivable:

Initial Decision refutes the support for the initial valuation of the note as on February 20, 2013 that Premier, its management and the board of directors approved the settlement of shares for the Note of 5,000,000 shares. On January 7, 2013, the green energy assets were transferred to WePower Eco Corp. The closing price of the shares on January 7, 2013 was $0.18. The value of the Note was determined by taking the share price on January 7, 2013 $0.18 * 5,000,000 = $900,000[33].

The Initial Decision completely ignores the previous paragraph, which was how the Note was recorded in the financial statements at $869,000.

Board minutes, **Exhibit 1100**, was in the work papers and this is how it was recorded in the financial statements. The Initial Decision refutes this because it doesn't support the Division's false narrative.

2) Note Settlement:

The Initial Decision further refutes the settlement of the Note for 7,500,000 common shares which is incorrect. The 5,000,000 shares originally assigned for the TPC transaction were issued on

[33] For documentation of recording the Note see ID at P.F.F# 405 – P.F.F.# 417.

February 28, 2013. They were assigned with the other 2,500,000 and returned to Treasury to offset Marvin Winkler taking the Note on March 4, 2014.

The Initial Decision claims that this not documented in the work papers, which is inaccurate. However, Wahl testified on multiple occasions that this is how the Note settlement was accounted for and it was recorded and disclosed in the financial statements in this manner[34].

3) TPC Purchase Price Allocation:

The Initial Decision decided to ignore the timing of the purchase price allocation period of twelve months and US GAAP. The twelve month period ended on March 1, 2014 which is Q1 for 2014 year end not the December 31, 2013 year end reporting period. This is fully described in Wahl's testimony and Respondents Proposed Findings of Fact and Conclusions of Law[35].

The Initial Decision also ignores the contract between TPC and Premier, which effectively makes the TPC transaction and Premier a fresh start transaction with assets and liabilities coming over at zero, which requires that allocating the purchase price entirely to goodwill is reasonable[36].

4) Goodwill

The Initial Decision is incorrect. Anton & Chia, LLP never completed an impairment analysis. The impairment analysis was not due until the purchase price allocation was completed which the due date was March 1, 2014, which is two months after the year end December 31, 2013. There was no requirement to complete an impairment analysis.

Anton & Chia's working paper is nothing more than an internal analytic and was never intended to replace management's required impairment analysis which was due on March 1, 2014 two months after the December 31, 2013 audit period[37].

The statements in the Initial Decision regarding the goodwill are 100% false and are not compliant with US GAAP.[38]

III THE INITIAL DECISION MISCONSTRUES AND MISAPPLIES RULE 102(e)

A. The Initial Decision Fails to Identify The Acts A Reasonable Partner Would Have Taken:

The Initial Decision does not acknowledge that "Respondents" conduct must be compared with action a reasonable accountant would have taken at the time of the audit, without the benefit of hindsight, and evaluated in light of standards in effect at the time of the conduct at issue…" (ID at 24 (citing In re Hall & Meyer, Exchange Act Release No. 61162, 2009 WL 4809215, at *7 n. 25 (Dec. 14, 2009); Rule 102(e) Release, 63 Fed. Reg. at 57,168).) It fails, tough to apply that standard when analyzing Respondent's conduct as audit partners[39].

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[34] Wahl testified to and explained that this is how the Note transaction was settled in the financial statements. See ID at ID at P.F.F# 418 – P.F.F.# 431.
[35] ID at P.F.F# 509 – P.F.F# 513.
[36] Wahl clearly testified and laid out the reasons under US GAAP why the purchase price was completed as it was determined. See ID at P.F.F# 436 – P.F.F.# 447.
[37] Exhibit 1111 it is a "qualitative analysis" and not a full blows impairment analysis. It says this on the working paper. The Initial Decision has no basis for making its statements. Its not factual.
[38] ID at P.F.F# 448 – P.F.F.# 454
[39] The Initial Decision also impermissibly invokes hindsight, in this case, the Division is attempting to claim that the events occurring after March 4, 2014 are more significant than the Note being settled out of the financial statements.

But nowhere does the Initial Decision explain how Wahl's conduct departed from what a reasonable partner would have done at that time. Nor does the Initial Decision make any mention of what a reasonable partner would have done differently, in circumstances where, it is undisputed, Wahl did not withhold any information, acted with due care and were conservative in recording their estimates.

Further, the Initial Decision makes no effort to explain how Wahl conduct was "highly unreasonable" within the meaning of Rule 102(e). Rule 102(e) requires both that the challenged conduct (i) occurred under circumstances where "heightened scrutiny is warranted" and (ii) involve an "instance of highly unreasonable conduct." That omission is particularly stark since the Commission has made plain that a determination of "highly unreasonable" conduct must be made based on an analysis of "the degree of the departure from professional standards." Rule 102(e) Release, 63 Fed. Reg at 56,167. The Initial Decision never accesses the conduct of Wahl against how a reasonable partner would have acted, attempts to measure the "degree of departure" of Wahl's conduct from the applicable "professional standards," or explains how such a departure qualifies as "highly unreasonable." See Checkosky II, 139 F.3d at 225 (rejecting SEC's imposition of sanctions under Rule 102(e) because the Court was "at a loss to know what kind of standard (the agency) is applying or how it is applying that standard too his record" (internal quotation marks omitted)).

B. The Initial Decision Improperly Collapses The Separate Standards For "Unreasonable" and "Highly Unreasonable" Conduct.

The Initial Decision also misapplies the distinct standards of liability for non-intentional, unreasonable conduct under Rule 102(e).

First the Initial Decision states that Wahl conduct relate to the audit taken as whole, constitutes a "single instance of highly unreasonable conduct."[40]

"*Wahl engaged in many instances of professional conduct in the Premier,…… by failing to follow PCAOB standards and ensure GAAP compliance. At times his behavior was reckless, at times highly unreasonable, and at the very least, was repeatedly unreasonable…………..*"

With respect to the issue of "unreasonable conduct," the Initial Decision relies on the same conduct. Actually, the decision does not elaborate further on the conduct.

"*Wahl engaged in many instances of professional conduct in the Premier,…… by failing to follow PCAOB standards and ensure GAAP compliance. At times his behavior was reckless, at times highly unreasonable, and at the very least, was repeatedly unreasonable…………..*"

The Initial Decision thus aggregates Wahl conduct with respect to the TPC purchase price allocation and goodwill and the valuation of the Note to conclude that they engaged in a single instance of highly unreasonable conduct, but disaggregates the same conduct to conclude that he engaged in repeated instances of unreasonable conduct. This is improper and conflates the separate negligence standards in Rule 102(e).

This is the most absurd and ridiculous argument by the Initial Decision. Its insulting not only to the accounting profession but to people that understand basic logic.

[40] Notably, the Initial Decision only makes reference to other audit work other than the Note and the Purchase Price/Goodwill for TPC when Wahl brought forward their findings in Exhibit 432. This is an incorrect analysis and makes it clear that the ALJ was not considering the audit as a whole for purpose of assessing Wahl's competence.

Second, the narrow scope of this case – addressed to the aspect of the audit directed at the Note, purchase price allocation and goodwill does not support a sanction for repeated instances of "unreasonable" conduct under Rule 102(e). In amending Rule 102(e), the Commission explained that "a single judgment error, even if unreasonable when made, may not indicate a lack of competence to practice before the Commission" and therefore may not "require Commission action under Rule 102(e)." Rule 102(e) Releases, 63 Fed, Reg. at 57,166. Here, the Initial Decision focuses exclusively on one component of a single financial statement assertion (Note Receivable and the Purchase Price) within a single audit for 2013. That determination, even if accepted, should not support liability based on repeated instances of unreasonable conduct under Rule 102(e). See id at 57,169 ("A single error that results in an issuer's financial statements being misstated in more than one place would not, by itself, constitute a violation of this subparagraph."). In the Premier matter, there wasn't any errors, which the Initial Decision totally ignores the accounting and reporting my management. Additionally, there were never any restatements to the 2013 financial statement because it was not required. The Division's story is complete fabrication, which the Initial Decision effectively rubber stamps.

CannaVEST[41]

I. THE INITIAL DECISION MISCONSTRUES AND MISAPPLIES THE PROFESSIONAL STANDARDS APPLICABLE FOR INTERIM REVIEW ENGAGEMENTS

Review is necessary because the Initial Decision's erroneous views of the professional standards applicable to the 2013 interim reviews for CannaVEST permeate and infect its analysis and evaluation of Wahl and Chung's (only Q1) conduct. Indeed, in violation of the APA, due process and the requirements of Rule 102(e), Wahl and Chung was denied notice of the standards of which their conduct was judged because the Initial Decision erroneously interprets the professional standards applicable to the 2013 interim review and impermissibly applies those novel interpretations retroactively to the conduct of Wahl and Chung.

A. The Initial Decision Misconstrues The Standards For Estimating Fair Value:

The applicable standards governing Wahl and Chung's conduct nowhere required them to obtain a third party valuation in connection with estimating fair value "the auditor does not function as an appraiser and is not expected to substitute his or her judgement for that entity's management" (quoting AU 328.39). Indeed, the applicable standards warn that auditors exercising professional judgment, have good reason, reflected in ASC 820 and ASC 805, for not requiring that purchase price allocation until it is finalized[42]. Applied here, the Initial Decision's determinations that Wahl and Chung violated Rule 102(e) should be reviewed by the Commission because they retroactively impose new obligations on accountants through this enforcement proceeding in violation of limits on Rule 102(e) and the requirements of the Administrative Procedures Act and due process.

In evaluating Wahl's (and Chung's) judgments regarding the fair value of the acquisition; purchase price allocation and goodwill, the Initial Decision disregards that an accounting estimate such as the valuation of an acquisition, its purchase price allocation and goodwill is inherently imprecise with no single right number, which was proven over the course of the restatements as the numbers changed at least 4 times. The auditor's responsibility is to assess whether management's estimate is within a reasonable range. (AU 312.36 (Resp'ts Ex. 57); AU 342.02 (effective 2008). Instead, the Initial Decision fixates on existence, or lack, of a valuation during the first quarterly review, refutes basic contract law that the purchase price is fixed and that the earn out liability is fixed – except for the payment in combination of shares and cash; purchase price allocation; ignores ASC 805 that allows companies to true up their purchase price allocation within twelve months; and ignores that an auditor exercises professional judgment in applying relevant accounting guidance. It further overstates the auditor's requirement because it was an interim review and not an audit. Indeed, the auditing standards recognize that professional judgment affects all facets of the audit, including the selection of the "areas to be tested and the nature, timing, and extent of tests to be performed," the interpretation of "the results of audit testing," and the evaluation of "audit

[41] ID at P.F.F# 148 to P.F.F# 361.

[42] CannaVEST changed its purchase price three times while Wahl worked on the quarterly reviews. This is allowed under ASC 805 if new information came to fruition that would better estimate the purchase price. CannaVEST came back with another purchase price allocation several months later. Then Office of Chief Accountants refused to allow CannaVEST to restate until almost twelve months from the time Wahl terminated the relationship with CannaVEST.

evidence," including the evaluation of "the reasonableness of accounting estimates." AU 230.11 (effective 2008). The Initial Decision ignores the role of professional judgment in the 2013, and provides no indication of what efforts by Wahl and Chung would have been deemed sufficient, in the exercise of professional judgment under the circumstances in the absence of a valuation from management and a purchase price allocation[43].

B. The Initial Decision Misconstrues The Standards For Management's Responsibility:

The Initial Decision claims that there was no hindsight required. This is false, Wahl had to fight with CannaVEST management to record the $28MM in adjustments just in Q3. The Initial Decision also does not consider Wahl's testimony where the engagement team including Richard Koch did not have any trust in management[44]. Additionally, management did not want to restate. The position of management was never to restate the financial statements and took them almost four and a half months from the time Anton & Chia terminated CannaVEST as a client.

The restatements were the responsibility of management. Not the auditor. Management never even communicated these restatements to Anton & Chia, LLP, Wahl, Chung or Koch, which was completely ignored by the Initial Decision.

Wahl had a conversation with James Stewart in January 2014 and Stewart never mentioned that there was a restatement occurring with the interim financial information for 2013, which was completely ignored by the Initial Decision.

The Initial Decision also thinks that the decision by the SEC corporate finance group to postpone the restatement doesn't reflect on the fact that determining the appropriate valuation and restatement would not take significant resources, time and insurmountable requirement for professional judgement.

The Initial Decision also ignores that the August Valuation was never to be used for anything other than an IRC 409A valuation for shares that were restricted and was not to be used to determine the valuation of Phytosphere[45]. This is mind blowing that an agency that their mandate to protect investors does not understand basic financial information or how to read financial reports, clearly they didn't read the report. Even the valuation group that prepared the report confirmed it couldn't use the report for anything else other than IRC 409A (they testified at trial to this)[46].

II THE INITIAL DECISION FAILS TO CONSIDER, EVALUATE AND PROPERLY ASESS THE RELEVANT RECORD EVIDENCE[47]:

[43] The Initial Decision improperly rejects Wahl and Chung's challenge to the testimony of the Division's expert with Devor. (ID at PFF#93 - #147) Devor has not audited a public in over 30 years and is not an expert on fair value determinations, business combinations, and goodwill and was not qualified to opine on complicated accounting matters in general or to modify the requirements of ASC 820, ASC 805 in particular. His unqualified view's on the recording of the Phytosphere and overstatement of facts of the US GAAP and GAAS requirements for interim reviews is to be expected.

[44] Exhibit 1026.

[45] Exhibit 1018.

[46] ID at P.F.F.#293; P.F.F.#305; P.F.F.#312; P.F.F.# 340.

[47] Wahl and Chung respectfully incorporates the designation of any portion of the Initial Decision that materially disagrees with the Proposed Findings of Fact and Conclusions of Law filed on July 13, 2020.

A. The Initial Decision Misconstrues AS No. 3 To Disregard Critical Evidence:

The Initial Decision improperly misapplies the audit documentation standards of AS No. 3 to reject critical record evidence. AS No. 3 is not a rule of evidence, but rather is an auditing standard that requires auditors to document their work so that an experienced auditor not involved in the audit can understand the nature, timing, extent, and results of the procedures performed, evidence obtained, and conclusions reached. An auditor's documentation involves the exercise of professional judgment, and an auditor need not document every fact considered or conversation had. Nothing AS No. 3 precludes testimonial or other documentary evidence that proves work actually was performed, or dictates the weight to be accorded such evidence.

The Initial Decision's reliance on commentary to AS No. 3 to disregard relevant and probative evidence was arbitrary and capricious and violates fundamental notions of due process. The Initial Decision states:

If audit documentation does not exist for a particular procedure or conclusion related to a significant matter, it casts doubt as to whether the necessary work was done. AS No. 3, App. A A10.

That commentary does not justify exclusion from consideration of Wahl and Chung's testimony regarding audit procedures performed and evidence obtained. Nor does it justify exclusion from consideration of work papers regarding the fair value; purchase price allocation for Phytosphere outside of those documents pertaining explicitly to Phystosphere transaction. (The work papers must be considered as a whole in evaluating the sufficiency of review documentation).) That is what the Initial Decision does, however, ignoring material and pertinent evidence that corroborated the reasonableness of Wahl and Chung's professional judgments.

The Initial Decision makes frivolous claims that A&C did not compare the Q1 and Q2 balance sheets. This is false and obviously the Initial Decision did not read Exhibit 1202 pages 3 and 4 in the analytics A&C explains all of the changes in the balance sheet accounts from Q1 2013 to Q2 2013 in substantial detail.[48] The second quarter work paper Exhibit 1201 pages 3 and 4 EXPLICITLY presents detailed changes in the purchase price allocation from the first quarter 2013 to the second quarter 2013!

AS No. 3 requires an evaluation of documentation by "an experienced auditor" with a "reasonable understanding of audit activities" and who "has studied the company's industry as well as the accounting and auditing issues relevant to the industry."

Indeed, the failure to address the record evidence had a ripple effect because, as discussed above, the Initial Decision relies upon its misrepresentations of AS No. 3 to disregard evidence about Respondents efforts in reviewing ASC 805, ASC 820, ASC 350.

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[48] The Q2 analytics explains all of the changes from Q1 to Q2 in great detail for all material accounts – Accounts Receivable, Prepaids, Inventory, the Phytosphere Purchase price, Intangibles, Goodwill, including the Phytosphere liabilities.

Because of the characteristics of fraud, even a properly planned and performed audit may not detect a material misstatement or material weakness in internal control AU 230.12, 13 (effective 2008).

B.The Initial Decision Reflects Clearly Erroneous Determinations About Key Aspects of the 2013 Interim Reviews:

1. Initial Purchase Price Determination and Liability Earn Out[49]:

The Initial Decision completely ignores the legal standard of the Supreme Court and Anton & Chia's engagement letter. Due process is not only to be heard but to have the record and evidence reviewed with objectivity, the Initial Decision acts no more than an extension of the underhanded, biased and uneducated Division.

The Initial Decision ignores the opposing liability earn out on the Phytosphere transaction yet, confirms that the payments of stock were at an average of $5.85. In P.F.F. #269, Respondents calculated the average share price per day of $21.26, during the period that the transaction was provisional under ASC 805, the $5.85 price is pegged at a discount of 73.5% which is not unreasonable to approximate fair market value for the settlement of the liability. The Initial Decision references the August valuation report for the valuation of shares but the valuation report only valued "restricted stock" not free trading shares that P.F.F.#269 represents. The statements in the Initial Decision have no basis under finance theory and are not supportable under ASC 820.

The Initial Decision claims that Wahl and Chung ignored US GAAP, which is not true, in fact the Initial Decision ignores the ASC 805 where it provides companies twelve months to settle their purchase price allocation for the Phytosphere transaction and ignores that the purchase price allocation changed at least four times in a twelve month period and it could be even more, especially from November 20, 2013 to March 28, 2014. Respondents will never know.

2. Misstates the Purpose of the August 2013 Valuation[50]

The Initial Decision decides to carry weight to a "Draft" and "substantially revised" reports, Exhibit 1018 is the most mind numbing as the report clearly states on page 6 that "No other use is intended or inferred."

> *"CannaVEST Corporation ("CannaVEST", the "Company", or "Client") requested Vantage Point Advisors, Inc. to perform valuation services (the "Services") for financial reporting and tax reporting requirements as outlined under U.S. GAAP Codification of Accounting Standards Codification Topic 718: Compensation-Stock Compensation and the Internal Revenue Code Section 409A ("IRC 409A") in relation to the valuation of privately-held equity securities issued as compensation. No other use is intended or inferred."*

No other use is intended or inferred which means it cannot be used to make an inference on the valuation of Phytosphere transaction but the Initial Decision decided to use it against Respondents of course.

3. Impairment in Q3[51]

If you read the Initial Decision without any knowledge of the trial and the case, you wouldn't know

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[49] ID at P.F.F.#241 – P.F.F.#278.
[50] ID at P.F.F #279 – P.F.F.#286.
[51] ID at P.F.F #287 – P.F.F.#295.

that Wahl and his team identified material adjustments during the review and that Wahl and Chung had been very consistent with their testimony over the last almost eight years. The engagement team took their job very seriously in each engagement and proposed adjustments for the beneficial conversion feature; adjustments to revenues; and the impairment of goodwill. CannaVEST never wanted to record any of these adjustments and became hostile towards Wahl, which the Initial Decision completely ignores.

4. Subsequent Events No – Knowledge of Restatement[52]

The Initial Decision does not look at the interim reviews as a whole and analyze the entire body of work completed by Wahl and Chung. It fails to mention the diligent efforts in each of the quarterly reviews and doesn't even discuss their testimony. Other than the fact that Patil said he wouldn't judge Ms. Chung by not being able to remember work she performed over seven years ago. Then in the Initial Decision mentions that "Ms. Chung can't remember her work" and because of this it's a red flag.

Initial Decision does not delineate that Respondents only completed reviews versus PKF's audit but it minimizes the factor of hindsight but completely ignores that CannaVEST didn't file a non-reliance 8-K until April 3, 2014 4.5 months from A&C's termination.

The Initial Decision further minimizes that the SEC corporate finance group agreed with Anton & Chia in its initial decision only using hindsight to push back the timing of the goodwill impairment after CannaVEST completed four rounds of comment letters with the SEC[53]. How is it not hindsight when the determinations by SEC corporate finance group were made almost a year and half after the first quarterly review was filed by CannaVEST management?

The Initial Decision refuses to acknowledge that Wahl, Chung and Koch never received any communication from CannaVEST management, their auditor PKF regarding the restatement. A requirement under US GAAP. In fact, Respondents never received the corporate finance letters documenting the communications with the SEC and CannaVEST management until March 2016.

The Initial Decision ignores that during the period that Anton & Chia was engaged that there was never any communication from CannaVEST management to restate the financial statements. Based on the previous it is confirmed that the Initial Decision does not reconcile between the interim review standards and the subsequent audit standards utilized by PKF which is a much higher standard than Anton & Chia was obligated to perform. The Initial Decision completely ignores specific case law with regards to restatements "the fact of a restatement does not mean an auditor knew the original statements were false at the *time they were issued or that the auditor can be held liable for fraud*" Ezra Charitable Trust, 466 F.3d at. Initial Decision clearly ignores testimony and facts that there was no evidence at the time of the interim reviews for Wahl and Chung to push on management to restate the financial statements. Management never wanted to restate the financial statements. They didn't even want to write off the good will when Wahl proposed the adjustment, which was ignored by the Initial Decision[54].

III THE INITIAL DECISION MISCONSTRUES AND MISAPPLIES RULE 102(e)

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[52] ID at P.F.F.#296 – P.F.F.#313.
[53] Exhibits 1030, 1031, 1032 and 1033.
[54] ID at P.F.F. #842.

A.The Initial Decision Fails to Identify The Acts A Reasonable Partner Would Have Taken:

The Initial Decision does not acknowledge that "Respondents" conduct must be compared with action a reasonable accountant would have taken at the time of the audit, without the benefit of hindsight, and evaluated in light of standards in effect at the time of the conduct at issue…" (ID at 24 (citing In re Hall & Meyer, Exchange Act Release No. 61162, 2009 WL 4809215, at *7 n. 25 (Dec. 14, 2009); Rule 102(e) Release, 63 Fed. Reg. at 57,168).) It fails, tough to apply that standard when analyzing Respondent's conduct as audit partners[55].

But nowhere does the Initial Decision explain how Wahl and Chung's conduct departed from what a reasonable partner would have done at that time. Nor does the Initial Decision make any mention of what a reasonable partner would have done differently, in circumstances where, it is undisputed, Wahl and Chung did not withhold any information, acted with due care and were conservative in recording their estimates.

Further, the Initial Decision makes no effort to explain how Wahl and Chung's conduct was "highly unreasonable" within the meaning of Rule 102(e). Rule 102(e) requires both that the challenged conduct (i) occurred under circumstances where "heightened scrutiny is warranted" and (ii) involve an "instance of highly unreasonable conduct." That omission is particularly stark since the Commission has made plain that a determination of "highly unreasonable" conduct must be made based on an analysis of "the degree of the departure from professional standards." Rule 102(e) Release, 63 Fed. Reg at 56,167. The Initial Decision never accesses the conduct of Wahl and Chung against how a reasonable partner would have acted, attempts to measure the "degree of departure" of Wahl and Chung's conduct from the applicable "professional standards," or explains how such a departure qualifies as "highly unreasonable." See Checkosky II, 139 F.3d at 225 (rejecting SEC's imposition of sanctions under Rule 102(e) because the Court was "at a loss to know what kind of standard (the agency) is applying or how it is applying that standard too his record" (internal quotation marks omitted)).

B.The Initial Decision Improperly Collapses The Separate Standards For "Unreasonable" and "Highly Unreasonable" Conduct.

The Initial Decision also misapplies the distinct standards of liability for non-intentional, unreasonable conduct under Rule 102(e).

First the Initial Decision states that Wahl and Chung's conduct relate to the audit taken as whole, constitutes a "single instance of highly unreasonable conduct."[56]

"*Wahl engaged in many instances of professional conduct in the CannaVEST,…… by failing to follow PCAOB standards and ensure GAAP compliance. At times his behavior was reckless, at times highly unreasonable, and at the very least, was repeatedly unreasonable…………..*"

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[55] The Initial Decision also impermissibly invokes hindsight, relying on events that occurred after Respondents performed their work the restatements occurred almost 12 months after Anton & Chia, LLP terminated the client as a result of an audit. Not an interim review.

[56] Notably, the Initial Decision only makes reference to other audit work other than the Purchase Price/Goodwill for the Purchase Price Allocation when Wahl brought forward their findings in Exhibits 1023, 1026, 1029. This is an incorrect analysis and makes it clear that the ALJ was not considering the audit as a whole for purpose of assessing Wahl's competence. Wahl's team during the Q3 interim review even found errors in revenue recognition of $75,000 which is very difficult to do, even PKF in their audit couldn't identify the errors in CannaVEST revenues and accounts receivable.

"*Finally, Chung demonstrated professional misconduct in here work as EQR on the first quarter 2013 CannaVEST engagement."*

With respect to the issue of "unreasonable conduct," the Initial Decision relies on the same conduct. Actually, the decision does not elaborate further on the conduct.

"*Wahl engaged in many instances of professional conduct in the CannaVEST,…… by failing to follow PCAOB standards and ensure GAAP compliance. At times his behavior was reckless, at times highly unreasonable, and at the very least, was repeatedly unreasonable…………..*"

"*Finally, Chung demonstrated professional misconduct in here work as EQR on the first quarter 2013 CannaVEST engagement."*

The Initial Decision thus aggregates Wahl and Chung's conduct with respect to the valuation, purchase price allocation and goodwill pertaining to the Phytosphere transaction to conclude that they engaged in a single instance of highly unreasonable conduct, but disaggregates the same conduct to conclude that he engaged in repeated instances of unreasonable conduct. This is improper and conflates the separate negligence standards in Rule 102(e).

Second, the narrow scope of this case – addressed to the aspect of an interim review that provides only "negative assurance" based on the Phytosphere transaction does not support a sanction for repeated instances of "unreasonable" conduct under Rule 102(e). In amending Rule 102(e), the Commission explained that "a single judgment error, even if unreasonable when made, may not indicate a lack of competence to practice before the Commission" and therefore may not "require Commission action under Rule 102(e)." Rule 102(e) Releases, 63 Fed, Reg. at 57,166. Here, the Initial Decision focuses exclusively on one component of a single financial statement assertion (the Phytosphere Transaction) for interim reviews, which are at much lower standard than an audit. That determination, even if accepted, should not support liability based on repeated instances of unreasonable conduct under Rule 102(e). See id at 57,169 ("A single error that results in an issuer's financial statements being misstated in more than one place would not, by itself, constitute a violation of this subparagraph.").

OTHER MATTERS

The Initial Decision instead of dismissing matters that are not part of the original OIP, it takes this fake "perjury" allegation, which Wahl did not commit, as an attempt to further fuel this witch hunt against Wahl and his family.

The Initial Decision also falsely alleges that Wahl continues to practice in front of the SEC, the only basis is that NorAsia Consulting & Advisory has not had time to update its website.

The Initial Decision also falsely alleges that "Wahl crumbled on the stand." Wahl was on the stand for six to seven days and answered every question honestly and truthfully. The statement in the Initial Decision is so false that the ALJ, the Division knows that I won! But it's a rigged system! Please read the transcript!

Their expert was lit up on the stand repeatedly, their witnesses had no credibility and they didn't put up Respondent's July 8, 2020 motion, nor our final briefs and proposed facts and conclusions of law!

There is no evidence that Wahl continues to practice. He lost his Canadian License and on his own accord he transitioned his California and New York licenses to inactive status. Wahl has no idea what the "GA Wahl" was, the Initial Decision and the Division know this to be true and it was not part of the OIP.

The Initial Decision and the Division have contempt against Wahl for the simple reason that he vigorously defended himself, Chung and Deutchman against these fake, unconstitutional, illegal, incoherent allegations.

THE SANCTIONS ARE ARBITRARY AND CAPRICIOUS:

The Commission long ago made clear that "not every violation of law…may be sufficient to justify invocation of the sanctions available under" Rule 102(e). In re Carter & Johnson, Exchange Act Release No. 17597, 1981 WL 384414, at *6 (Feb. 28, 1981) (dismissing proceedings). Indeed sanctions must be "necessary to protect the investing public and the Commission from the future impact on the processes of professional conduct." Id. At *5 (emphasis added). Further, in deciding as to an appropriate sanction, the "accountant's good faith" may be a relevant consideration. Rule 102(e) Release, 63 Fed. Reg. at 57,170. More ever, it is insufficient to apply mechanically the six factors set forth in Steadman v. SEC in considering a potential sanction 603 F.2nd 1126, 1140 (5th Cir. 1979), aff'd on other grounds, 450 U.S. 91 (1981). Rather, appropriate weight must be given to the relevant mitigating factors, including the collateral impact of sanctions on the respondent. See, e.g., PAZ Secs., Inc. v. SEC, 494 F.3d 1059, 1065 (D.C. Cir. 2007).

No sanction was warranted under the Steadman factors.[57] Deutchman's and Wahl's conduct was not egregious. For both Wahl and Deutchman, according to the Initial Decision, their "lapses" were at best "negligent" and for Deutchman "occurred in a single audit" as a second partner with the transaction occurring in the year prior. Further, it is fundamentally unfair to impose a sanction on Wahl, Chung and Deutchman because they advanced a "vigorous defense of the charges."

For Chung, no sanction was warranted under Steadman factors. Chung's conduct was not egregious. Her lapses were at best negligent and occurred as a second partner for a single quarterly review.

Likewise, it is unfair to impose a potentially career – ending sanctions to Wahl, Chung and Deutchman. The abrupt Chapter 7 forced Wahl to change careers and the damage from the Chapter 7 took Wahl a substantial amount of time to transition from what provided for himself and his family for over eighteen years into the new role that he has in becoming a full time entrepreneur and advisor to private companies. Wahl's future ability to work with public companies is extremely limited, if not extinct, since due to financial hardship he lost his Canadian CA license and has voluntarily put both his California and New York licenses on inactive status and has no intentions to practice before the Commission.

Ms. Chung hasn't completed any work for public companies for over seven years and her license is inactive.

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[57] The Steadman factors are: the egregiousness of the defendant's actions, the isolated ore recurrent nature of the infraction, the degree of scienter involved, the sincerity of the defendant's assurances against future violations, the defendant's recognition of the wrongful nature of his conduct, and the likelihood that the defendant's occupation will present opportunities for future violations." Steadman, 603 F. 2d at 1140.

The Division has gone to great lengths to assassinate Deutchman's character. Deutchman had maintained a professional CPA license for 48 years. He signed hundreds of financial statements and tax returns with little or any issues. He worked for KPMG, the AICPA and the Commission itself. He served as engagement partner for 20 to 50 clients some on NASDAQ and the New York Stock Exchange with few if any issues.

Deutchman's livelihood was taken from him and his career destroyed by the belligerent behavior of the Division. In the trial itself the Division exhibited their animus toward Deutchman because. "He took the Commission to the Supreme Court." They seem to feel it is perfectly alright to spend millions of dollars persecuting him but somehow he should not avail himself of his constitution appeal rights.

The Respondents in this case have limited resources but the government has attempted to crush them with the weight of their unlimited power and money. It has been an outrageous abuse of power by the Commission. With all the resources they have they could not even produce an expert who had audited a public company in 30 years. This left the judge in a position to become his own expert and substitute his judgment for that of Wahl and Deutchman who collectively have more experience auditing public companies than virtually 90% of the accountants in this specialty.

Michael Deutchman hasn't worked because the press release was used to take his license away. He is effectively retired.

The press release created an enormous amount of reputational harm that no one would retain Chung, Wahl, or Deutchman in a capacity as an auditor or to work directly with public companies.

The collateral impact of the sanction ordered in the Initial Decision is devastating to both Wahl and Chung that have had a long history of exemplary audit and advisory work to public and private companies. At the bottom, the Initial Decision imposes crippling sanction because it concludes, in the stark light of hindsight, no accounting expert to opine on the work; and lack of actual public company audit experience, that Wahl, Chung and Deutchman "engaged in reckless, highly unreasonable, and repeatedly unreasonable professional misconduct……….or failed to follow professional standards." The Initial Decision is derived from entities that have no educational experience or actual experience auditing public companies behooving their capability in understanding those professional responsibilities.

Nothing about Wahl, Chung and Deutchman or their conduct resembles the extreme cases in which the Commission has obtained Rule 102(e) sanctions. And, to the extent the sanction is based on a finding of deficient audit documentation pursuant to AS No. 3, it is unprecedented under Rule 102(e) [58].

For Wahl, Chung and Deutchman, this is not a picture of incompetent professionals who poses a threat to the Commission's processes.[59] Further, the conduct at issue in the few precedents in which there was no intentional violations and no evidence of investor harm where partners were

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[58] Imposition of a sanction under these circumstances would send an inappropriate signal to the auditing profession. Auditors should not be required to exercise their professional judgment against the threat of devastating sanctions imposed against an auditor based on good-faith and diligent efforts.

[59] This proceeding and the antecedent investigation already have created substantial and undue hardship to Wahl, Chung and Deutchman's career and their personal life. Even if a sanction were warranted, which it is not, no remedial action is necessary to impress upon him the importance to adhering to professional standards. See Checkosky I, 23 F.3d at 479 (discussing consequences associated with a sanction under Rule 102(e).

sanctioned under Rule 102(e) does not in any way resemble Wahl, Chung or Deutchman's conduct here.

CONCLUSION

For the foregoing reasons, Respondents requests review of the Initial Decision and also request that the Commission grant any and all relief requested by Respondents.

Respectfully submitted,

/s/ Gregory A. Wahl, CPA inactive CA, NY, pro se

/s/ Michael Deutchman, pro se

/s/ Georgia C Chung, CPA inactive CA, pro se

Dated: March 1, 2021