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PLS CPA

UNITED STATES OF AMERICA

Before the

SECURITIES AND EXCHANGE COMMISSION

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

ACCOUNTING AND AUDITING ENFORCEMENT
Release Nol 4131 / April 24, 2020

ADMINISTRATIVE PROCEEDING
File No. 3-19767

In the Matter of

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

Respondents,

FILE NO. 3-19767

ANSWER OF PLS, CPA, A PROFESSIONAL CORPORATION TO THE ORDER INSTITUTING PUBLIC ADMINISTRATIVE AND CEASE AND DESIST PROCEEDINGS

COMES NOW PLS, CPA A PROFESSIONAL CORPORATION and answers COMES NOW JOSEPH YONGYUN LEE, CPA and answers the Order In-

ANSWER

1 stituting Administrative and Cease and Desist Proceedings filed by Securities Ex-
2 change Commission as follows, and reserves his rights to request dismissal of the
3 Order Instituting Public Administrative and Cease and Desist Proceedings and the
4 Complaint on any and all grounds. To the extent not explicitly admitted, all allega-
5 tions in the Order Instituting Public Administrative and Cease and Desist Proceed-
6 ings are denied.

7 1. Respondent admits the matters asserted in paragraph 1.

8 2. Respondent admits the matters asserted in paragraph 2.

9 3. Respondent admits the matters asserted in paragraph 3.

10 4. Respondent admits the matters asserted in paragraph 4.

11 5. Answering Paragraph 5, Respondent states that the matters and information
12 set forth in Paragraph 5 are publicly available and speak for themselves and
13 require no response.

14 6. Answering Paragraph 6, Respondent states that the matters and information
15 in the first sentence of Paragraph 6 are documents that are publicly available
16 and speak for themselves to the extent that the information set forth in the
17 first sentence of Paragraph 6 state legal conclusions a response is not re-
18 quired. Respondent admits the matters set forth in the last sentence of Para-
19 graph 6.

20 7. Answering Paragraph 7, Respondent states that the matters and information
21 set forth in Paragraph 7 are publicly available and speak for themselves and
22 require no response.

23 8. Answering Paragraph 8, Respondent states that the matters and information
24 in the first sentence of Paragraph 8 are documents that are publicly available
25 and speak for themselves to the extent that the information set forth in the

1 first sentence of Paragraph state legal conclusions a response is not required.
2 Respondent admits the matters set forth in the last sentence of Paragraph 8,
3 and denies all other matters asserted in Paragraph 8.

4 9. Answering Paragraph 9, Respondent states that the matters and information
5 set forth in Paragraph 9 are publicly available and speak for themselves and
6 require no response.

7 10. Answering Paragraph 10, Respondent states that the matters and information
8 set forth in Paragraph 10 are publicly available and speak for themselves and
9 require no response. Respondent admits the matters set forth in the last sen-
10 tence of Paragraph 10 and denies all of the remaining factual allegations in
11 Paragraph 10.

12 11. Answering Paragraph 11, Respondent states that the matters and informa-
13 tion set forth in Paragraph 11 are publicly available and speak for them-
14 selves and require no response. Respondent admits the matters set forth in
15 the last sentence of Paragraph 11 and denies all of the remaining factual alle-
16 gations in Paragraph 11.

17 12. Respondent admits the allegations and matters set forth in Paragraph 12.

18 13. Respondent admits the matters asserted in Paragraph 13.

19 14. Except as expressly admitted the allegations in Paragraph 14 constitute mis-
20 leading and inaccurate statements characterizing companies for whom PLS
21 provides audits and reviews of financial statements. Respondent admits the
22 matters asserted in the last sentence of Paragraph 14.

23 15. Respondent admits the matters set forth in Paragraph 15.

24 16. Respondent admits the matters set forth in Paragraph 16.

25 17. Respondent generally admits the matters set forth in Paragraph 17.

1 18. Respondent denies the matters set forth in Paragraph 18 as they are too gen-
2 erally alleged making it impossible to admit the matters for want of specific-
3 ity.

4 19. Respondent admits that it provided audit and review services to IMMA,
5 IMKG, RDTK and TSOI and denies the remaining allegations.

6 20. Respondent admits the matters asserted in Paragraph 20.

7 21. Respondent admits the matters in the first sentence of Paragraph 21, and de-
8 nies the matters set forth in the second sentence of Paragraph 21.

9 22. Respondent admits the matters set forth in Paragraph 22.

10 23. Respondent admits the matters set forth in Paragraph 23.

11 24. Respondent admits the matters set forth in Paragraph 24.

12 25. Respondent admits the matters set forth in Paragraph 25.

13 26. Respondent admits the matters set forth in Paragraph 26.

14 27. Respondent admits the matters set forth in Paragraph 27.

15 28. Respondent admits the matters set forth in Paragraph 28.

16 29. Respondent admits the matters set forth in Paragraph 29.

17 30. Respondent admits the matters set forth in Paragraph 30.

18 31. Respondent admits that there exists PCAOB Auditing Standard No. 3. Re-
19 spondent denies the remaining allegations in Paragraph 31.

20 32. Answering Paragraph 32, Respondent states that the matters and information
21 set forth in Paragraph 32 are publicly available and speak for themselves and
22 contain legal conclusions that require no response.

23 33. Answering Paragraph 33, Respondent states that the matters and information
24 set forth in Paragraph 33 are publicly available and speak for themselves and
25 contain legal conclusion and require no response.

1 34. Answering Paragraph 34, Respondent states that the matters and information
2 set forth in Paragraph 34 are publicly available and speak for themselves and
3 contain legal conclusion and require no response.

4 36. Answering Paragraph 36, the matters set forth in Paragraph 36 are publically
5 known as they pertain to AS 3.15 and legal conclusions which require no
6 response.

7 37. Respondent denies the matters set forth in Paragraph 37.

8 38. Respondent admits that auditors added documents to the audit work paper
9 without disclosing the date the documents were added and denies all other
10 allegations and matters in Paragraph 38 as far as the legal conclusion under
11 AS 3.16 no response is required.

12 39. Respondent denies the matters alleged in Paragraph 39.

13 40. Answering Paragraph 40, Respondent states that the matters and information
14 set forth in Paragraph 40 are publicly available and speak for themselves and
15 require no response. The legal conclusion in the last sentence of Paragraph
16 40 requires no response.

17 41. Answering Paragraph 41, Respondent states that the matters and information
18 set forth in Paragraph 41 are publicly available and speak for themselves and
19 require no response. The legal conclusion in the last sentence of Paragraph
20 41 requires no response.

21 42. Respondent admits the matters asserted in Paragraph 42.

22 43. Respondent admits the matters in the first sentence of Paragraph 43 and de-
23 nies all other allegations in Paragraph 43.

24 44. Respondent admits the matters in the first sentence of Paragraph 44 and de-
25 nies all other allegation in Paragraph 44.

- 1 45. Respondent admits the matters in Paragraph 45.
- 2 46. Respondent admits the matters in Paragraph 46.
- 3 47. Respondent admits the matters in Paragraph 47
- 4 48. Answering Paragraph 48, Respondent states that the matters and information
5 set forth in Paragraph 48 are publicly available and speak for themselves and
6 require no response. The legal conclusion in the last sentence of Paragraph
7 48 requires no response.
- 8 49. Respondent admits the allegations in Paragraph 49.
- 9 50. Respondent admits the allegations in the first two sentences of Paragraph 50,
10 and denies all other allegations in Paragraph 50. The legal conclusions in
11 Paragraph 50 require no response.
- 12 51. Respondent admits the matters alleged in Paragraph 51.
- 13 52. Respondent admits the matters alleged in Paragraph 52.
- 14 53. Respondent denies that Park had prior knowledge of actions of Joseph Lee,
15 admits that Joseph Lee emailed IMKG owner and consultants, and denies all
16 other allegations in Paragraph 53
- 17 54. Respondent admits the allegations in Paragraph 54.
- 18 55. Respondent admits the allegations in Paragraph 55.
- 19 56. Respondent admits the allegations in Paragraph 56.
- 20 57. Respondent admits the allegations in Paragraph 57.
- 21 59. Respondent states that the matters and information set forth in Paragraph 49
22 are publicly available and speak for themselves and require no response.
23 The legal conclusion in the last sentence of Paragraph 59 requires no re-
24 sponse.
- 25 60. Respondent admits the allegations in Paragraph 60.

1 61. Respondent denies the allegations and matters in Paragraph 61 except the
2 legal conclusion which requires no response.

3 62. Respondent admits the matters asserted in Paragraph 62.

4 63. Respondent admits the allegations in Paragraph 63.

5 64. Respondent admits the allegations in Paragraph 64.

6 65. Respondent admits the allegations in Paragraph 65.

7 66. Respondent admits the allegations in Paragraph 66.

8 67. Respondent admits the allegations in Paragraph 67.

9 68. Answering Paragraph 68, Respondent states that the matters and information
10 set forth in Paragraph 68 are publicly available and speak for themselves and
11 require no response. The legal conclusion in the last sentence of Paragraph
12 68 requires no response.

13 69. Respondent admits the allegations in Paragraph 69.

14 70. Respondent denies the allegations in Paragraph 70.

15 71. Respondent admits the allegations in Paragraph 71.

16 72. Respondent admits the allegations in Paragraph 72.

17 73. Respondent admits the allegations in Paragraph 73.

18 74. Respondent admits the allegations in Paragraph 74.

19 75. Respondent admits the allegations in Paragraph 75.

20 76. Respondent admits the allegations in Paragraph 76.

21 77. Respondent admits the allegations in Paragraph 77.

22 78. Paragraph 78 contains only legal conclusions which require no response.
23 However, Respondent denies all allegations in Paragraph 78.
24
25

1 79. Answering Paragraph 41, Respondent states that the matters and information
2 set forth in Paragraph 41 are publicly available, speak for themselves and
3 require no response.

4 80. Answering Paragraph 80, Respondent states that the matters and information
5 set forth in Paragraph 80 are publicly available and speak for themselves and
6 require no response. The legal conclusion in the last sentence of Paragraph
7 80 requires no response.

8 81. Answering Paragraph 81, Respondent states that the matters and information
9 set forth in Paragraph 81 are publicly available and speak for themselves and
10 require no response.

11 82. Answering Paragraph 82, Respondent states that the matters and information
12 set forth in Paragraph 82 are publicly available and speak for themselves and
13 require no response.

14 83. Respondent admits the allegations in Paragraph 84.

15 84. Paragraph 84 contains only legal conclusions which require no response.
16 However, Respondent denies all allegations in Paragraph 84.

17 85. Respondent admits the matters asserted in Paragraph 85.

18 86. Paragraph 86 contains only legal conclusions which require no response.

19 87. Respondent denies the matters asserted in Paragraph 87.d

20 88. The first sentence in Paragraph 88 contains only legal conclusions which
21 require no response. However, Respondent denies all allegations in the first
22 sentence. Respondent generally admits the allegations in the second sen-
23 tence of Paragraph 88 as it lacks sufficient specificity to admit or deny its
24 allegations.

1 89. Answering Paragraph 89, Respondent states that the matters and information
2 set forth in Paragraph 89 are publicly available, speak for themselves and
3 require no response. Paragraph 89 contains only legal conclusions which
4 require no response.

5 90. Answering Paragraph 90, Respondent states that the matters and information
6 set forth in Paragraph 90 are publicly available, speak for themselves and
7 require no response. Paragraph 90 contains only legal conclusions which
8 require no response.

9 91. Answering Paragraph 89, Respondent states that the matters and information
10 set forth in Paragraph 89 are publicly available, speak for themselves and
11 require no response. Paragraph 89 contains only legal conclusions which
12 require no response.

13 92. Paragraph 92 contains only legal conclusions which require no response.
14 However, Respondent denies all allegations in Paragraph 92.

15 93. Respondent admits the matters in the first sentence of Paragraph 93. Re-
16 spondent denies the matters set forth in the second sentence of Paragraph 93.

17 94. Respondent denies the matters asserted in Paragraph 94.

18 95. Paragraph 95 contains only legal conclusions that require no response. How-
19 ever, Respondent denies the matters asserted therein.

20 96. Paragraph 96 contains only legal conclusions that require no response. How-
21 ever, Respondent denies the matters asserted therein.

22 97. Answering Paragraph 97, Respondent states that the matters and information
23 set forth in Paragraph 97 are publicly available and speak for themselves and
24 require no response. The legal conclusion in Paragraph 97 requires no re-
25 sponse.

1 98. Answering Paragraph 98, Respondent states that the matters and information
2 set forth in Paragraph 98 are publicly available and speak for themselves and
3 require no response.

4 99. Paragraph 99 contains only legal conclusions that do not require a response.
5 However, Respondent denies the matters alleged in Paragraph 99.

6 100. Respondent denies the matters asserted in Paragraph 100.

7 101. Answering Paragraph 101, Respondent states that the matters and informa-
8 tion set forth in Paragraph 101 are publicly available and speak for them-
9 selves and require no response. The legal conclusion in Paragraph requires
10 no response.

11 102. Paragraph 102 contains legal conclusions and do not require a response. Re-
12 spondent denies that it and/or the individual auditors violated Rule 4006.

13 103. Respondent denies the allegations in Paragraph 103.

14 104. Paragraph 104 contains legal conclusions and do not require a response. Re-
15 spondent denies the allegations in Paragraph 104.

16 105. Paragraph 105 contains legal conclusions and do not require a response. Re-
17 spondent denies all allegations in Paragraph 105.

18 106. Paragraph 106 contains legal conclusions and do not require a response. Re-
19 spondent denies all allegations in Paragraph 106.

20 107. Paragraph 107 contains legal conclusions and do not require a response. Re-
21 spondent denies all allegations in Paragraph 107.

22 Law Office of Danny R. McDonald

23 Dated: 08/13/2020

24 /s/Danny R. McDonald
25 By: Danny R. McDonald
26 Attorney for Respondent
PLS, CPA a Professional Corporation

ANSWER

In the Matter of PLS, CPA, et al.
Administrative Proceeding File No. 3-19767

SERVICE LIST

Pursuant to Commission Rule of Practice 151 (17 C.F.R. §201.151, I certify that the attached

ANSWER OF PLS CPA A PROFESSIONAL CORPORATION TO ORDER INSTITUTING PUBLIC ADMINISTRATIVE AND CEASE AND DESIST PROCEEDINGS

Was served on August 14, 2020, upon the following parties as follows:

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Dated: August 14, 2020 /S/ Danny R. McDonald
Danny R. McDonald