

DEFENDANTS' ANSWER TO ALLEGATIONS

Roger Wang, CPA
[REDACTED]
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[REDACTED]

03/30/2023

Securities and Exchange Commission
Division of Enforcement New York Regional Office
Securities and Exchange Commission
100 Pearl Street, Suite 20-100
New York, New York 10004-2616

**RE: RESPONSE TO ADMINISTRATIVE PROCEEDING
File No. 3-21298**

Dear Alexander Vasilescu ESQ,

I am writing in response to the administrative proceeding case against me regarding the alleged violations of Rule 2-02(b)(1) of Regulation S-X, Section 13(a) of the Exchange Act and Rule 13a-1 thereunder, and Section 4C(a)(2) of the Exchange Act and Rule 102(e)(1)(ii) of the Commission's Rules of Practice. I respectfully deny the allegations that I engaged in any improper professional conduct or violated any SEC regulations.

Regarding the first allegation in paragraph E, I maintain that Wang CPA did in fact issue audit reports for FTFT fiscal years 2016, 2017, and 2018 audits in accordance with PCAOB standards. We believe that our audit procedures were consistent with those standards, and any deviations or errors were unintentional and not material to the overall audit conclusions. I am confident that all financial statements (including Balance Sheets, Income Statements, Statements of cashflows and Statements of Stockholders' Equity) made regarding the audit standards of PCAOB were truthful and accurate. I also would like to point out that I am just single owner of Wang Certified Public Account, P.C, all my or my firm's auditing practice were under professional corporation structure, therefore, I am not a sole proprietor, and my professional corporation (Wang CPA, P.C.) is not a sole proprietorship.

As for the second allegation in paragraph E, since my audit team maintained that our audits were conducted in accordance with PCAOB standards, I respectfully deny causing FTFT's alleged violations of Section 13(a) of the Exchange Act and Rule 13a-1 thereunder. It was our understanding that the audit reports issued were in compliance with all applicable regulations and professional standards. If there were any inaccuracies or misleading information contained in the annual reports filed by FTFT, this was not the result of any intentional or knowing misconduct on the part of Wang CPA. Wang CPA'

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auditing team provided all reconciled audited balance sheets and Income Statements of all subsidiaries of FTFT to FTFT's management including FTFT's CFO after the completion of filed work in the client site every year. We also provide ADJ. general entries(Audited Adjustment Entries) to FTFT's CFO after completion of field work every year. It is the Main Responsibility for FTFT's CFO to draft their own F/S footnotes using the audited account balance for each subsidiary of FTFT. It just appeared the facts that the FTFT's CFO used some audited balance of the assets' accounts and some unaudited balance of certain assets' accounts to draft the financial statements footnotes. It should be resulted by FTFT CFO's limited US GAAP accounting knowledge and related working experience. I admit that there were some alleged discrepancy or inconsistency issues in the financial statements footnotes of FTFT since FTFT CFO used some unaudited account balance to draft the financial statements footnotes, I didn't catch all of them during my final review of the audit reports, but nothing is intentional or knowing misconduct on my CPA firm, and my CPA firm did NOT face any lawsuit from FTFT's shareholders or investors in the past five years, it appeared that nobody was really harmed by those alleged discrepancy or inconsistency issues in the financial statement footnotes of FTFT.

Finally, with regard to the third allegation in paragraph E, I respectfully deny engaging in improper professional conduct as defined in Rule 102(e)(1)(iv). I have always taken great care to ensure that my work is in compliance with all applicable regulations and professional standards. Any violations that may have occurred were unintentional and the result of a misunderstanding or error, rather than a lack of competence. I obtained my first CPA license in July 2007 in KY state and obtained another CPA license in February 2010 in NY state. Before I had the engagement with FTFT, I had about 15 years work experience in corporate accounting and tax accounting fields, I also had about 7 years working experience in public accounting fields. I assert that Wang CPA's audit procedures demonstrated a reasonable level of competence and adherence to professional standards.

PART II, PARAGRAPH A1 and A2

1. In paragraph A1, the last sentence of the statement is incorrect. The fact is that, R. Wang is the single owner or shareholder of Wang CPA P.C., Roger Wang, CPA is NOT a sole proprietor.
2. For paragraph A2, the statement is not correct. The fact is that, Roger Wang ,CPA registered with the PCAOB on 06/17/2016 as a sole proprietorship, Roger Wang , CPA issued 2 audit reports for two start up public companies for their companies' S1 filing with SEC in 2016. Roger Wang, CPA formed his professional corporation Wang CPA, P.C. in 02/06/2017 in NY state, then Roger Wang, CPA succeeded to change the PCAOB registration status to his professional corporation Wang CPA, P.C. in March 2017. Wang CPA performed audits and interim reviews of the financial statements for Future FinTech Group Inc.

(“FTFT” or the “company”), which filed periodic reports with the Commission pursuant to Section 13(a) of the Exchange Act. Roger Wang, CPA voluntarily withdrew Wang CPA’s registration with the PCAOB in 2020, On September 1, 2020, the PCAOB accepted Wang CPA’s application to withdraw its registration.

STATEMENT OF FACTS

1. Admit the facts of paragraph D1.
2. Deny the allegations of paragraph D2.
3. Deny the allegations of paragraph D3.
4. Deny the allegations of paragraph D4.
5. Deny the allegation of paragraph D5.
6. Deny the allegations of paragraph D6.
7. Deny the allegations of paragraph D7(7a-7d),
(7-1) except admit that there were multiple inconsistency issues and wrong descriptions issues in the FTFT’s financial statements footnotes which was produced by FTFT’ CFO by using unaudited assets accounts balance amounts, but the impairment loss itself was fully recognized properly in the income statements and balance sheets in our audit reports every year.
(7-2) except admit that Wang CPA P.C did not catch and correct the mistake and inconsistencies issue caused by FTFT’s CFO in the Footnotes of Financial statements or 10Ks which is NOT intentional or knowing misconduct on part of Wang CPA P.C.
8. Deny the allegations of paragraph D8.
9. Deny the allegations of paragraph D9.
10. Deny the allegations of paragraph D10.
11. Deny the allegations of paragraph D11.
12. Deny the allegations of paragraph D12,
except admit that Wang CPA P.C did not catch and correct the mistake and inconsistencies issue caused by FTFT’s CFO in the Footnotes of Financial statements or 10Ks which is NOT intentional or knowing misconduct on part of Wang CPA P.C.
13. Deny the allegations of paragraph D13.
14. Deny the allegations of paragraph D14.

AFFIRMATIVE DEFENSES

1. My firm's profits from 2016-2018 obtained were NOT ill-gotten or obtained through unlawful means. My one person CPA firm is a PCAOB registered CPA firm when I had the engagement, so my firm's small profits were obtained through legitimate business practices and my engagement was legitimate.
2. The alleged violations were committed in good faith and I had no knowledge that the conduct was unlawful.
3. My engagements did not violate any securities laws by engaging in any fraudulent activities, insider trading, or other unlawful activities.
4. My CPA practices did not make any false or misleading statements in connection with the sale of securities, and My CPA firm did not have any profits obtained from any securities sales.
5. Every year from 2016 to 2018, my audit team provided all reconciled audited balance sheets and Income Statements of all subsidiaries of FTFT to FTFT's management including FTFT's CFO after the completion of field work in the client site. I also provided audited adjustment entries to FTFT's CFO and CEO after the completion of field work every year. It is the Main Responsibility for FTFT's CFO to draft their own F/S footnotes using the audited account balance for each subsidiary of FTFT. By using some audited account balance and some unaudited account balance from assets category accounts in different accounting periods, it appeared the fact that FTFT's CFO mainly produced alleged discrepancy issues in the financial statements footnotes in the 10ks. However, since my firm did NOT face any lawsuit from any investors or shareholders in the past five years, it appeared the fact that nobody was harmed by those alleged discrepancy or inconsistency issues in the financial statements footnotes in the 10Ks.
6. Every year from 2016-2018, my audit team maintained that our audit procedures for testing the carrying value of FTFT's fruit juice business related assets and other assets were conducted with the appropriate level of skill and care consistent with industry standards. We employed a range of accepted audit procedures, including, but not limited to:
 - a. Analytical procedures: We analyzed industry trends related to the fruit juice production-related assets, as well as the reasonableness of management's representations.
 - b. Physical inspection: We conducted site visits and physically inspected the fruit juice business related assets to assess their condition and verify their existence every year.

- c. Observations: We observed the production activities in the factories , checked the inventory materials' expiration dates and took pictures in the client sites.
- d. Third-party confirmations: We obtained confirmations from external parties, such as suppliers and customers, to corroborate the accounts receivable and accounts payable information provided by FTFT every year.
- e. Public resources information: We checked the Chinese local government websites and Chinese local online platforms of Chinese enterprises' credit and analytic data. We kept tracking if any litigations or public auctions which might go against FTFT's fruit juice business-related assets from 2016 to 2018 every year.

For example: During the audit of fiscal year 2018, Wang CPA found out a large outstanding receivable amount in FTFT's book which is directly related to newly FTFT owned distressed debt. The impairment losses related to other receivables were 100% recognized in the FTFT's 2018 Financial statements based on the following facts of R. Wang 's analysis:

1. The ageing of the accounts receivable exceeded 365 days as of the year ended 2018.
2. Fintech had collected nothing on the distressed debt receivables in the past year.
3. Fintech was unable to provide any supporting evidence to prove its ownership or control of any underlying collateral assets (such as real property titles) of the distressed debt as of 2018.
4. Fintech could not provide any independent third- party evaluation to support the values recorded as of 2018.

Fintech management agreed to the impairment charge and agreed the impairment loss general entry and signed the 10-K for the year 2018. As the result, FTFT's 2018 financial statement recognized about 45 million USD as impairment loss for those distress debt owned by FTFT. Wang CPA protected the public investor's best interest by avoiding the overstatement issues in the balance sheet and understatement issues in the income statement of FTFT for the year end 2018.

In the meantime, since the FTFT's CFO and managements were not able to provide the cashflow forecast for certain assets related to constructions in progress, unused machines and equipment, accounts receivable, etc. year after year, we could not perform or document any undiscounted cash flows analysis as a impairment test, we decided to treat the future cash flows as zero based on my professional judgements for FTFT's assets conditions, production activities observations and other industry trend related

information, etc. And we concluded that those long-lived assets were not recoverable, and the residual value is minimal based on realistic situations of those subsidiaries of FTFT without any cash flow forecasts from its management. So we made audit adjustment entries every year for impairment loss for certain subsidiaries of FTFT and they all fully 100% recognized as conservative basis to avoid any assets overstating issues of the balance sheets from 2016-2018 every year. I believed our audit reports protected the investors' best interests since the impairment loss was not ignored and fully recognized in the FTFT's income statements and balance sheets from 2016-2018 every year.

7. The successor auditors BF Borgers CPA PC. who issued the fiscal year 2019 audit reports for FTFT, accepted the firm's accounting treatment of impairment in the prior financial statements, and the FTFT management board did not made any restatement for the prior financial statements from year 2018 to current year 2023.

8. I obtained my first CPA license in July 2007 in KY state and obtained my another CPA license in February ,2010 in NY state. Before I had the engagement with FTFT, I had about 15 years work experience in corporate accounting and tax accounting fields, I also had about 7 years working experience in public accounting fields. I registered as a sole proprietorship with PCAOB on 06/17/2016, I also issued 2 audit reports for 2 start-up public companies for their companies' S1 filing with SEC in 2016. I formed my professional corporation Wang CPA, P.C. in 02/06/2017, then I succeeded to change my PCAOB registration status to my professional corporation Wang CPA, P.C. in March 2017. So, I did have certain audit practices experience from my previous accountant jobs and my own CPA practice before I had engagement with FTFT. I assert that Wang CPA's audit procedures demonstrated a reasonable level of competence and adherence to professional standards.

9. The PCAOB inspection team came to inspect my firm twice in the past, the PCAOB inspection team members were experienced CPAs also, they did NOT mention the impairment loss general entries of FTFT were completely wrong during the inspections, and they did NOT questioned about my CPA license or auditing experience in the past years. In fact, at that time , we all agreed that auditing provides auditors with an opportunity to learn about different businesses, industries, accounting principles, and regulations ,the process of auditing helps auditors enhance their communication, analytical, and industry-specific knowledge, making it a continuous learning process. PCAOB enforcement department did NOT bring any action against my CPA firm during and after the inspection of my firm.

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10. Base on released litigation case from SEC website, I found the case which File No. is 3-20075 & 3-20076 respectively against James L. Thompson, CPA and Lam D. Ha, CPA, a case which File No. is 3-19914 against Brian Dee Matlock, CPA, a case which File Nos. is 3-19010 in the matter of DLL CPAs, LLC and DEBRA LEE LINDAMAN, and 3-19011 in the matter of Arthur Viola , it appears the conduct of those CPA's was much more irresponsible, violative and/or neglectful than that of my case, the monetary penalties and suspension periods imposed were substantially less than the staff now seeks to impose on my case.

11. I also found a similar SEC released case for Cohnreznick LLP and their partners whose administrative proceeding file nos. are 3-20891 and 3-20892. In their case, Cohnreznick totally failed to recognize the client's impairment loss of goodwill accounts and it appeared that they intentionally overstated the client's assets in the balance sheets and understated the impairment loss expenses in the income statements, their firm business size and the client size is far larger than my case, but their partners(Stephen M. Wyss, CPA, Stephen H. Jackson, CPA and Robert G. Hilbert, CPA) only need pay 20k to 30k for civil penalty to settle the case and only be barred 1-3 years, there was no disgorgement penalty for them at all.

In conclusion, I deny all of the alleged violations and maintain that I have always acted as a CPA in good faith, and I had no knowledge that my firm' business practice was unlawful. I appreciate your attention to this matter and look forward to resolving this case as quickly and efficiently as possible.

Sincerely,



/s/ Roger Wang, CPA

Respondent Pro Se