

# **Rebuttal Expert Report**

**Author: Roger Wang, CPA (Respondent Pro Se)**

**Date: 12/08/2023**

**Regarding: ADMINISTRATIVE PROCEEDING File No. 3-21298**

## **Introduction:**

- (A) This rebuttal expert report is prepared to address and contest the findings presented in the initial expert report by Harris L. Devor, CPA. The purpose is to critically evaluate and provide counterarguments to the conclusions drawn in the original report, particularly regarding those data inconsistency issues in the footnotes of the FTFT's financial statement. This rebuttal aims to clarify, correct, or provide alternative perspectives on the points of contention, thereby contributing to a more comprehensive understanding of the matters under review in the case of File No.3-21298.

## **Credentials of the Rebuttal Expert:**

- (A) Summary of qualifications and relevant experience.

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. In my past job in the accounting firms, my job responsibilities included Maintaining the work papers documentation to evidence the audit results, I have also assisted with preparation of GAAP audited financial statements and footnote disclosures in my past accounting jobs.

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.

## Rebuttal of Key Points:

### Conclusion:

- (A) As Respondent Po Se, I found out that most of Harris Devor, CPA's analysis and conclusions was solely based on the footnotes of the FTFT's financials statement. It appeared that Harris Devor could not read the consolidation worksheets due to Chinese language issues. 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. 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. 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 English language knowledge.
- (B) Footnotes to the financial statements report the details and additional information that is left out of the main financial statements. Footnotes are just supporting information to financial statements. It appeared that FTFT's CFO drafted the footnotes with their own wrong accounts balance, however, it does not necessarily mean that the main financial statements used same number during the consolidation step when I review the FTFT's main financial statements.

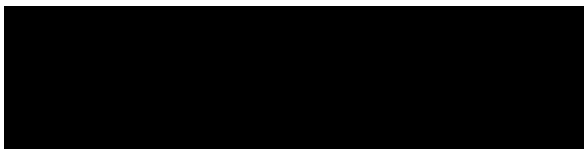
For example, regarding the point #93 in the page 35 of the Harris Devor's report, the 2.4 million impairment loss in 2016 was grouped in the General Administrative expenses, even though the 2016 10k footnotes didn't represent an impairment loss amount, the actual impairment loss was appeared and counted in the FTFT's consolidation worksheet in 2016. So, the total expense amount in 2016 income statement included the 2.4 million impairment loss. I believed that Harris Devor could not read them due to some Chinese language was used in the FTFT's consolidation worksheet in 2016.

In the PCAOB inspection report (Release No. 104-2019-138), in the first paragraph of page 4, the inspection report also stated that the fact that one or more deficiencies in an audit reach this level of significance does not necessarily indicate that the financial statements are materially misstated. It is often not possible for the inspection team,

based only on the information available from the auditor, to reach a conclusion on those points.

- (C) I noted the part of the Harris Devor's report used the released settlement information for FTFT's own investigation case. Based on my knowledge and analysis from the released case file, it appeared that FTFT did not hire a US CPA to handle the investigation and settlement with SEC., it also appeared that the FTFT person who handle the case did not have sufficient accounting and English knowledge to read and analyze their own 2016-2018 10K, and/ or use English language to explain what the past accounting employees and past CFO did for the financial statements during year 2016-2018. So, it appeared that FTFT totally gave up the normal defense due to the current employees' English language inability and lack of US GAAP accounting knowledge for their own accounting work, then they admitted almost all allegations from their SEC investigation. I must point out that some of their allegations are just sole based on SEC's legal counsels' understanding for their financial statements, in facts, FTFT could have some defenses easily for certain accounting disclosures issues if FTFT hired appropriate personnel who is able to simply read the 10k workpaper to handle their own case.
- (D)The arguments provided herein are grounded in established accounting principles and practices and have been thoroughly reviewed for consistency with factual data and relevant standards. This report is intended to offer a balanced and objective viewpoint, countering the conclusions drawn in the initial expert report with rigorously substantiated findings and insights. It is prepared with the utmost commitment to integrity and professional diligence, adhering to the standards expected in professional and legal settings.

Sincerely,

A large black rectangular redaction box covering the signature area.

/s/ Roger Wang, CPA

Respondent Pro Se

# Certificate of Service

In accordance with Rules of Practice 150 and 151, 17 C.F.R. §§ 201.150 &  
.151,

I certify that a copy of Rebuttal expert report was served on the following on 12/08/2023, via  
email at the email address indicated

below:

Mr. Vasilescu, Alexander M.

Email: [VasilescuA@sec.gov](mailto:VasilescuA@sec.gov)

Counsel for Division of Enforcement

Mr. Kim, Howard

Email: [KimH@sec.gov](mailto:KimH@sec.gov)

Counsel for Division of Enforcement

/s/ Roger Wang, CPA

Respondent Pro Se/