

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

ADMINISTRATIVE
PROCEEDING File No. 3-21298

In the Matter of

**JIA ROGER QIAN WANG,
CPA, and WANG
CERTIFIED PUBLIC
ACCOUNTANT, P.C.**

Respondents.

DIVISION OF ENFORCEMENT'S MOTION FOR SUMMARY DISPOSITION

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Under Rule 250 of the Rules of Practice of the Securities and Exchange Commission (“Commission”), the Division of Enforcement (“Division”) respectfully submits this motion for summary disposition against Respondents Jia Roger Qian Wang, CPA (“Wang”) and Wang Certified Public Accountant, P.C. “Wang CPA” or collectively “Respondents”). As there is no genuine issue about certain material facts, the Division is entitled to summary disposition on its claims against Respondents for violating these statutes, regulations and rules thereunder: Section 13(a) of the Securities Exchange Act of 1934 (“Exchange Act”) [15 U.S.C. § 78m(a)], and Rule 13a-1 thereunder [C.F.R. 240.13a-1]; Rule 2-02(b)(1) of Regulation S-X; and accounting standards. It is in the public interest for Respondent Wang to pay a civil penalty and disgorge ill-gotten gains together with pre-order interest, and for Wang and Wang CPA to be barred from appearing before the Commission.

INTRODUCTION

This motion addresses Respondents’ multiple failures to comply with Public Company Accounting Oversight Board (“PCAOB”) auditing standards¹ in connection with their audits of year-end financial statements of Future FinTech Group Inc. (“FTFT”), a public company trading in the United States while operating in the People’s Republic of China. FTFT was formerly known as SkyPeople Fruit Juice, Inc. and produced and sold fruit juice, purees, concentrates and other fruit products, but in 2018 changed its business model to focus on cryptocurrency and an e-commerce platform. Respondents audited FTFT while it was a fruit juice company and during this period performed deficient audits which were not in accordance PCAOB accounting standards, resulting in FTFT including the Respondents’ false audit report with its Forms 10-K. As we show below, the evidence is uncontroverted that Respondents lacked sufficient public audit experience, which led to a host of audit failures, including: failure to adequately plan the audit, particularly with respect to impairment of assets; failure to adequately test management’s impairment analysis and to document

¹ PCAOB auditing standards are called “AS”.

the same; failure to understand the discrepancies in FTFT's financials and its accounting records; and failure to exercise due professional care. By not conducting the audits of the financial statements of FTFT in accordance with PCAOB audit standards, Respondents caused FTFT to file annual reports (FTFT's 2016 to 2018 Forms 10-K) with financial statements incorporating Wang CPA's materially inaccurate statements. Indeed, each of Wang CPA's audit reports for FTFT's fiscal years 2016, 2017 and 2018 stated that the firm had conducted the audits in accordance with PCAOB audit standards. These representations were false and violated Rule 2-02(b)(1) of Regulation S-X. By failing to comply with PCAOB auditing standards throughout the relevant period, Wang and his firm engaged in repeated instances of unreasonable conduct indicating a lack of competence to practice before the Commission. This improper professional conduct involved multiple FTFT audit reports. As show below, Respondents' conduct deviated from multiple PCAOB audit standards and violated Rule 102(e)(1)(ii) of the Commission's Rules of Practice.

There is no genuine issues of material fact based on 1) FTFT's Forms 10-K filed with the Commission; 2) Wang's admissions in his staff correspondence and investigative and deposition testimonies; 3) Wang's admissions to the findings in the PCAOB Inspection Comment Forms for fiscal year 2018; 4) the lack of required documents and analysis in Respondents' required workpapers; and 5) the analysis and findings in the Division's expert's report which Respondents' fail to rebut with any opposition expert report. (Relevant exhibits ("Ex") are attached to Declaration of Howard Kim).

FACTUAL BACKGROUND

RESPONDENTS

Respondent Wang, age 47, resides in Queens, New York, and is a licensed Certified Public Accountant ("CPA") in New York State. Wang has no disciplinary history and is the sole owner and proprietor of Wang CPA. (OIP ¶ II.A.2.; Ex 1 at 27:22, 28:1; Ex 2 at 75: 21-23). Wang provided testimony to the Enforcement staff in his individual capacity and in his capacity as the owner of his

professional corporation during the Enforcement Division’s investigation on November 18, 2020 and December 16, 2021 (“Wang Test.”) and also during his deposition on August 9, 2023 (“Wang Dep.”).² As indicated on an PCAOB Inspection Comment Forms dated December 20, 2019, the PCAOB inspected Wang CPA concerning its work on the audit of FTFT’s fiscal year 2018; those forms (PCAOB Inspection Comment Forms) includes factual findings. (Exs 10 and 11) Wang consented to the factual findings with his signature to that PCAOB Inspection Comment Forms.³ The Respondents also produced to the Enforcement staff their workpapers for their auditing work on FTFT. The absence of audit documentation and analysis for key audit areas confirm that the Respondents failed to comply with the applicable professional standards for the FTFT audits for fiscal years 2016, 2017 and 2018.⁴ Wang was in charge of Wang CPA’s business operations, profits, and staffing of the audits to the extent any work was delegated in China.

Respondent Wang CPA, a New York professional corporation, is an accounting firm based in Queens, New York. Wang CPA registered with the PCAOB on June 17, 2016. Wang, acting through his sole proprietorship Wang CPA was engaged by FTFT to perform audits of the financial statements, which filed reports with the Commission under Section 13(a) of the Exchange Act. Wang voluntarily withdrew Wang CPA’s registration with the PCAOB. On September 1, 2020, the PCAOB accepted Wang CPA’s application to withdraw its registration. (Ex 3 at 207:8-10; Ex 17). PCAOB

RELEVANT ENTITY

² Wang Test. and Wang Dep. accompany this motion as Exhibits 1, 2 and 3. In lieu of continuing his deposition regarding questions of his auditing workpapers, Wang agreed to answer written questions about the workpapers from written questions that the Enforcement Division sent him. The Enforcement Division’s written questions are Exhibit 12 and Wang’s responses are Exhibit 13.

³ The relevant PCAOB Inspection Comment Forms that Wang consented to are Exhibits 10 to 11.

⁴ Respondents’ workpapers were analyzed by Harris Devor, CPA, an accounting and auditing expert hired by the Enforcement staff who has testified in other Commission administrative proceedings. Mr. Devor analyzed Respondents’ workpapers (also referred to as “audit documentation” in the Devor’s analysis) and also Wang’s testimony and various documents such as FTFT’s Commission filings. Mr. Devor produced an expert report including his analysis and findings (“Devor Report”) which is Exhibit 14.

Future FinTech Group Inc. (FTFT) is a Florida corporation that engaged in the production and sale of fruit juice, purees and concentrates, with operations in the People’s Republic of China. In 2018, FTFT changed its business model to include blockchain technology and an e-commerce platform. FTFT is a public issuer whose ordinary shares are registered with the Commission under Exchange Act Section 12(b) traded on the NASDAQ under the symbol FTFT. (Ex 6 at x5717⁵; Ex 7 at x5825; Ex 8 at x5928; Ex 9 at x6029). On July 23, 2023, FTFT consented to an Order Instituting Cease-And-Desist Proceedings under Section 8A of The Securities Act of 1933 And Section 21C of the Securities Exchange Act of 1934, Making Finding, And Imposing A Cease-And-Desist order (“FTFT Order”).⁶

FACTS NOT IN DISPUTE

Respondents Audited FTFT And Submitted Audit Reports Included in FTFT’s

Filings with the Commission. FTFT retained the Respondents to audit FTFT’s financial statements for fiscal years 2016, 2017 and 2018. (Ex 7 at x5899; Ex 8 at x6001; Ex 9 at x6138) FTFT paid Respondents between \$130,000 and \$16,000 per year. (Ex 15). Respondents issued audit reports for FTFT fiscal years 2016, 2017 and 2018 and stated that they had conducted the audits in accordance with PCAOB standards. (Ex 7 at x5899; Ex 8 at x6001; Ex 9 at x6138) Wang was the sole proprietor of Wang CPA and approved the signing of the firm’s name to the audit reports and their issuance for inclusion in the filings with the Commission. (Ex 1 at 27:15-25; 28:1, 91:12-14, 148:8-13; Ex 2 at 131:13-16, 167:16-19). As discussed below, Respondents made false representations in FTFT’s Commission filings that they had conducted audits in accordance with PCAOB standards.

⁵ Some page cites are to bates numbers. When there is an x before the number it stands as an abbreviation for the first part of the bates number, such as “SEC-LIT-00020”.

⁶ The Commission’s settled FTFT Order stated there were “recurring material misstatements in the financial statements of [FTFT] during a three-year period. The misstatements included material errors for the carrying amount of investments during the fiscal years of 2016, 2017, and 2018 (the ‘relevant period’). Additionally, as disclosed in FTFT’s filings with the Commission, FTFT has had recurring material weaknesses in its Internal Control over Financial Reporting and repeatedly failed to remediate them.” (Ex 4).

Lack of Requisite Training and Proficiency. The Respondents did not have the requisite training and proficiency (as described in AS 1010) to perform an audit of a company as large and complex as FTFT and lacked sufficient personnel with the appropriate level of knowledge and experience working with GAAP and Commission reporting requirements. (Ex 14 ¶¶ 26-38). FTFT was the first public company with any significant operations that Respondents had ever audited. (Ex 3 at 190:3-6, Ex 1 at 88:11-14.). Wang claimed he relied on accountants in China who were not registered with PCAOB to help in audit FTFT. (Ex 14 ¶ 27; Ex 1 at 131:4-6, 149:25; 150:1-2)). In addition, FTFT was a complex corporate entity with 30 subsidiaries in different jurisdictions and the names of these subsidiaries changed year-over-year, all of which added to the audit complexity. (See Ex 14 ¶ 28; Ex 9 at x6034-35; Ex 8 at x5933-34). The prior FTFT auditor told Respondents that FTFT was “risky” because of its size and business. (Ex 14 ¶ 30; Ex 1 at 55-57). Wang admitted he undertook no analysis to evaluate whether FTFT posed risk that precluded the Respondents from working on the FTFT audits. (Ex 14 ¶ 30; Ex 1 at 83-85). For example, prior to FTFT, Respondents had only audited two small “blank-check⁷” public companies as an employee of an auditing firm. (Ex 14 ¶ 33; Ex 21; Ex 1 (Wang Test.) at 41-43; Ex 18 (Wang Answer Affirmative Defense # 8)).⁸ Those blank check companies with no operations stand in stark contrast to the complexity and operations of FTFT

Failure to Reconcile Financial Statements With Other Auditing Evidence. During the audits, Respondents failed to reconcile FTFT’s annual 2016 through 2018 financial statements with underlying accounting records and with other information in documents containing audited financial

⁷ A “blank check” is a development stage company that has no specific business plan or purpose or has indicated its business plan is to engage in a merger or acquisition with an unidentified company or companies, other entity, or person. <https://www.investor.gov/introduction-investing/investing-basics/glossary/blank-check-company>

⁸ Wang admitted that for the two prior blank check company audits he worked on he charged only \$10,000, while for FTFT he charged between \$130,000 and \$160,000 per year. (Ex 1 at 43; Ex 14 (Devor Report) ¶¶ 33-34). Wang also admitted his audit fees from FTFT were a material component of his income for years 2016, 2017 and 2018. (Ex 3 at 186-7; Ex 14 n. 33; Ex 15 (email dated May 20, 2022 from Wang to the Enforcement staff)).

statements (primarily financial information contained in the Management, Discussion and Analysis (“MD&A”) sections of FTFT’s 2016 through 2018 Forms 10-K) as required by PCAOB standards (AS 2710 and AS 2810). (Ex 14 ¶¶ 43-62 citing Ex 1 (Wang Test.) and Ex 3 (Wang Dep.), Exs 19A & B, Ex 7, 8, and 9). For example: For FY 2016, regarding FTFT’s Yingkou and Huludao Wonder assets, FTFT recorded impairment losses of around \$4.5 million but in Note 4 to the financial statements, FTFT recognized an impairment loss of those same assets of \$3.2 million. (Ex 14 ¶¶ 48-49; Ex 7 at x5914; Ex 3 at 138-42; Ex 4 at 4). In the 2017 Form 10-K, in one part of the 10-K, FTFT stated the impairment loss for the Yidu Project was \$6.24 million but, in another section, it was only \$0.62 million. (Ex 14 ¶¶ 50-52; Ex 8 at x5980, x6007 (\$6.24 million impairment disclosed); x5971 (\$0.62 million)).⁹

Failure to Adequately and Appropriately Plan Audits Concerning Material

Misstatements and Asset Impairments. Contrary to PCAOB standards, Respondents did not adequately and appropriately plan the audits and resultantly, failed to identify material misstatements in accordance with AS 2101 and AS 2110 in relation to the potential impairment of FTFT’s property, plant and equipment and land use rights assets. (Ex 14 ¶¶ 63-75 citing various pages of Ex 1 (Wang Test.) at 136-7; Ex 6 (FTFT 2015 Form 10-K) at x5799; Ex 9 (FTFT 2018 Form 10-K) at x6159; Ex 8 (FTFT 2017 Form 10-K) at x6002; Ex 22 (Audit Planning Memo) at x0955 and x0959; Ex 23 (PCAOB Report) at x3616; and Ex 10 (PCAOB Inspection Comment Form) at x7701). When Respondents were first hired to audit FTFT, the 2015 Form 10-K showed that company’s Property, Plant and Equipment (“PPE”) together with the land rights that company had made up 40% of reported total assets. (Ex 14 ¶ 65; Ex 1 (Wang Test.) at 136-7; Ex 14 ¶ 66 n.68; Ex 6 (2015 Form 10-

⁹ The OIP includes three additional examples of similar significant material mistakes in FTFT’s 2018 Form 10-K that the Respondents should have analyzed and should have reconciled. But Respondents’ workpapers have no documents or analysis of these problems in the Forms 10-K. (Ex 14 ¶¶ 53-62 (citing Forms 10-K, Wang Test. and Wang Dep.).

K) at x5799); Ex 14 n.69 (Ex 9 (2018 Form 10-K) at x6159)). Two years later, the 2017 Form 10-K showed those two asset groups made up 32% of FTFT's total reported assets (Ex 14 ¶ 67 (Ex 8 at x6002)). But Respondents' workpapers (or lack thereof) show they failed to identify FTFT's PP&E and land use rights as significant areas that contain risks of material misstatements despite the magnitude of the reported value of these assets relative to FTFT's financial position. (Ex 14 ¶ 68). Nor do the Respondents' workpaper contain or identify any tests related to impairment of such assets. (Ex 14 ¶ 73). As a result, Respondents violated AS2101 and AS 2210. (Ex 14 ¶ 73 and ¶¶ 65 to 75 (citing Forms 10-K, Ex 3 (Wang Dep.) at 136-7; Exs 11, 22 and 23; Ex 5 (OIP) ¶ 3).

Failure To Obtain Audit Evidence and Prepare Audit Documentation in Sufficient

Detail. Respondents failed to obtain sufficient appropriate audit evidence in accordance with AS 1105 during the conduct of their audits in relation to the potential impairment of FTFT's property, plant and equipment and land use rights. (Ex 14 ¶¶ 76-139 (generally citing Exs 1 and 2 (Wang Test.) and Ex 3 (Wang Dep.)). Respondents also failed to prepare audit documentation in sufficient detail in accordance with AS 1215 concerning the potential impairment of FTFT's property, plant and equipment and land use rights. (Ex 14 ¶¶ 76-139 (generally citing Exs 1 and 2 (Wang Test.) and Ex 3 (Wang Dep.)). Respondents' workpapers and Wang's testimony¹⁰ confirm that Respondents failed to obtain proper audit evidence and prepare proper documentation regarding the following FTFT assets:

Huludao Wonder. Because of a deterioration of that asset and a related lawsuit, FTFT's board of directors in March 2017 agreed to fully impair Huludao Wonder's equipment as of December 31, 2016 and the 2016 Form 10-K reported it recorded a \$2.4 million of impairment on Huludao Wonder's PP&E in 2016. (Ex 14 Report ¶ 92). Respondents' workpapers do not confirm that the \$2.4 million impairment related to Huludao Wonder was actually recorded in 2016, and FTFT's 2017 Form 10-K states there was no such impairment for 2016. (Ex 14 ¶ 93). Similarly, while in 2017 FTFT reported

¹⁰ Ex 14 (Devor Report) ¶¶ 76-139 (citing Forms 10-K, Exs 1 and 2 (Wang Test.) and Ex 3 (Wang Dep.)).

\$11.3 million of impairment and, in 2018, an additional \$1.1 million of impairment, concerning the Huludao Wonder asset, Respondents' workpapers failed to show any analysis of impairment or analysis of the value of that asset. (Ex 14 ¶¶ 99 to 101).

Guo Wei Mei Subsidiary. While Respondents' workpapers show that they understood that this subsidiary's operations were shut down in 2016 or earlier, FTFT did not record any impairment charge related to Guo Wei Mei in 2016. (Ex 14 ¶¶ 117 to 119). Respondents undertook no analysis in 2016 to determine whether that asset was impaired or its fair value. (Ex 14 ¶¶ 120 to 123). While FTFT did record in 2017 Guo Wei Mei's impairment losses of \$30.26 million, Respondents' workpapers contain no document detailing sufficient appropriate audit evidence to support recording impairment losses totaling \$30.26 million in 2017. (Ex 14 ¶¶ 124 to 130). Finally, the 2018 Form 10-K, contained additional impairment losses for Guo Wei Mei but there were highly inconsistent numbers of that impairment loss in the MD&A section compared to the financial statement. (Ex 14 ¶¶ 131 to 135).

In the same manner, Respondents also failed to obtain audit evidence and prepare audit documentation in sufficient detail in fiscal years 2016, 2017 and 2018, for two other large assets for FTFT: Yingkou Subsidiary (see Ex 14 ¶¶ 131 to 137 citing Exs 6 to 9 (Forms 10-K), Exs 1 and 2 (Wang Test.) and Ex 3 (Wang Dep.)), and Suizhong Project (see Ex 14 ¶¶ 102 to 116 citing Exs 6 to 9 (Forms 10-K), Exs 1 and 2 (Wang Test.) and Ex 3 (Wang Dep.)).

Failure To Exercise Due Professional Care. The violations of multiple PCAOB standards described above show that the Respondents' failed to exercise due professional care during the audits of FTFT's financial statements for years 2016 through 2018 in accordance with AS 1015. (Ex 14 ¶¶ 39-42; Ex 3 (Wang Dep.) at 176-82). AS 1015.04, Due Professional Care in the Performance of Work, defines due professional care as "... what the independent auditor does and how well he or she does it." (AS 1015.04.). Many of the Respondents' audit failures involved facial inconsistencies in FTFT's filings or obvious issues that were ignored or not addressed. These failures were not isolated,

but consistent across three audit years and multiple subsidiaries. The lack of proper documentation and analysis involving the described audit failures in Respondents' workpapers, and Wang's testimony and deposition admissions, confirm that during their FTFT audits, Respondents failed to apply required due professional care and professional skepticism in accordance with AS 1015. (Ex 14 ¶ 41).

Wang's Admissions to PCAOB's Inspection Findings. On January 7, 2020, Wang consented to and agreed to factual findings in PCAOB inspection comment forms for Respondents' auditing work for FTFT in fiscal year 2018. (Exs 10 and 11 (PCAOB Inspection Comment Forms)). Wang "agreed" Respondents had not complied with audit documentation requirements under AS 1215 and that Respondents "failed to perform sufficient procedures to test the existence, valuation and presentation and disclosure of land usage rights in accordance with AS 2301 . . . and AS 2810" and Wang also admitted that Wang CPA's "audit team might [sic] missed some audit procedures" when Respondents failed to comply with AS 2110 by failing "to identify and assess the risk of material misstatement at the financial statement level" (Exs 10 and 11).

STANDARD OF REVIEW

The Commission's Rules of Practice permit motions for summary disposition after a respondent has filed an answer and after the Division has made the investigative file available to the respondent. 17 C.F.R. § 201.250. Respondents answered the OIP on March 30, 2023. The Division made its investigative file available to the Respondents on February 15, 2023. Rule 250 provides that a motion for summary disposition may be granted "if there is no genuine issue with regard to any material fact and the party making the motion is entitled to summary disposition as a matter of law." 17 C.F.R. §201.250(b).¹¹ Once the moving party has carried its burden, "its opponent must do more than simply show that there is some metaphysical doubt as to the material facts." *Ghysels*, 2009 WL

¹¹ By analogy to Rule 56 of the Federal Rules of Civil Procedure, a factual dispute between the parties will not defeat a motion for summary disposition unless it is both genuine and material. *David G. Ghysels, et al.*, No. 3-13481, 2009 WL 4731400, *2 (Dec. 11, 2009) citing *Anderson v. Liberty Lobby, Inc.*, 411 U.S. 242, 247-48 (1986).

4731400, *2, citing *Matsushita Elec. Indus. Co. v. Zenith Radio Corp.*, 415 U.S. 574, 586 (1986). The opposing party must set forth specific facts showing a genuine issue for a hearing and may not rest on the mere allegations or denials of its pleadings. *Id.*

ARGUMENT

I. Respondents Violated Rule 2-02 of Regulation S-X

For FTFT’s audits of fiscal years 2016, 2017 and 2018, Rule 2-02(b)(1) of Regulation S-X mandated that an auditor’s report “state whether the audit was made in accordance with generally accepted auditing standards” 17 C.F.R. 210.2-02(b)(1).¹² Implicit in these provisions is the requirement that the information reported be true, correct, and complete. An audit firm violates Rule 2-02(b)(1) of Regulation S-X if it issues an audit report stating that it had conducted its audit in accordance with PCAOB standards when it had in fact not done so.¹³

Each of Wang CPA’s audit reports for FTFT’s annual reports for fiscal years 2016, 2017 and 2018 Forms 10-K stated that the firm had conducted the audits in accordance with PCAOB standards. As shown above, Respondents in fact failed to follow multiple PCAOB’s audit standards: AS 1010, AS 1015, AS 1105, AS 1215, 2101, AS 2301, AS 2710, and AS 2810. Wang caused Wang CPA to issue audit reports for inclusion in FTFT’s Form 10-K’s, stating that Wang CPA’s audits at issue complied with PCAOB standards when he knew or recklessly disregarded that the audits departed from PCAOB standards, and that the relevant financial statements were presented in conformity with GAAP when he knew or recklessly disregarded that they were not so presented. Thus, Wang CPA violated Rule 2-02(b)(1). *See Sean Henaghan*, Exchange Act Rel. No. 75859 (Sept.

¹² References in the Commission’s rules to GAAS include the PCAOB standards. *In the Matter of KMJ Corbin & Co.*, Rel. No. 34-62899, AAER 3185 (Sept. 13, 2010) (settled). In November 2018, Rule 2-02(b)(1) was amended to refer instead to “applicable professional standards.”

¹³ *In the Matter of KPMG Australia*, Rel. No. 34-63987, AAER 3248 (Feb. 28, 2011) (settled); *In the Matter of Andrew Sims*, CPA, Rel. No. 34-59584, AAER 2950 (Mar. 17, 2009) (settled). *See also In the Matter of KPMG Peat Marwick LLP*, Rel. No. 34-43862 at n. 95, AAER 1360 (January 19, 2001) (No showing of scienter is required to establish a violation of Rule 2-02(b)(1) of Regulation S-X).

9, 2015 (settled order), *Andrew Sims*, Exchange Act Rel. No. 59584 (Mar. 17, 2009) (settled order); *KMJ Corbin*, Exchange Act Rel. No. 62899 (Sept. 13, 2010) (settled order). *See also In the Matter of KPMG Peat Marwick LLP*, Rel.34-43862 at n. 95 AAER 1360 (January 19, 2001) (No showing of scienter required to establish a violation of Rule 2-02(b)(1) of Regulation S-X.

Wang was the sole proprietor of Wang CPA and had sole authority to approve the signing of the firm's name to the audit reports and their issuance for inclusion in the filings with the Commission as the engagement partner for FTFT. *See SEC v. Michael J. Moore and Moore & Associates Chartered*, Lit Rel. 21189A, AAER 3040 (August 27, 2009). For these same reasons, Wang was also responsible for causing his firm's violations of Rule 2-02(b)(1).

II. Respondents Caused Violations of Section 13(a) and Rule 13a-1

Section 13(a) of the Exchange Act requires issuers subject to the Exchange Act's reporting provisions such as FTFT to file reports, documents, and other information. Issuers must file annual reports as required by Exchange Act Rule 13a-1. *Albert Glenn Yesner, CPA*, 75 SEC Docket 156, 2001 WL 587989, *30 (May 22, 2001). An issuer violates these provisions if it files a report that contains materially false or misleading information.¹⁴ Section 13 (a) and Rule 13a-1 require the filing of financial statements that are prepared in conformity with GAAP.¹⁵ Financial reports that are not in accordance with GAAP are presumed to be misleading. *Yesner*, 2001 WL 587989, *31, citing 17 C.F.R. § 210.4-01(a)(4). It is misleading to anyone trying to analyze an issuer's financial statements when they are published if those financial statements do not comply with GAAP. *Id.*, citing *In re*

¹⁴ *SEC v. Yuen*, No. CV 03-437, 2006 WL 1390828, at *41 (C.D. Cal. Mar. 16, 2006). *See also SEC v. Blackburn*, No. 15-2451, 2015 WL 9459976, *10 (E.D. La. Dec. 28, 2015) ("The reporting provisions of the Exchange Act are 'clear and unequivocal,' and satisfied only by the filing of complete, accurate, and timely reports.") (citation omitted).

¹⁵ *Huntington Bancshares, Inc., et al.*, 85 SEC Docket 1433, 2005 WL 1307747, *10 (June 2, 2005). *See also Ponce v. SEC*, 345 F.3d 772, 735 (9th Cir. 2003).

Baan Securities Litigation, 103 F. Supp.2d 1, 14-15 (D.D.C. 2000). Scienter is not an element under Section 13 or Rule 13a-1.¹⁶

In cease-and-desist proceedings, the Commission may impose sanctions upon any person who is, was, or would be a cause of a violation, due to an act or omission the person knew or should have known would contribute to such violation. In order to establish that a person caused a violation, a showing of negligence will suffice. *KPMG, LLC v. SEC*, 289 F.3d 109, 119-20 (D.C. Cir. 2002).

FTFT violated Section 13(a) of the Exchange Act and Rule 13a-1 when it filed its Forms 10-K for fiscal years 2016, 2017 and 2018 with the Commission and falsely represented that the audits of the financial statements were proper PCAOB audits.¹⁷ Wang, and through him Wang CPA, substantially assisted and caused these violations, because they authorized the inclusion of audit reports containing unqualified opinions in FTFT's Forms 10-K, and they signed off on the audits of FTFT's financial statements. Wang and Wang CPA should have known that their conduct would contribute to FTFT's filing of false and misleading Forms 10-K and that the audits had not been done in accordance with PCAOB standards, therefore causing FTFT's violations of Exchange Act Section 13(a) and Rule 13a-1 thereunder. Among other things, the prior auditor told Wang the audit was risky and also the Forms 10-K on their face had red flags that Wang should have noted and acted on, but did not.

III. Respondents Violated Rule 102(e)(1)(ii)

Section 4C of the Exchange Act and Rule 102(e)(1)(ii) of the Rules of Practice provides that the Commission may deny the privilege of appearing or practicing before the Commission to any person who is found to have engaged in improper professional conduct. Under Rule 102(e)(1)(iv),

¹⁶ See *Yesner*, 2001 WL 587989, *30, citing *SEC v. McNulty*, 137 F.3d 732, 740-41 (2d Cir. 1998). See also *Left Behind Games, Inc.*, 107 SEC Docket 2404, 2014 WL 117593, *5 (Jan. 13, 2014); *Huntington Bancshares*, 2005 WL 1307747, *10.

¹⁷ Ex 4 (FTFT Settled Order).

improper professional conduct for accountants consists of violating applicable professional standards resulting from “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.” “Unreasonable conduct” as used in this provision means ordinary negligence.¹⁸ The PCAOB auditing standards are the applicable professional standards. See Rule 102(e) and Section 4C. Those standards establish the standard of care against which the conduct is measured. *See Dearlove v. SEC*, 573 F.3d 801, 804-05 (D.C. Cir. 2009).

Wang and Wang CPA engaged in repeated instances of unreasonable conduct over the course of multiple audits indicating a lack of competence to practice before the Commission. This improper professional conduct involved violations of fundamental auditing standards: AS 1015, AS 2810, AS 2710, and AS 1215. The repeated failures resulted in a public company, FTFT, filing multiple false audit reports that deprived investors of receiving properly audited financial statements. Wang’s conduct was indisputably unreasonable under the professional standards as he (a) failed to maintain work papers and analysis related to FTFT’s impairment accounting; (b) did not appropriately plan for the FTFT audits; (c) lacked the requisite experience to audit FTFT; and (d) did not address repeated inconsistencies in the footnotes and financial statements for the annual reports for fiscal years 2016 through 2018. Because Wang CPA was owned and controlled by Wang, Wang CPA also violated Rule 102(e).

¹⁸ See *In the Matter of Dohan & Co. CPA*, Initial Decision Rel. 420 (June 27, 2011), AAER 3232 (Jan. 20, 2011); Initial Decision final as of July 26, 2011. Exchange Act rel. no. 64907 (July 26, 2011); *In the Matter of Ernst & Young LLP*, Initial Decision Rel. 249 (April 16, 2004); Rel. No. 33-8146 (Nov. 13, 2002). Initial Decision final as of April 26, 2004. Securities Act Rel. No. 8413 (April 26, 2004).

IV. Remedial Action Against Respondents Is In the Public Interest

The public interest would be served by imposing remedial relief and sanctioning Wang and Wang CPA.¹⁹

A. Cease-and-Desist Order Is Appropriate Against Wang

The Commission should under Exchange Act Section 21 C(a) enter a cease-and-desist order against Wang and Wang CPA.²⁰ Respondents conduct was egregious, recurring, and negligent. They rubber-stamped misstated financial statements, when even minimal audit inquiries would have uncovered FTFT's misrepresentations and internal inconsistencies. These violations spanned over multiple years. Wang has not expressed any remorse or offered any assurances against future misconduct. (See Ex. 18 (Wang Answer)). Further, Wang testified that he wanted to audit more public companies in the future. (Ex 3 (Wang Dep.) at 209)

B. Disgorgement and Pre-Order Interest Are Appropriate for Wang

The Division respectfully requests that the Commission order Wang to disgorge his 2016, 2017, and 2018 earnings from FTFT which approximates the profits he earned from his violations of the securities laws, plus pre-order interest.²¹ Wang owned Wang CPA, which took substantial fees

¹⁹ In determining whether sanctions should be imposed in the public interest, courts and the Commission may consider: (a) the egregiousness of the actions; (b) the isolated or recurrent nature of the infractions; (c) the degree of scienter involved; (d) the sincerity of the respondent's assurances against future violations; (e) a respondent's recognition of the wrongful nature of his or her conduct; and (f) the likelihood that a respondent's occupation will present opportunities for future violations. *See Steadman v. SEC*, 603 F.2d 1126, 1140 (5th Cir. 1979). In addition to these factors, the Commission also may consider the extent to which a sanction will have a deterrent effect. *See In the Matter of Schield Management Co., et al.*, Exchange Act Re. No. 53201 (Jan.); *In the Matter of 31*, 2006; *In the Matter of Steven Altman, Esq.*, Exchange Act Re. No. 63306 (Nov. 10, 2010).

²⁰ *See In the Matter of KPMG Peat Marwick LLP*, Exchange Act Rel. No. 43862 (Jan. 19, 2001) (holding that "absent evidence to the contrary," a single past violation may raise "a sufficient risk of future violation"); *Maria T. Giesige*, Initial Decision Rel. No. 359 (Oct. 7, 2008) (holding that factors weighing in favor of awarding a cease-and-desist order include the "recurrent nature of the violation," and "the respondent's opportunity to commit future violations").

²¹ Section 21B(e) and 21C(e) of the Exchange Act authorize disgorgement in cease-and-desist proceedings, including reasonable interest. Disgorgement that does not exceed a wrongdoer's net profits is permissible relief under Section 21(d)(5) of the Exchange Act. *Liu v. SEC*, 140 S. Ct. 1936, 1943 (2020). Disgorgement can also be imposed on multiple defendants joint and severally. *See Liu*, 140 S. Ct. at 1949 (joint-and-several liability may be imposed "for partners engaged in concerted wrongdoing").

from FTFT and, by extension, shareholders for the patently deficient audits.²² Based on Wang's calculations in correspondence with the staff that he received gross revenue of \$430,000 in fees that netted to \$268,000 after expenses deducted.²³ (Ex 15). This amount, together with pre-order interest of \$47,034.07²⁴, should be returned to FTFT which was harmed by Respondents' gross misconduct. (Kim Dec. ¶ 5 and Ex 16).

C. A Civil Penalty Should Be Imposed Upon Respondent Wang

The public interest would be served by requiring Wang to pay a civil monetary penalty of \$65,000. The egregious nature of Wang's auditing violations over three years supports such a civil penalty and is supported by the statutory framework.

D. Rule 102(e) Suspensions Are Appropriate for Wang and Wang CPA

Under Section 4C of the Exchange Act and Section 102(e) of the Commission's Rules of Practice, Wang and Wang CPA should be denied the privilege of appearing or practicing before the Commission as an accountant and accounting firm without the right to apply for reinstatement. The egregiousness and repeated nature of their misconduct requires such relief to protect the public.²⁵

CONCLUSION

The Commission should impose the above-requested relief on Respondents.

Dated: December 29, 2023

Respectfully submitted,

/s/ Alexander Vasilescu

²² Section 21B(e) and 21C(e) of the Exchange Act authorize disgorgement in cease-and-desist proceedings, including reasonable interest. Disgorgement that does not exceed a wrongdoer's net profits is permissible relief under Section 21(d)(5) of the Exchange Act. *Liu v. SEC*, 140 S. Ct. 1936, 1943 (2020). Disgorgement can also be imposed on multiple defendants joint and severally. *See Liu*, 140 S. Ct. at 1949 (joint-and-several liability may be imposed "for partners engaged in concerted wrongdoing").

²³ To the extent the Commission follows 2nd Circuit Law, the disgorgement here would satisfy *SEC v. Govil*, 2023 WL 7137291 (2d Cir. 2023) as FTFT was the victim of Respondents conduct as the company paid the Respondents to do an PCAOB audit of its financial statements and the Respondents failed to do the proper PCAOB audits for that public company.

²⁴ Rules of Practice 201.600 provides for interest prior to the order. The Division calculated the interest from October 1, 2019 to November 30, 2023 as totaling \$47,034.07. (See Ex. 16).

²⁵ *See, e.g., In the Matter of EFP Rottenberg, LLP, et al.*, Exchange Act Rel. No. 78393 (July 22, 2016) (Respondent Nick Bottini suspended with no right to apply for reinstatement); *see also In the Matter of John Briner, Esq., et al.*, Securities Act Rel. No. 9916 (Sept. 18, 2015) (same); *In the Matter of Peter Messineo, CPA, et al.*, Exchange Act Rel. No. 76607 (Dec. 10, 2015) (same). Wang's multiple violations of the PCAOB standards warrant a suspension.

New York, N.Y.

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CERTIFICATE OF SERVICE

I, Howard Kim, hereby certify that, on December 29, 2023, I caused a copy of the foregoing to DIVISION OF ENFORCEMENT'S MOTION FOR SUMMARY DISPOSITION With supporting declaration and attached exhibits, to be sent by email to Respondents Jia Roger Qian Wang, CPA and Wang Certified Public Accountant, P.C. at rogerwangcpa@gmail.com.

/s/ Howard Kim

Howard Kim
Senior Counsel
Division of Enforcement

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

ADMINISTRATIVE
PROCEEDING File No. 3-21298

In the Matter of

JIA ROGER QIAN WANG,
CPA, and WANG
CERTIFIED PUBLIC
ACCOUNTANT, P.C.

Respondents.

DECLARATION OF HOWARD KIM IN SUPPORT OF PETITIONER
DIVISION OF ENFORCEMENT'S SUMMARY DISPOSITION MOTION

I, Howard Kim, pursuant to the Commission's Rules of Practice, that the following is true and correct:

1. I am a Senior Counsel for the New York Regional Office of the U.S. Securities and Exchange Commission, Division of Enforcement.
2. I have personal knowledge of the facts presented in this Declaration based upon my review of the documents relevant to this litigation.
3. I respectfully submit this Declaration and the attachment hereto in support of the Division of Enforcement's Summary Disposition Motion, which is being submitted simultaneously with this Declaration.
4. The attached exhibits are referenced in the Division of Enforcement's Summary Disposition Motion being filed with this Declaration.

Exhibit No.	Description	Exhibit Number or Letter in Wang's Testimony or Deposition Transcript and as Referenced in Expert Devor Report.
1	Investigative Testimony Transcript of JIA ROGER QIAN WANG, CPA from November 18, 2020	
2	Investigative Testimony Transcript of JIA ROGER QIAN WANG, CPA December 16, 2021	
3	Deposition Transcript of JIA ROGER QIAN WANG, CPA from August 9, 2023	
4	Settled Order for ITMO Future FinTech Group Inc.	P10
5	Order Instituting Proceedings against JIA ROGER QIAN WANG, CPA, and WANG CERTIFIED PUBLIC ACCOUNTANT, P.C.	P2
6	Form 10-K for Future FinTech Group Inc. for fiscal year 2015	P4
7	Form 10-K for Future FinTech Group Inc. for fiscal year 2016	P5
8	Form 10-K for Future FinTech Group Inc. for fiscal year 2017	P6
9	Form 10-K for Future FinTech Group Inc. for fiscal year 2018	P7
10	PCAOB Inspection Comment Form FTFT-10	P16
11	PCAOB Inspection Comment Form FTFT-03	P17
12	Division of Enforcements email to JIA ROGER QIAN WANG, CPA and request for documents in lieu of 2 nd day of deposition	
13	JIA ROGER QIAN WANG, CPA email to the Division of Enforcement responsive to request for documents in lieu of 2 nd day of deposition	
14	Expert Report of Harris Devor, CPA	
15	May 20, 2022 email from JIA ROGER QIAN WANG, CPA to the staff of the Division of Enforcement concerning fees and expenses	P15
16	Pre-Judgement Interest Table	
17	PCAOB Firm Summary for WANG CERTIFIED PUBLIC ACCOUNTANT, P.C.	

18	JIA ROGER QIAN WANG, CPA, and WANG CERTIFIED PUBLIC ACCOUNTANT, P.C. Answer	
19A	Restatement email from Sundra Zhao	P11A
19B	English translation of Restatement email from Sundra Zhao	P11B
22	Audit Planning Memo	P8
23	PCAOB Report September 25, 2019	SEC-LIT-000133605
24	Errata Sheet for Ex.14	

5. Pursuant to 17 CFR § 201.600 I calculated pre-judgment interest in the amount of \$47,034.07 by the interest rate defined as the Federal short-term rate (also known as the period rate) plus three percentage points (also known as the annual rate). 26 U.S.C. § 6621(a)(2). See Exhibit No. 16.
6. The exhibits to Exhibit No. 14 Expert Report of Harris Devor, CPA have not been loaded to e-FAP as they are voluminous. They were, however, provided the Respondents when the Division of Enforcement filed it on e-FAP on November 15, 2023. The Division of Enforcement can make the exhibits available for review upon request.

Dated: December 29, 2023
New York, New York

/s/ Howard Kim
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