

**UNITED STATES OF AMERICA**  
**Before the**  
**SECURITIES AND EXCHANGE COMMISSION**

**SECURITIES EXCHANGE ACT OF 1934**  
**Release No. 85233 / March 1, 2019**

**ACCOUNTING AND AUDITING ENFORCEMENT**  
**Release No. 4024 / March 1, 2019**

**ADMINISTRATIVE PROCEEDING**  
**File No. 3-19010**

**In the Matter of**

**DLL CPAS, LLC and**  
**DEBRA LEE LINDAMAN,**  
**CPA,**

**Respondents.**

**ORDER INSTITUTING PUBLIC  
ADMINISTRATIVE AND CEASE-AND-  
DESIST PROCEEDINGS PURSUANT TO  
SECTIONS 4C AND SECTION 21C OF  
THE SECURITIES EXCHANGE ACT OF  
1934, AND RULE 102(e) OF THE  
COMMISSION’S RULES OF PRACTICE,  
MAKING FINDINGS, AND IMPOSING  
REMEDIAL SANCTIONS AND A CEASE-  
AND-DESIST ORDER**

**I.**

The Securities and Exchange Commission (“Commission”) deems it appropriate that public administrative and cease-and-desist proceedings be, and hereby are, instituted pursuant to Sections 4C<sup>1</sup> and 21C of the Securities Exchange Act of 1934 (“Exchange Act”), and Rule 102(e)(1)(ii) of the Commission’s Rules of Practice against DLL CPAS, LLC (“DLL”) and Debra Lee Lindaman (“Lindaman”) (collectively “Respondents”).<sup>2</sup>

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<sup>1</sup> Section 4C provides, in relevant part, that:

The Commission may censure any person, or deny, temporarily or permanently, to any person the privilege of appearing or practicing before the Commission in any way, if that person is found . . . (1) not to possess the requisite qualifications to represent others; (2) to be lacking in character or integrity, or to have engaged in unethical or improper professional conduct; or (3) to have willfully violated, or willfully aided and abetted the violation of, any provision of the securities laws or the rules and regulations thereunder.

<sup>2</sup> Rule 102(e)(1)(ii) provides, in pertinent part, that:

## II.

In anticipation of the institution of these proceedings, Respondents have submitted Offers of Settlement (the “Offers”) which the Commission has determined to accept. Solely for the purpose of these proceedings and any other proceedings brought by or on behalf of the Commission, or to which the Commission is a party, and without admitting or denying the findings herein, except as to the Commission’s jurisdiction over them and the subject matter of these proceedings, which are admitted, and except as provided herein in Section V., Respondents consent to the entry of this Order Instituting Public Administrative and Cease-and-Desist Proceedings Pursuant to Sections 4C and 21C of the Securities Exchange Act of 1934 and Rule 102(e) of the Commission’s Rules of Practice, Making Findings, and Imposing Remedial Sanctions and a Cease-and-Desist Order (“Order”), as set forth below.

## III.

On the basis of this Order and Respondents’ Offers, the Commission finds<sup>3</sup> that:

### SUMMARY

1. This matter concerns securities violations by Lindaman and her audit firm, DLL, in conducting deficient audits and interim reviews of five public company clients in violation of the Public Company Accounting Oversight Board’s (“PCAOB”) Auditing Standards and Regulation S-X. Lindaman’s audits and reviews for the five issuer clients involved numerous audit deficiencies including, among other things, the failure to obtain sufficient appropriate audit evidence, maintain audit documentation, reconcile underlying accounting records to the issuers’ financial statements or footnotes, and perform adequate reviews of interim financial information. In addition, with regard to two of the issuer clients, Lindaman’s audits were so deficient that they could not be relied upon to verify the accuracy of the financial statements she audited. As a result of these failures, Lindaman’s representations in audit reports that she conducted her audits “in accordance with the standards of the Public Company Accounting Oversight Board” were false.

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The Commission may . . . deny, temporarily or permanently, the privilege of appearing or practicing before it . . . to any person who is found . . . to have engaged in unethical or improper professional conduct.

<sup>3</sup> The findings herein are made pursuant to Respondents’ Offers of Settlement and are not binding on any other person or entity in this or any other proceeding.

## RESPONDENTS AND RELEVANT ENTITIES

### Respondents

2. **DLL**, a Florida limited liability corporation, is a public accounting firm based in Savannah, Georgia. Lindaman is DLL's sole owner and proprietor. DLL, which registered with the PCAOB on June 17, 2016, performed audits and interim reviews of the financial statements for five issuers that are the subject of this recommendation, all of which file periodic reports with the Commission pursuant to Section 13(a) and 15 (d) of the Securities Exchange Act of 1934 ("Exchange Act"). On July 16, 2018, after the staff put Lindaman on notice regarding potential securities law violations by her in connection with the audits at issue, DLL applied to the PCAOB to have its registration withdrawn, and effective August 29, 2018, DLL's registration was withdrawn.

3. **Debra Lee Lindaman**, age 57, who resides in Savannah, Georgia, is a licensed certified public accountant ("CPA") in Florida, New Jersey and Georgia. Prior to forming DLL, Lindaman had no prior experience in serving as an auditor for SEC registrants. Lindaman has no disciplinary history, and she is no longer auditing public companies.

### Relevant Entities

4. **CES Synergies, Inc. ("CES")**, is a Nevada corporation with headquarters in Crystal Springs, Florida. During the relevant period, CES's common stock was registered with the Commission pursuant to Section 12(g) of the Exchange Act, and the company filed periodic reports with the Commission pursuant to Section 13(a) of the Exchange Act. On July 17, 2017, CES filed a Form 15-12G with the Commission terminating its registration under the Exchange Act, and the company is now a voluntary filer with the Commission. CES's common stock is quoted on OTC Link operated by OTC Markets Group Inc. (formerly the "Pink Sheets") ("OTC Link").

5. **Kibush Capital Corp. ("Kibush")**, is a Nevada corporation with headquarters in Scottsdale, Arizona. Kibush's common stock is registered with the Commission pursuant to Section 12(g) of the Exchange Act, and the company files periodic reports with the Commission pursuant to Section 13(a) of the Exchange Act. Kibush's common stock is quoted on OTC Link.

6. **Leo Motors, Inc., ("Leo Motors")**, is a Nevada corporation with headquarters in Seoul, South Korea. Leo Motors' common stock is registered with the Commission pursuant to Section 12(g) of the Exchange Act, and the company files periodic reports with the Commission pursuant to Section 13(a) of the Exchange Act. Leo Motors' common stock is quoted on OTC Link.

7. **American International Ventures, Inc. ("American International")**, is a Delaware corporation with headquarters in Lithia, Florida. During the relevant period, American International's common stock was registered with the Commission pursuant to Section 12(g) of the Exchange Act during the relevant time, and the company filed periodic reports with the Commission pursuant to Section 13(a) of the Exchange Act. On December 27, 2017, American

International filed a Form 15-12G with the Commission terminating its registration under the Exchange Act, and the company is now a voluntary filer with the Commission. American International's common stock is quoted on OTC Link.

8. **Omni Shrimp, Inc. f/k/a NaturalNano, Inc. (“Omni Shrimp”)**, is a Nevada corporation with headquarters in Rochester, New York. Omni Shrimp's common stock is registered with the Commission pursuant to Section 12(b) of the Exchange Act, and the company files periodic reports with the Commission pursuant to Section 13(a) of the Exchange Act. Omni Shrimp's common stock is quoted on OTC Link.

## **FACTS**

### **Background**

9. On June 2, 2016, Lindaman created DLL, and she registered DLL with the PCAOB on June 17, 2016. Lindaman was a sole practitioner who had no prior experience in serving as an auditor for Commission registrants. From December 2016 through February 2017, Lindaman acquired CES, Kibush, Leo Motors, American International and Omni Shrimp (collectively, the “Five Issuers”) as audit clients. The Five Issuers were previously audited by another auditor who, in December 2016, was censured and barred by the PCAOB from being an associated person of a registered public accounting firm. The PCAOB also had revoked the registration of that auditor's public accounting firm.

10. Lindaman's audits and reviews for the 2015 and 2016 fiscal year-end financial statements for CES, Kibush, Leo Motors, and Omni Shrimp and quarterly reviews of American International were deficient, evidencing numerous and repeated violations of auditing standards concerning audit documentation, reconciliation of underlying accounting records to the issuers' financial statements or footnotes, audit evidence, and interim reviews.

### **Failure to Obtain Audit Documentation**

11. PCAOB Auditing Standard (“AS”) No. 1215, *Audit Documentation*, requires that the auditor must document the procedures performed, evidence obtained, and conclusions reached with respect to relevant financial statement assertions. Audit documentation must contain sufficient information to enable an experienced auditor, having no previous connection with the engagement: (a) to understand the nature, timing, extent, and results of the procedures performed, evidence obtained, and conclusions reached, and (b) to determine who performed the work and the date such work was completed as well as the person who reviewed the work and the date of such review. AS No. 1215, ¶ 6, *Audit Documentation*.

12. Lindaman produced deficient audit workpapers related to the audits of Leo Motors, Kibush, CES and Omni Shrimp. The audits consistently did not include evidence of the procedures performed, evidence obtained, and conclusions reached with respect to relevant financial statement assertions.

13. In particular, Lindaman’s audits of Leo Motors’ financial statements for the years ended December 31, 2015, and 2016, and Kibush’s financial statements for the years ended September 30, 2015, and September 30, 2016, were so deficient that they could not be relied upon to verify the accuracy of the financial statements she audited. For these audits, the vast majority of the balance sheet and income statement line items in the financial statements either completely lacked any associated workpapers in the audit files, or there was not appropriate documentation included in the workpapers that existed such as the procedures performed, evidence obtained, or conclusions reached.

14. Lindaman’s workpapers for the Leo Motor’s audits also contained no testing of several acquisitions, including a March 31, 2015 acquisition of Leo Motors Factory 1 &2 and Leo Trading and a June 3, 2016 acquisition of LEO AIC, even though these acquisitions were identified as “significant transactions” in an audit planning workpaper. Lindaman also did not confirm or agree the Leo Motors’ largest single cash account to any bank statement or test any of the inventory balances.

15. In several of the audits, Lindaman’s workpapers lack documentation as to confirmations relating to significant accounts receivable and accounts payable, as detailed by the following:

- a. CES 2015 and 2016 year-end audits: Lindaman identified accounts receivable as a significant and fraud risk area for both audit years. Although she selected 22 and 27 receivable balances to confirm, respectively, for the 2015 and 2016 audits, the workpapers reflect that she obtained merely three receivable confirmations back for each audit year, did not include any documentation on the actual receivable confirmations received from customers or conduct any follow-up as to confirmations that remained unaddressed by customers.
- b. Omni Shrimp 2016 year-end audit: Although Lindaman identified accounts receivable as a significant and fraud risk area, the workpapers contained no copies of confirmations that were either sent or received relating to 6 account receivable balances (comprising of 85% of the total account receivable balance) that she selected for testing.
- c. Kibush 2015 and 2016 year-end audits: The workpapers lacked documentation of confirmations received in connection with the testing of “Notes Payables” and “Related Party Payables.”

### **Failure to Reconcile Financial Statements and Underlying Accounting Records**

16. AS No. 2301, ¶ 41, *The Auditor's Responses to the Risks of Material Misstatement*, requires that the auditor reconcile the financial statements with the underlying accounting records. For the 2015 and 2016 audits of CES, Leo Motors, Omni Shrimp and Kibush, Lindaman did not include in her workpapers documents demonstrating that she reconciled underlying accounting records to the issuers’ financial statements or footnotes. Lindaman included limited audit evidence in the workpapers evidencing that she tested any of the financial statement footnotes or reconciled the footnotes to supporting documentation. Also,

the audit files contained no documentation evidencing that she had reviewed any of the company's public filings before they were filed with the Commission. In this regard, none of the audit workpapers contained a Form 10-K or a complete set of notes to the financial statements.

17. In conducting the Kibush audit, Lindaman did not address several significant inconsistencies contained in the company's 2016 Form 10-K issued on February 10, 2017, including that: (1) certain information in the "Derivative Financial Instruments" section of footnote No. 2 did not agree to the financial statements (September 30, 2016 derivative liability balance and September 30, 2015 change in fair value); (2) the shares of common stock issued to convertible note holders, as discussed in footnote No. 7, did not agree to the Statement of Stockholders' Equity; (3) the amounts of \$100,000 and \$250,000 included in footnote No. 11 were denoted in U.S. Dollars, while in Part 1, Item 2 of the Form 10-K those same amounts were denoted in Australian Dollars; (4) Kibush's income statement contained two incorrect line items for "discontinued operations," which were not corrected until Kibush filed a subsequent Form 10-K/A on February 21, 2017; and (5) Kibush reached a legal settlement concerning an ownership dispute over "Angel Jade" on February 10, 2017, the same day Kibush filed its Form 10-K, but the Form 10-K made no mention of this legal settlement. Moreover, even though Kibush filed an amended Form 10-K/A on February 21, 2017 (to correct an income statement line item), Lindaman did not make sure the company disclosed the outcome of the "Angel Jade" legal settlement as a subsequent event in the Company's footnotes. Lindaman's failure to identify this issue did not rise to the standards as expected given that Kibush disclosed the settlement in a Form 8-K filed on February 15, 2017.

### **Failure to Obtain Audit Evidence**

18. AS No. 1105, ¶ 4, *Audit Evidence*, requires that the auditor plan and perform audit procedures to obtain sufficient appropriate audit evidence to provide a reasonable basis for his or her opinion. Sufficiency is the measure of the quantity of audit evidence. Appropriateness is the measure of the quality of audit evidence, that is, its relevance and reliability. To be appropriate, audit evidence must be both relevant and reliable in providing support for the conclusions on which the auditor's opinion is based. AS No. 1105, ¶ 5-6, *Audit Evidence*.

19. For the audits of CES, Leo Motors, Omni Shrimp, and Kibush, Lindaman did not obtain appropriate audit evidence that was sufficient to support the opinion expressed in her audit reports. For example, for the 2015 and 2016 audits, Lindaman did not obtain appropriate audit evidence for her audit of CES' accounts receivable, inventory, deferred tax asset, revenue, cost of sales, general and administrative expenses, and going concern. Lindaman did not obtain appropriate audit evidence for Leo Motor's cash, inventory, and accounts receivable. For the 2016 audit of Omni Shrimp, she did not obtain appropriate audit evidence for inventory, derivative liability, revenue, and cost of sales; and she did not obtain appropriate audit evidence for Kibush's derivative liability.

### **Deficient Interim Reviews and Procedures**

20. AS No. 4105, *Reviews of Interim Financial Information*, provides that the procedures for conducting a review of interim financial information generally are limited to

analytical procedures, inquiries, and other procedures that address significant accounting and disclosure matters relating to the interim financial information to be reported. Analytical procedures should include, among other things, comparing the quarterly interim financial information with comparable information for the immediately preceding interim period and the quarterly and year-to-date interim financial information with the corresponding period(s) in the previous year, giving consideration to knowledge about changes in the entity's business and specific transactions. The accountant performs these procedures to obtain a basis for communicating whether he or she is aware of any material modifications that should be made to the interim financial information for it to conform with generally accepted accounting principles. AS No. 4105, ¶ 15-16, *Reviews of Interim Financial Information*. The auditor should also obtain evidence that the interim financial information agrees or reconciles with the accounting records. AS No. 4105, ¶ 18. *Reviews of Interim Financial Information*. Further, during an initial review of interim financial information, an accountant should perform procedures that will enable him or her to obtain sufficient knowledge of the entity's business and its internal control. If the accountant has not audited the most recent annual financial statements, the accountant should perform procedures to obtain such knowledge. AS No. 4105, ¶ 12-13, *Reviews of Interim Financial Information*.

21. Lindaman's interim reviews of the Five Issuers were often perfunctory and contained no meaningful analysis of variances in account balances from one period to another. There was no documented rationale for which variances were investigated or, in many instances, material variances were not investigated at all. For example, for the March 31, 2017 Omni Shrimp review, Lindaman's workpapers did not address a \$66,573 decrease related to cash (a 33% variance). Further, the analytical procedures pertaining to the balance sheet and income statement accounts did not contain comparisons of the current interim financial information to the immediately preceding interim period or the quarterly and year-to-date interim financial information with the corresponding period(s) in the previous year. For all interim reviews she conducted there is no evidence that the financial information was agreed or reconciled to the issuer's accounting records and no interim review workpaper file included a copy of the issuer's Form 10-Q.

22. In addition, some of Lindaman's interim reviews contained other substantial flaws. For example, no interim review workpapers were produced by Lindaman for the June 30, 2017, interim review of Kibush's financial statements. In the case of the November 30, 2016 interim review of American International's financial statements, Lindaman did not include any documents in the workpapers demonstrating that she obtained sufficient knowledge of the company's business and its internal controls. Further, there is no evidence that an EQR was completed for the November 30, 2016 interim review of American International.

### **Failure to Issue Accurate Audit Reports**

23. AS No. 3101, *Report on Audited Financial Statements*, requires that the auditor's report contain an opinion on the financial statements taken as a whole and contain a clear indication of the character of the auditor's work. The auditor is in a position to express an unqualified opinion on the financial statements when the auditor conducted an audit in accordance with the standards of the PCAOB and concludes that the financial statements, taken

as a whole, are presented fairly, in all material respects, in conformity with the applicable financial reporting framework. Additionally, Regulation S-X, 17 CFR § 210 *et seq.*, prescribes the qualifications of accountants and the contents of the accountants' reports that must be submitted with corporate financial statements.

24. The culmination of Lindaman's numerous audit deficiencies rendered any representations that the audits were conducted in accordance with PCAOB standards materially false and misleading because the audits were out of compliance. Lindaman made such representations in each of her audit reports for CES, Kibush, Leo Motors, and Omni Shrimp, falsely certifying that her audits of the issuers' financial statements were conducted in accordance with the standards of the PCAOB.

### **Applicable Securities Laws**

25. Rule 2-02(b)(1) of Regulation S-X requires an accountant to state "whether the audit was made in accordance with generally accepted auditing standards." As used with respect to Regulation S-X in relation to audits of issuers, the phrase "generally accepted auditing standards" means the "the standards of the PCAOB plus any applicable rules of the Commission." SEC Release No. 34-49708 (May 14, 2004).

26. In administrative 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, the Commission has specifically ruled that a showing of negligence will suffice.

27. An issuer violates Section 13(a) of the Exchange Act, and Exchange Act Rules 13a-1 and 13a-13, when such issuer of registered securities files with the Commission factually inaccurate annual and quarterly reports.

28. Exchange Act Section 4C(a) and Rule 102(e)(1) of the Commission's Rules of Practice authorize the Commission to institute administrative proceedings to determine whether a person has engaged in "improper professional conduct, and censure or temporarily or permanently deny that person of the privilege of appearing or practicing before the Commission. In administrative 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, negligence will suffice.

### **FINDINGS**

29. Based on the foregoing, the Commission finds that DLL violated Regulation S-X Rule 2-02(b)(1); and that DLL caused violations of Exchange Act Section 13(a), and Exchange Act Rules 13a-1 and 13a-13 thereunder.

30. Based on the foregoing, the Commission finds that Lindaman caused violations of

Regulation S-X Rule 2-02(b)(1), Exchange Act Section 13(a), and Exchange Act Rules 13a-1 and 13a-13 thereunder.

31. Based on the foregoing, the Commission finds that DLL and Lindaman engaged in improper professional conduct pursuant to Section 4C(a)(2) of the Exchange Act and Rule 102(e)(1)(ii) of the Commission's Rules of Practice.

#### IV.

In view of the foregoing, the Commission deems it appropriate to impose the sanctions agreed to in the Respondents' Offers.

Accordingly, it is hereby ORDERED, effective immediately, that:

A. Respondents DLL and Lindaman shall cease and desist from committing or causing any violations and any future violations of Exchange Act Section and 13(a), and Exchange Act Rules 13a-1, and 13a-13 promulgated thereunder, and Regulation S-X Rule 2-02(b)(1).

B. Respondents DLL and Lindaman are denied the privilege of appearing or practicing before the Commission as accountants.

C. Respondents DLL and Lindaman shall be held jointly and severally liable for, and shall within 10 days of the entry of this Order, pay disgorgement of \$25,000 and prejudgment interest of \$1,387.27 to the Securities and Exchange Commission for transfer to the general fund of the United States Treasury, subject to Exchange Act Section 21F(g)(3). If timely payment is not made, additional interest shall accrue pursuant to SEC Rule of Practice 600.

D. Respondents DLL and Lindaman shall be held jointly and severally liable for, and shall, within 10 days of the entry of this Order, pay a civil money penalty in the amount of \$25,000 to the Securities and Exchange Commission for transfer to the general fund of the United States Treasury, subject to Exchange Act Section 21F(g)(3). If timely payment is not made, additional interest shall accrue pursuant to 31 U.S.C. §3717.

E. Payment must be made in one of the following ways:

- (1) Respondent may transmit payment electronically to the Commission, which will provide detailed ACH transfer/Fedwire instructions upon request;
- (2) Respondent may make direct payment from a bank account via Pay.gov through the SEC website at <http://www.sec.gov/about/offices/ofm.htm>; or
- (3) Respondent may pay by certified check, bank cashier's check, or

United States postal money order, made payable to the Securities and Exchange Commission and hand-delivered or mailed to:

Enterprise Services Center  
Accounts Receivable Branch  
HQ Bldg., Room 181, AMZ-341  
6500 South MacArthur Boulevard  
Oklahoma City, OK 73169

F. Payments by check or money order must be accompanied by a cover letter identifying each Respondent in these proceedings, and the file number of these proceedings. A copy of the cover letter and check or money order must be simultaneously sent to Anita Bandy, Associate Director, Division of Enforcement, Securities and Exchange Commission, 100 F St., N.E., Washington, DC 20549.

G. Amounts ordered to be paid as civil money penalties pursuant to this Order shall be treated as penalties paid to the government for all purposes, including all tax purposes. To preserve the deterrent effect of the civil penalty, Respondent agrees that in any Related Investor Action, he shall not argue that he is entitled to, nor shall he benefit by, offset or reduction of any award of compensatory damages by the amount of any part of Respondent's payment of a civil penalty in this action ("Penalty Offset"). If the court in any Related Investor Action grants such a Penalty Offset, Respondent agrees that he shall, within 30 days after entry of a final order granting the Penalty Offset, notify the Commission's counsel in this action and pay the amount of the Penalty Offset to the Securities and Exchange Commission. Such a payment shall not be deemed an additional civil penalty and shall not be deemed to change the amount of the civil penalty imposed in this proceeding. For purposes of this paragraph, a "Related Investor Action" means a private damages action brought against Respondent by or on behalf of one or more investors based on substantially the same facts as alleged in the Order instituted by the Commission in this proceeding.

**V.**

It is further Ordered that, solely for purposes of exceptions to discharge set forth in Section 523 of the Bankruptcy Code, 11 U.S.C. §523, the findings in this Order are true and admitted by Respondent, Lindaman, and further, any debt for disgorgement, prejudgment interest, civil penalty or other amounts due by Respondents under this Order or any other judgment, order, consent order, decree or settlement agreement entered in connection with this proceeding, is a debt for the violation by Respondents of the federal securities laws or any regulation or order issued under such laws, as set forth in Section 523(a)(19) of the Bankruptcy Code, 11 U.S.C. §523(a)(19).

By the Commission.

Brent J. Fields  
Secretary