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 and Section 21C of the Securities Exchange Act of 1934 (“Exchange Act”), and Rule 102(e) of the Commission’s Rules of Practice against Arthur Viola (“Viola” or “Respondent”).

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.

Rule 102(e)(1)(ii) provides, in pertinent part, that:

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.
II.

In anticipation of the institution of these proceedings, Respondent has submitted an Offer of Settlement (the “Offer”) 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 him and the subject matter of these proceedings, which are admitted, and except as provided herein in Section V, Respondent consents 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 Respondent’s Offer, the Commission finds\(^3\) that:

**SUMMARY**

1. This matter concerns deficient Engagement Quality Reviews (“EQRs”) Viola conducted of five public company clients of DLL CPAS LLC (“DLL”), a Florida limited liability corporation, and Debra Lee Lindaman (“Lindaman”), DLL’s sole owner and proprietor, 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. Viola, who conducted the EQRs on these audits, did not conduct his reviews pursuant to PCAOB standards. As a result, Viola’s EQRs of Lindaman’s audits and reviews were deficient.

\(^3\) The findings herein are made pursuant to Respondent’s Offer of Settlement and are not binding on any other person or entity in this or any other proceeding.
Respondent

2. Arthur Viola resides in New York City, New York. Viola served as the engagement quality reviewer for eleven of the deficient audits and reviews Lindaman conducted of the five issuers. Viola is not a CPA and has never been a licensed CPA.

Relevant Persons and Entities

3. 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.

4. 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.

5. 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”).

6. 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.

7. 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.
8. 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.

9. 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

Viola’s Deficient EQRs

10. Viola performed EQRs for Lindaman’s audits of the 2015 and 2016 fiscal years for Leo Motors, Omni Shrimp, and Kibush. Viola also performed EQRs for Lindaman’s interim reviews of the first quarters-ended March 31, 2017, for CES, Leo Motors, and Omni Shrimp. Viola also performed EQRs for Lindaman’s review of Kibush’s quarter-ended December 31, 2016, and for American International’s quarter-ended February 28, 2017.

11. The EQR must possess the level of knowledge and competence related to accounting, auditing, and financial reporting required to serve as the engagement partner on the engagement under review. AS No. 1220, ¶ 5 Engagement Quality Review. As the EQR, Viola was subject to several additional requirements, including:

a. AS No. 1220, ¶ 12, Engagement Quality Review, which requires that an EQR perform her review with due professional care;

b. AS No. 1015, ¶ 4-5, Due Professional Care in the Performance of Work, which sets forth that due professional care concerns what the independent auditor does and how well he or she does it. An auditor should possess “the degree of skill commonly possessed” by other auditors and should exercise it with “reasonable care and diligence” (that is, with due professional care); and

c. AS No. 1220, ¶ 10-11, Engagement Quality Review, which requires an EQR to evaluate the engagement team’s assessment of, and audit responses to significant risks identified by the engagement team, including fraud risks and failing to evaluate whether the engagement documentation reviewed indicates the engagement team responded appropriately to significant risks and supports the conclusions reached by the engagement team.
12. Viola did not possess the necessary qualifications to be an EQR. Viola has never been a licensed CPA, and he has not taken any auditing or accounting academic courses (other than in college) or continuing professional education courses as it relates to accounting or auditing matters. Further, he had no prior auditing experience and never previously served as an EQR.

13. Viola repeatedly did not perform adequate EQRs for Lindaman’s audits and interim reviews. For example, in connection with his EQRs of Kibush’s 2015 and 2016 audits, Viola did not properly identify discrepancies relating to the accounting and disclosure of Kibush’s acquisition and subsequent deconsolidation of an entity called “Angel Jade,” which was described in detail in Kibush’s 2016 Form 10-K. Kibush’s Form 10-K was also restated twice for issues related to Angel Jade. Viola, however, did not identify Angel Jade as an area of significant judgment in the audit engagement planning. Further, the lack of documentation in the audit file concerning Angel Jade should have raised a red flag for Viola given the unusual circumstances relating to Angel Jade, including the change in control and litigation matters that were discussed in the Form 10-K filed September 30, 2016. Moreover, the audit workpapers contained no audit testing of the Angel Jade acquisition or of the subsequent accounting for the deconsolidation and recording of a “discontinued operations” line item on the company’s income statement. Viola, however, held no discussions with Lindaman about Angel Jade nor raised any questions as to why there was no documentation concerning these transactions.

14. Viola’s EQRs of Lindaman’s audits of Leo Motors and Omni Shrimp were also deficient. In assessing significant and fraud risks, Viola reviewed a “risk assessment summary form” in the workpapers for Leo Motors and Omni Shrimp, highlighting that sales and accounts receivable were identified as significant and fraud risks. These workpapers, however, did not document how the risks would be addressed other than a generic description that sales and accounts receivable should be subject to “Extended Procedures.” Lindaman’s audit programs for sales and accounts receivable contained no procedures specifically responsive to the assessed risks, the substantive testing audit workpapers for sales and accounts receivable lacked appropriate audit documentation and did not contain sufficient appropriate evidence supporting the conclusions reached. However, there is no evidence in the workpapers that Viola discussed the fraud risks with Lindaman or reviewed these areas at all.

15. Viola did not evaluate the identified areas of risks or determine whether Lindaman appropriately responded to the risks or whether her conclusions were supported given that the underlying audit workpapers lacked documentation concerning the responses to and disposition of the risks.

a. Viola did not exercise due professional care in his review of the audit planning workpapers or engagement completion document. He represented on the EQR checklists for these audits that he reviewed the audit “engagement completion document” (as required by AS No. 1220, ¶ 10, Engagement Quality Review). The engagement completion workpaper in the Leo Motors and Omni Shrimp audit files contained no documentation except the notation “none” placed next to each of eleven checklist items that required a response. These included items
such as “Other significant findings or issues, including any significant unusual transactions” and “Risks of material misstatement determined to be significant risks and the results of auditing procedures in response to such risks.” However, other planning workpaper reflected the existence of several “unusual transactions” and “significant risks” including: (1) Leo Motors workpapers reflecting that “Purchase of 50% of Subsidiaries” was a “significant unusual transaction;” (2) Omni Shrimp planning workpapers reflecting that “Assuming derivative liability from “shell” company” was a “significant unusual transaction;” and (3) the risk assessment forms for Leo Motors and Omni Shrimp reflecting that sales and accounts receivable were significant and fraud risk areas. Viola, however, did not question that the engagement completion documents directly contradicted other planning audit workpapers that he purportedly reviewed, nor did he review further audit documentation concerning the “significant unusual transactions.”

b. For the EQRs of Leo Motors, Viola did not exercise due professional care in evaluating significant judgements relating to engagement planning – an area that he indicated that he reviewed on the EQR checklist. In planning the audit, Lindaman made a significant judgement in deciding not to observe the company’s inventory, its second largest asset (representing 19% of the total assets at December 31, 2016). Viola did not ask Lindaman why she did not observe the inventory because he did not know that observing inventory was a standard auditing practice.

16. For the American International reviews, Viola did not identify that Lindaman had not obtained a sufficient understanding of American International’s business and internal controls, and that she had not appropriately considered risks of material misstatement due to fraud. Neither the November 30, 2016 nor the February 28, 2017 interim review workpapers contained evidence that Lindaman considered misstatement risk, despite the company reporting in its first and second quarter Forms 10-Q that its disclosure controls and procedures were not effective.

17. For all Five Issuers, Viola did not conduct an adequate EQR and identify significant engagement deficiencies in the interim reviews. Specifically, Viola did not identify that Lindaman’s interim financial statement analytical procedures did not comply with the relevant auditing standards, were perfunctory and void of any meaningful analysis of variances in account balances from one period to another. 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.

Applicable Securities Laws

18. 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

19. 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.

20. 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.

21. 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

22. Based on the foregoing, the Commission finds that Viola 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.

23. Based on the foregoing, the Commission finds that Viola 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 Respondent’s Offer.

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

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

B. Respondent Viola is denied the privilege of appearing or practicing before the Commission as an accountant.
C. After five years from the date of this order, Respondent Viola may request that the Commission consider his reinstatement by submitting an application (attention: Office of the Chief Accountant) to resume appearing or practicing before the Commission as:

1. a preparer or reviewer, or a person responsible for the preparation or review, of any public company’s financial statements that are filed with the Commission (other than as a member of an audit committee, as that term is defined in Section 3(a)(58) of the Securities Exchange Act of 1934). Such an application must satisfy the Commission that Respondent Viola’s work in his practice before the Commission as an accountant will be reviewed either by the independent audit committee of the public company for which he works or in some other acceptable manner, as long as he practices before the Commission in this capacity; and/or

2. a preparer or reviewer, or a person responsible for the preparation or review, of any public company’s financial statements that are filed with the Commission as a member of an audit committee, as that term is defined in Section 3(a)(58) of the Securities Act of 1934. Such an application will be considered on a facts and circumstances basis with respect to such membership, and the applicant’s burden of demonstrating good cause for reinstatement will be particularly high given the role of the audit committee in financial and accounting matters; and/or

3. an independent accountant.

Such an application must satisfy the Commission that:

(a) Respondent Viola, or the public accounting firm with which he is associated, is registered with the Public Company Accounting Oversight Board (“Board”) in accordance with the Sarbanes-Oxley Act of 2002, and such registration continues to be effective;

(b) Respondent Viola, or the registered public accounting firm with which he is associated, has been inspected by the Board and that inspection did not identify any criticisms of or potential defects in the Respondent’s or the firm’s quality control system that would indicate that the respondent will not receive appropriate supervision;

(c) Respondent Viola has resolved all disciplinary issues with the Board, and has complied with all terms and conditions of any sanctions imposed by the Board (other than reinstatement by the Commission); and

(d) Respondent Viola acknowledges his responsibility, as long as he appears or practices before the Commission as an independent accountant, to comply with all requirements of the Commission and the Board, including, but not limited to, all requirements relating to registration, inspections, concurring partner reviews and quality control standards.

D. The Commission will consider an application by Respondent Viola to resume appearing or practicing before the Commission provided that his state CPA license is current and he has resolved all other disciplinary issues with the applicable state boards of accountancy. However, if state licensure is dependent on reinstatement by the
Commission, the Commission will consider an application on its other merits. The Commission’s review may include consideration of, in addition to the matters referenced above, any other matters relating to Respondent Viola’s character, integrity, professional conduct, or qualifications to appear or practice before the Commission as an accountant. Whether an application demonstrates good cause will be considered on a facts and circumstances basis with due regard for protecting the integrity of the Commission’s processes.

E. Respondent Viola shall pay disgorgement of $4,800 and prejudgment interest of $228.48, but the payment of such amounts is waived based upon Respondent's sworn representations in his Statement of Financial Condition dated September 10, 2018 (“Financial Statement”), and other documents submitted to the Commission. Based upon Respondent's sworn representations in his Financial Statement and other documents submitted to the Commission, the Commission is not imposing a civil money penalty against Respondent Viola.

F. The Division of Enforcement ("Division") may, at any time following the entry of this Order, petition the Commission to: (1) reopen this matter to consider whether Respondent Viola provided accurate and complete financial information at the time such representations were made; and (2) seek an order directing payment of disgorgement, prejudgment interest and a maximum civil penalty allowable under the law. No other issue shall be considered in connection with this petition other than whether the financial information provided by Respondent Viola was fraudulent, misleading, inaccurate, or incomplete in any material respect. Respondent Viola may not, by way of defense to any such petition: (1) contest the findings in this Order; (2) assert that payment of disgorgement, interest or a penalty should not be ordered; (3) contest the amount of disgorgement and interest to be ordered; (4) contest the imposition of the maximum penalty allowable under the law; or (5) assert any defense to liability or remedy, including, but not limited to, any statute of limitations defense.

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, and further, any debt for disgorgement, prejudgment interest, civil penalty or other amounts due by Respondent 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 Respondent 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