

ORDER

III.

On the basis of Respondent's Offer in this matter, the Board finds² that:

A. Respondent

1. Li and Company, P.C. is, and at all relevant times was, a professional corporation organized under the laws of the state of New Jersey, and headquartered in Skillman, New Jersey. The Firm is licensed to practice public accountancy by the New Jersey State Board of Public Accountancy (License no. 20CB00354300), by the Connecticut State Board of Public Accountancy (License no. CPAP.0005196), and by the Texas State Board of Public Accountancy (License no. C09120). The Firm is registered with the Board pursuant to Section 102 of the Act and PCAOB rules. At all relevant times, the Firm was the external auditor for the issuers identified below.

B. Respondent Failed to Cooperate with a PCAOB Investigation.

2. Pursuant to Section 105(b) of the Act and PCAOB Rules, the Board conducts investigations into acts or practices of registered public accounting firms and their associated persons that may violate any provision of the Act, the Rules of the Board, the provisions of securities laws relating to the preparation and issuance of audit reports and the obligations and liabilities of accountants with respect thereto, including the rules of the U.S. Securities and Exchange Commission issued under the Act, or professional standards. Section 105(b)(3)(A) of the Act authorizes the Board to sanction a registered public accounting firm for refusing to cooperate with the Board in connection with an investigation. Board rules include procedures for implementing that authority.³ Noncooperation with a Board investigation includes failing to comply with an ABD.⁴

3. As described below, Respondent failed to cooperate with the Board's investigation by failing to comply with an ABD issued to Respondent pursuant to PCAOB Rule 5103, requiring the Firm to produce certain documents and information.

² The sanctions that the Board is imposing on Respondent in this Order are imposed pursuant to Section 105(b)(3) of the Act, 15 U.S.C. § 7215(b)(3), and PCAOB Rule 5300(b).

³ See PCAOB Rules 5110 and 5200(a)(3).

⁴ See PCAOB Rule 5110(a)(1).

ORDER

Background

4. Respondent audited the financial statements of Issuers A, B, and C (collectively, the "Issuers"). At all relevant times, the Issuers were each an issuer, as that term is defined by Section 2(a)(7) of the Act and PCAOB Rule 1001(i)(iii).

5. In December 2014, the Board issued an Order of Formal Investigation ("OFI") regarding Respondent's audits and reviews of the financial statements of the Issuers.

Respondent's Failure to Produce Documents and Information

6. Subsequent to the issuance of the Board's OFI, the Board's Division of Enforcement and Investigations ("Division") sent Respondent an ABD requiring it to produce certain information concerning, among other things, the Firm's complete and final set of audit documentation of the Issuers.

7. On December 18, 2015, the Division issued a second ABD to the Firm based, in part, on information it obtained in conjunction with sworn testimony given to the Division by an associated person of the Firm in early November 2015. This ABD required the Firm, among other things, to identify the circumstances surrounding the documentation of the Firm's Issuer audits.

8. In early January 2016, Respondent, through counsel, informed the Division that the Firm would not comply with the December 18, 2015 ABD or otherwise cooperate with the Division's ongoing investigation.

9. In response, the Division notified Respondent, through counsel, that refusal to comply with the December 18, 2015 ABD was not valid and that, pursuant to PCAOB Rule 5110, the Division intended to recommend a disciplinary proceeding in the event it continued to refuse to comply. Respondent continued to assert, however, that the Firm would not comply with the December 18, 2015 ABD or otherwise cooperate with the Division's ongoing investigation.

10. Respondent's failure to provide the required documents and information impeded the Board's ability to determine if Respondent's audit work was performed in accordance with PCAOB rules and standards, and whether violations occurred which justified sanctions.

11. As a result of the foregoing conduct, Respondent failed to cooperate with a Board investigation.

ORDER

IV.

In view of the foregoing, and to protect the interests of investors and further the public interest in the preparation of informative, accurate, and independent audit reports, the Board determines it appropriate to impose the sanctions agreed to in Respondent's Offer. Accordingly, it is hereby ORDERED that:

- A. Pursuant to Section 105(b)(3)(A)(iii) of the Act and PCAOB Rule 5300(b)(1), Li and Company, P.C., is hereby censured; and
- B. Pursuant to Section 105(b)(3)(A)(ii) of the Act and PCAOB Rule 5300(b)(1), the registration of Li and Company, P.C., is revoked.

ISSUED BY THE BOARD.

/s/ Phoebe W. Brown

Phoebe W. Brown
Secretary

June 14, 2016