
ORDER MAKING FINDINGS AND
IMPOSING SANCTIONS

*In the Matter of Green & Company CPAs,
LLC, and Travis J. Green, CPA,*

Respondents.

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April 16, 2020

By this Order, the Public Company Accounting Oversight Board ("Board" or "PCAOB") is revoking the registration of Green & Company CPAs, LLC ("Green & Company" or "Firm"); and barring Travis J. Green, CPA ("Green") from being an associated person of a registered public accounting firm. The Board is imposing these sanctions on the basis of its findings that the Firm and Green (collectively, "Respondents") violated PCAOB rules and standards in connection with the audits of multiple issuer clients.

I.

The Board instituted non-public disciplinary proceedings against Respondents on February 7, 2019.¹ Pursuant to PCAOB Rule 5205, Respondents have each submitted Offers of Settlement ("Offers") that the Board has determined to accept. Solely for purposes of these proceedings and any other proceedings brought by or on behalf of the Board, or to which the Board is a party, and without admitting or denying the findings herein, except as to the Board's jurisdiction over them and the subject matter of these proceedings, which are admitted, Respondents consent to entry of this Order Making Findings and Imposing Sanctions ("Order").²

¹ Section 105(c)(2) of the Sarbanes-Oxley Act of 2002, as amended, 15 U.S.C. § 7215 (c)(5) ("Act"), provides that litigated disciplinary proceedings shall not be public, "unless otherwise ordered by the Board for good cause shown, with the consent of the parties...." Although the Board found good cause for making the proceedings public, Respondents did not consent, as permitted by Section 105(c)(2) of the Act and PCAOB Rule 5203.

² The findings herein are made pursuant to Respondents' Offers and are not binding on any other person or entity in this or any other proceeding.

ORDER**II.**

On the basis of Respondents' Offers, the Board finds that:³

A. Respondents

1. **Green & Company CPAs, LLC** is a limited liability company organized under the laws of the State of Florida and headquartered in Tampa, Florida. The Firm is, and at all relevant times was, registered with the Board pursuant to Section 102 of the Act and PCAOB rules. It is licensed by the State of Florida (License No. AD68626).

2. **Travis J. Green, CPA**, 37, of Lutz, Florida, is a certified public accountant licensed by the State of Florida (License No. AC46652). Green was, at all relevant times, an associated person of a registered public accounting firm as that term is defined by Section 2(a)(9) of the Act and PCAOB Rule 1001(p)(i).

B. Summary

3. Green & Company was the external auditor for 11 issuer audits (Issuer A through Issuer K collectively, "Issuer Audits"). Green was the managing partner and majority owner of the Firm and also served as the partner with final responsibility for each of the Issuer Audits. Green and/or the Firm violated PCAOB rules and standards in conducting the Issuer Audits.

4. First, Respondents violated PCAOB rules and standards in connection with four of the Issuer Audits (Issuer A through Issuer D) by failing to exercise due professional care, including professional skepticism, and failing to obtain sufficient appropriate audit evidence in connection with those audits. In fact, with respect to two of those audits, Green performed virtually no audit work or testing. Second, the Firm violated Auditing Standard No. 7, *Engagement Quality Review* ("AS 7"), with respect to each of the Issuer Audits, because it failed to obtain concurring approvals of issuance of engagement reports for any of those audits. Green substantially contributed to the Firm's violations of AS 7, thereby violating PCAOB Rule 3502, *Responsibility Not to Knowingly or Recklessly Contribute to Violations*. Finally, Respondents failed to assemble a complete and final set of audit documentation for retention as of a date not more than 45 days after the report

³ The Board finds that Respondents' conduct described in this Order meets the condition set out in Section 105(c)(5) of the Act, which provides that certain sanctions may be imposed in the event of: (A) intentional or knowing conduct, including reckless conduct, that results in a violation of the applicable statutory, regulatory, or professional standard; or (B) repeated instances of negligent conduct, each resulting in a violation of the applicable statutory, regulatory, or professional standard.

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release date with respect to each of the Issuer Audits, as required by Auditing Standard No. 3, *Audit Documentation* ("AS 3").⁴

C. Respondent Repeatedly Violated PCAOB Rules and Standards in Connection with Issuer Audits A through D

1. Applicable PCAOB Rules and Standards

5. In connection with the preparation or issuance of an audit report, PCAOB rules require that a registered public accounting firm and its associated persons comply with the Board's auditing and related professional practice standards.⁵ An auditor may express an opinion on an issuer's financial statements only when the auditor has formed such an opinion on the basis of an audit performed in accordance with PCAOB standards.⁶ PCAOB standards require, among other things, that an auditor exercise due professional care, including professional skepticism, and obtain sufficient appropriate audit evidence to provide a reasonable basis for the auditor's opinion.⁷

6. PCAOB standards also state that, in planning an audit, an auditor should, among other things, establish an overall audit strategy for the engagement and develop an audit plan.⁸ The auditor should identify and assess the risks of material misstatement at the financial statement level and the assertion level, and design and perform audit procedures in a manner that addresses the assessed risks of material misstatement for

⁴ See AS 3 ¶¶ 14-15.

⁵ See PCAOB Rule 3100, *Compliance with Auditing and Related Professional Practice Standards*; and PCAOB Rule 3200T, *Interim Auditing Standards*. All references to PCAOB rules and standards are to the versions of those rules and standards in effect at the time of the relevant audits. As of December 31, 2016, the PCAOB reorganized its rules and auditing standards using a topical structure and a single, integrated numbering system. See *Reorganization of PCAOB Auditing Standards and Related Amendments to PCAOB Standards and Rules*, PCAOB Release No. 2015-002 (Mar. 31, 2015); see also *PCAOB Auditing Standards Reorganized and Pre-Reorganized Numbering* (Jan. 2016), available on the Board's website.

⁶ See AU § 508.07, *Reports on Audited Financial Statements*.

⁷ See AU § 150.02, *Generally Accepted Auditing Standards*; AU §§ 230.01, .07-.09, *Due Professional Care in the Performance of Work*; Auditing Standard No. 15, *Audit Evidence* ("AS 15"), ¶ 4.

⁸ See Auditing Standard No. 9, *Audit Planning* ("AS 9"), ¶¶ 4-5.

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each relevant assertion of each significant account and disclosure.⁹ The auditor should also "establish a materiality level for the financial statements as a whole that is appropriate in light of the particular circumstances."¹⁰

7. PCAOB standards further require that an auditor evaluate the results of the audit to determine whether the audit evidence obtained is sufficient and appropriate to support the opinion to be expressed in the auditor's report.¹¹ The auditor "should take into account all relevant audit evidence, regardless of whether it appears to corroborate or to contradict the assertions in the financial statements."¹² PCAOB standards also require that, if an auditor has not obtained sufficient appropriate audit evidence about a relevant assertion, the auditor should perform procedures to obtain further audit evidence to address the matter.¹³ Finally, PCAOB standards require that the auditor document the procedures performed, evidence obtained, and conclusions reached with respect to relevant financial statement assertions.¹⁴

8. Management representations "are part of the evidential matter the independent auditor obtains, but they are not a substitute for the application of those auditing procedures necessary to afford a reasonable basis for an opinion regarding the financial statements under audit."¹⁵ Management representations are "a complement to other auditing procedures."¹⁶

⁹ See Auditing Standard No. 12, *Identifying and Assessing Risks of Material Misstatement* ("AS 12"), ¶ 59; Auditing Standard No. 13, *The Auditor's Responses to the Risks of Material Misstatement* ("AS 13"), ¶¶ 3, 8.

¹⁰ Auditing Standard No. 11, *Consideration of Materiality in Planning and Performing an Audit*, ("AS 11"), ¶ 6.

¹¹ See Auditing Standard No. 14, *Evaluating Audit Results* ("AS 14"), ¶ 2.

¹² *Id.* ¶ 3.

¹³ See *id.* ¶ 35.

¹⁴ See AS 3 ¶¶ 4-9A.

¹⁵ AU § 333.02, *Management Representations*.

¹⁶ *In re Gale Moore, CPA*, PCAOB Rel. No. 105-2012-004 (Final Decision) (August 23, 2016) at 31, *citing* *S.W. Hatfield, C.P.A.*, SEC Rel. No. 34-69930, 2013 SEC LEXIS 1954, *6 (July 3, 2013).

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9. As discussed more fully below, Respondents violated these and other PCAOB standards in performing the audits of Issuer A, Issuer B, Issuer C, and Issuer D.

2. 2014 Issuer A Audit

10. Issuer A was, at all relevant times, a Delaware corporation headquartered in Sarasota, Florida. Issuer A's public filings disclose that, at the time of the audit, it was a development stage company which planned on providing a mix of professional service offerings and proprietary patent-pending software solutions related to managing IT assets.

11. Green & Company issued an audit report dated April 10, 2015, which contained an unqualified audit opinion on Issuer A's financial statements for fiscal year ending ("FYE") December 31, 2014 ("2014 Issuer A Audit"). That report was included in a Form 10-K that Issuer A filed with the U.S. Securities and Exchange Commission ("Commission") on April 15, 2015. Green, the engagement partner, authorized the issuance of the report. The report stated, among other things, that the Firm had "audited the accompanying balance sheets of [Issuer A] as of December 31, 2014, and the related statement of operations, stockholders' deficiency, and cash flows for the year ended December 31, 2014." It also stated that the Firm had conducted the audit "in accordance with the standards of the Public Company Accounting Oversight Board (United States)."

12. In connection with the 2014 Issuer A Audit, Respondents failed to exercise due professional care, including professional skepticism, by failing to plan and perform the audit in accordance with PCAOB standards.¹⁷ Respondents failed to: establish an overall audit strategy for the engagement and to develop an audit plan;¹⁸ establish a materiality level for the financial statements as a whole;¹⁹ determine an amount or amounts of tolerable misstatement;²⁰ or perform any risk assessment procedures to identify and assess the risks of material misstatement, whether due to error or fraud.²¹

13. Respondents also failed to obtain sufficient appropriate audit evidence concerning a significant account in Issuer A's financial statements. Issuer A reported an investment of approximately \$4.8 million, which, at year-end, constituted approximately 99% of Issuer A's assets. But other than obtaining representations from management, Respondents failed to perform any procedures relating to the investment.

¹⁷ See AU §§ 230.01, .07-.09.

¹⁸ See AS 9 ¶¶ 4-5.

¹⁹ See AS 11 ¶ 6.

²⁰ Id. ¶¶ 8-9.

²¹ See AS 12 ¶ 4.

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14. Respondents thus failed to exercise due professional care, including professional skepticism, and obtain sufficient appropriate audit evidence to provide a reasonable basis for the Firm's opinion in connection with the 2014 Issuer A Audit.

3. 2014 Issuer B Audit

15. Issuer B, at all relevant times, was a Delaware corporation headquartered in Englewood, Colorado. Issuer B's public filings disclose that, at the time of the audit, it operated in the juice beverage manufacture and sales industry.

16. Green & Company issued an audit report dated April 15, 2015, which contained an unqualified audit opinion with respect to Issuer B's financial statements for FYE December 31, 2014 ("2014 Issuer B Audit"). That report was included in a Form 10-K that Issuer B filed with the Commission on April 15, 2015. Green, the engagement partner, authorized the issuance of the report. The report stated, among other things, that the Firm had "audited the accompanying balance sheets of [Issuer B] as of December 31, 2014, and the related statement of operations, stockholders' deficiency, and cash flows for the year ended December 31, 2014." It also stated that the Firm had conducted the audit "in accordance with the standards of the Public Company Accounting Oversight Board (United States)."

17. In connection with the 2014 Issuer B Audit, Respondents failed to exercise due professional care, including professional skepticism, by failing to plan and perform the audit in accordance with PCAOB standards.²² Respondents failed to establish an overall audit strategy for the engagement and to develop an audit plan.²³ Respondents also failed to establish a materiality level for the financial statements as a whole;²⁴ determine an amount or amounts of tolerable misstatement; or perform any risk assessment procedures to identify and assess the risks of material misstatement, whether due to error or fraud.²⁵

18. Respondents also failed to obtain sufficient appropriate audit evidence concerning significant accounts and disclosures in Issuer B's financial statements.²⁶ Indeed, Respondents failed to perform any procedures relating to Issuer B's reported assets apart from obtaining two bank statements. In addition, other than obtaining representations from management, Respondents failed to perform any procedures

²² See AU §§ 230.01, .07-.09.

²³ See AS 9 ¶¶ 4-5.

²⁴ See AS 11 ¶ 6.

²⁵ See AS 12 ¶ 4.

²⁶ See AS 15 ¶¶ 4-6; AS 14 ¶¶ 32-36; AS 13 ¶ 8.

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relating to Issuer B's reported liabilities, stockholder's equity, revenue, cost of goods sold and expenses.

19. Respondents thus failed to exercise due professional care, including professional skepticism, and obtain sufficient appropriate audit evidence to provide a reasonable basis for the Firm's opinion in connection with the 2014 Issuer B Audit.

4. 2014 Issuer C Audit

20. Issuer C, at all relevant times, was a Colorado corporation headquartered in Clearwater, Florida. Issuer C's public filings disclosed in its 2014 financial statements that it derived most of its revenues from manufacturing and marketing blast mitigation products, and provided other safety and protective gear for military and police use. Green & Company issued an audit report dated March 27, 2015, on Issuer C's FYE December 31, 2014 financial statements, which expressed an unqualified opinion, with an explanatory going concern paragraph, and was included in Issuer C's Form 10-K filed with the Commission on March 30, 2015 ("2014 Issuer C Audit"). The Firm's audit report stated, among other things, that the audit of Issuer C's 2014 financial statements had been conducted in accordance with PCAOB standards. Green not only served as the engagement partner on the 2014 Issuer C Audit and authorized the issuance of the audit report, but also personally performed all of the audit procedures for the audit.

21. In connection with the 2014 Issuer C Audit, Green failed to exercise due professional care, including professional skepticism,²⁷ and failed to obtain sufficient appropriate audit evidence to provide a reasonable basis for the audit opinion issued by the Firm.²⁸

a. Failure to Perform Procedures to Evaluate the Existence of Inventory for the 2014 Issuer C Audit

22. Issuer C's FY 2014 financial statements reported an inventory balance of \$1,348,827, which represented 83% of total current assets and 34% of total assets.

23. Under PCAOB standards, the observation of inventories is a generally accepted auditing procedure.²⁹ PCAOB standards also note that it is "ordinarily necessary for the independent auditor to be present at the time of [inventory] count and, by suitable observation, tests, and inquiries, satisfy himself respecting the effectiveness of the

²⁷ See AU 150.02; AU §§ 230.01, .07-.09.

²⁸ See AS 15 ¶ 4.

²⁹ See AU § 331.01, *Inventories*.

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methods of inventory-taking...."³⁰ The independent auditor who issues an opinion when he or she has not performed an inventory observation bears the burden of justifying the opinion expressed.³¹

24. Respondents failed to exercise due professional care, including professional skepticism, and failed to obtain sufficient appropriate audit evidence with respect to Issuer C's inventory at the time of the 2014 Issuer C Audit. No inventory observation procedures were performed, nor was evidence obtained or conclusions reached, to determine whether inventory physically existed in salable condition and represented property held for sale during the 2014 Issuer C Audit.³²

b. Failure to Obtain Sufficient Appropriate Evidence to Evaluate the Existence and Valuation of Issuer C's Goodwill in 2014

25. As of FYE December 31, 2014, Issuer C reported that its goodwill balance was \$2,061,649, which represented 52% of total assets. Issuer C also reported that it had \$16,016,905 in accumulated losses. Issuer C further reported that it had operating income of \$2,513,801 in 2014. Goodwill is an asset representing the future economic benefits arising from other assets acquired in a business combination that are required to be tested for impairment on, at least, an annual basis. Respondents identified goodwill as a significant audit area.

26. Respondents failed to perform sufficient procedures regarding the existence and valuation of goodwill during the 2014 Issuer C Audit.³³ Specifically, Respondents failed to perform any procedures other than reviewing a trial balance and a one-page transaction report obtained from management. Respondents also obtained management representations that goodwill was not impaired.

c. Failure to Obtain Sufficient Appropriate Evidence to Test Issuer C's Reported Revenue for 2014

27. As of FYE December 31, 2014, Issuer C reported revenue of \$5,048,190, which was a 40% increase over revenue reported at FYE December 31, 2013.

³⁰ Id. ¶ .09.

³¹ See id. ¶ .01.

³² See AU § 331.01; AU § 150.02; AU §§ 230.01, .07-.09; AS 15.

³³ See AS 15 ¶¶ 4, 11; AS 9 ¶¶ 18-19.

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Respondents identified revenue as a significant audit area and as a risk of fraud while planning the 2014 Issuer C Audit.

28. During the 2014 Issuer C Audit, Respondents failed to perform sufficient procedures regarding revenue. Despite planning to audit revenue controls in response to the risk of fraud identified during planning, Respondents failed to do so.³⁴ Respondents also failed to perform any substantive procedures to mitigate the identified fraud risk as required by PCAOB standards,³⁵ including testing whether revenue throughout the year was properly recorded in conformity with the applicable financial reporting framework in the proper period and was properly valued.³⁶ The only audit procedure performed by Respondents was cut-off testing for the period December 20, 2014 to January 10, 2015, which consisted of using information produced by Issuer C that had not been tested for completeness and accuracy as required by PCAOB standards.³⁷

d. Failure to Perform Journal Entry Testing for 2014 Issuer C Audit

29. In performing the 2014 Issuer C Audit, Respondents violated PCAOB standards due to their failure to design or perform any procedures to test the appropriateness of journal entries or other adjustments recorded in the general ledger and adjustments made in the preparation of the financial statements. Specifically, Respondents failed to examine journal entries and other adjustments for evidence of possible material misstatement due to fraud, including but not limited to, selecting from the general ledger journal entries to be tested and examining support for those items.³⁸

5. 2015 Issuer C Audit

30. On April 5, 2016, Green authorized the issuance of the Firm's audit report on Issuer C's FYE December 31, 2015 financial statements, which expressed an unqualified opinion, with an explanatory going concern paragraph, and was included in Issuer C's Form 10-K filed with the Commission on April 6, 2016 ("2015 Issuer C Audit"). The Firm's audit report stated, among other things, that the audit of Issuer C's 2015 financial statements had been conducted in accordance with PCAOB standards.

³⁴ See AS 13 ¶¶ 12-15.

³⁵ Id. ¶ 11.

³⁶ See AS 14 ¶¶ 30-31; AS 13 ¶¶ 12-15; AS 15 ¶¶ 11-12.

³⁷ See AS 15 ¶ 10.

³⁸ See AU §§ 316.01, .58-.62.

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31. Green served as the engagement partner on the 2015 Issuer C Audit and authorized the issuance of the Firm's audit report on the 2015 financial statements of Issuer C.

32. For FYE December 31, 2015, Issuer C reported that its inventory balance was \$1,206,222, which represented 52% of total current assets and 26% of total assets. During the 2015 Issuer C Audit, Respondents identified inventory as a significant audit area and significant risk of material misstatement. Yet Respondents failed to perform any procedures to determine whether Issuer C's inventory was properly valued.

33. In connection with the 2015 Issuer C Audit, Green failed to exercise due professional care, including professional skepticism, and failed to obtain sufficient appropriate audit evidence to provide a reasonable basis for the audit opinion issued by the Firm.

6. 2014 Issuer D Audit**a. Background**

34. Issuer D, at all relevant times, was a Nevada corporation headquartered in West Palm Beach, Florida. Issuer D's public filings disclosed that, at the time of the audit, its principal line of business was clinical laboratory blood and urine testing services. It was the Firm's largest issuer client by revenue dollars (approximately \$77 million in reported gross revenue) at the time the Firm audited the financial statements of Issuer D for FYE December 31, 2014 ("2014 Issuer D Audit"). On March 6, 2015, Issuer D filed a non-timely Form 10-Q/A for the quarter ending September 30, 2014 with the Commission. Issuer D disclosed in that filing that management had identified a material weakness in internal control over financial reporting, which was reviewed by Issuer D's predecessor auditor. It stated that "[i]nsufficient staffing and accounting processes and procedures [had] led to a lack of contemporaneous documentation supporting the accounting for certain transactions."

35. On March 19, 2015, Issuer D disclosed in a Form 8-K filed with the Commission that its predecessor auditor had resigned as the Company's independent registered public accounting firm effective March 13, 2015. Issuer D also disclosed that its Board of Directors had engaged Green & Company as its independent registered public accounting firm effective March 13, 2015.

36. On April 15, 2015, barely a month later, Green, who served as the engagement partner and supervised the engagement team on the 2014 Issuer D Audit, authorized the issuance of his Firm's audit report, which expressed an unqualified opinion on Issuer D's 2014 financial statements and was included in Issuer D's 2014 Form 10-K, which was filed with the Commission the same day. The Firm's audit report stated, among other things, that the audit of Issuer D's 2014 financial statements had been conducted in accordance with PCAOB standards.

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37. As discussed more fully below, in connection with the 2014 Issuer D Audit, Green failed to exercise due professional care, including professional skepticism, and failed to obtain sufficient appropriate audit evidence to provide a reasonable basis for the audit opinion issued by the Firm.

b. Failure to Perform Sufficient Appropriate Audit Procedures to Test Accounts Receivable During the 2014 Issuer D Audit

38. In its 2014 financial statements, Issuer D reported accounts receivable of \$17,463,947 at year-end, which represented 49% of total assets.

39. Respondents identified accounts receivable as a significant risk area, including a risk of material misstatement due to fraud, while planning the 2014 Issuer D Audit. Respondents also indicated during planning for the audit that they would perform cut-off testing and subsequent cash collections testing in response to the identified accounts receivable fraud risk. Despite identifying accounts receivable as a fraud risk, Respondents failed to perform any procedures regarding Issuer D's accounts receivable during the 2014 Issuer D Audit.³⁹

c. Failure to Appropriately Evaluate Whether Issuer D Had Omitted Information Essential to the Fair Presentation of its Accounting Policy for Revenue in 2014

40. In its 2014 financial statements, Issuer D reported net revenue of \$57,927,820, which was a 38.3% increase over the \$41,888,871 in revenue reported at FYE December 31, 2013. Respondents identified revenue as a significant audit area and as a fraud risk while planning the 2014 Issuer D Audit.

41. Issuer D reported in its 2014 financial statements that revenues were recognized at the time testing services were performed and were reported at the estimated net realizable amounts. Green, however, understood at the time of the 2014 Issuer D Audit that Issuer D recognized revenue at the time of billing and not at the time testing services were performed. Despite this understanding, Respondents failed to evaluate whether Issuer D's 2014 financial statements were presented fairly, in all material respects, in accordance with U.S. generally accepted accounting principles.⁴⁰

³⁹ See AS 15 ¶ 4; AS 13 ¶¶ 12-15.

⁴⁰ See AS 14 ¶ 30-31; AS 15 ¶ 11 (see fifth bullet – *Presentation and Disclosure*).

ORDERd. Green Failed to Adequately Supervise Staff on the 2014 Issuer D Audit

42. As the engagement partner, Green was responsible for the 2014 Issuer D engagement and its performance.⁴¹ Green was therefore responsible for proper supervision of the work of engagement team members and for the team's compliance with PCAOB standards.⁴² Green was also required to review the work of engagement team members to evaluate whether the work was performed and documented, the objectives of the procedures were achieved, and the results of the work supported the conclusions reached.⁴³

43. As discussed above, Respondents failed to obtain sufficient appropriate audit evidence in several audit areas. In addition, for each of these areas, Green failed to adequately supervise the staff as required by PCAOB standards. In particular, Green failed to inform the staff about their responsibilities, direct them to bring significant accounting and auditing issues to his attention, or review the work performed by audit staff to evaluate whether work was performed and documented, objectives were achieved, and the results supported the conclusions reached. At least 20 work papers purportedly prepared by members of the engagement team, which Green signed off on as the reviewer or lead partner, actually contained no audit work or were blank templates. For example, the 2014 Issuer D audit work papers indicate that the *PCA-AP-14 Audit Program for Income and Expense, Revenue Memo, Audit Program for Property*, and *2014 Im[p]airment Test v5*, were prepared by members of the engagement team and approved by Green in spite of the fact that those work papers were templates that did not evidence the performance of any audit procedures.

44. Green also failed, when determining the extent of supervision necessary for engagement team members to perform their work as directed and form appropriate conclusions, to take into account the knowledge, skill, and ability of each engagement team member.⁴⁴ Green's failure in this regard was particularly egregious because he staffed the 2014 Issuer D Audit principally with contract auditors who were supervised, at times, by the Firm's sole audit staff employee. This audit assistant, who also performed the revenue testing, had less than two years of experience and virtually no training regarding the auditing of public companies under PCAOB standards. Despite being aware

⁴¹ Auditing Standard No. 10, *Supervision of the Audit Engagement* ("AS 10"), ¶ 3.

⁴² Id.

⁴³ Id. ¶ 5.

⁴⁴ Id. ¶ 6.

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of this, Green failed to properly supervise the engagement team members during the 2014 Issuer D Audit.

D. Respondents Violated PCAOB Standards by Granting 11 Issuer Clients Permission to Use the Firm's Audit Reports Without Obtaining Concurring Approvals of Issuance from the Engagement Quality Reviewer for the Issuer Audits

45. PCAOB standards require that an engagement quality review be performed on audit engagements and reviews of interim financial information conducted pursuant to PCAOB standards.⁴⁵ PCAOB standards also provide that, in an audit, a firm may grant permission to a client to use an audit report only after an engagement quality reviewer provides concurring approval of issuance.⁴⁶

46. The engagement quality reviewer for 11 Issuer Audits identified in the attached Appendix A, did not provide concurring approval of issuance for any of those reports prior to their issuance. In each instance, the audit was of an issuer as that term is defined by Section 2(a)(7) of the Act and PCAOB Rule 1001(i)(iii), and Green was aware that the engagement quality reviewer had not provided concurring approval of issuance when he authorized the release of the Firm's audit report for the Issuer Audits. As a result, for each of the Issuer Audits, the Firm violated PCAOB standards by improperly permitting the issuance of an audit report without obtaining concurring approvals of issuance from the engagement quality reviewer.

47. Green, the majority owner and managing partner of the Firm, was the engagement partner for each of the Issuer Audits at all relevant times and was principally responsible for the audits conducted by the Firm. Accordingly, Green had overall responsibility for ensuring that the Firm complied with PCAOB rules and standards. Green knew, or was reckless in not knowing, that he was directly and substantially contributing to the Firm's violations of AS 7, with respect to the Issuer Audits. As a result, he violated PCAOB Rule 3502.

E. Respondents Violated Audit Documentation Standards For 11 Issuer Audits

48. AS 3 requires that the complete and final set of documentation for an audit be assembled for retention by the "documentation completion date," a date no later than 45 days from the date on which the auditor grants permission to use its report ("report

⁴⁵ See AS 7 ¶ 1; see also ¶¶ 9-13.

⁴⁶ Id. ¶ 13.

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release date").⁴⁷ AS 3 also requires that "[p]rior to the report release date, the auditor must have completed all necessary auditing procedures and obtained sufficient evidence to support the representations in the auditor's report."⁴⁸ It also requires that the auditor "document the procedures performed, evidence obtained, and conclusions reached with respect to relevant financial assertions. Audit documentation must clearly demonstrate that the work was in fact performed."⁴⁹

49. The Firm's computer records and audit software indicate that the audit work papers for the Issuer Audits were not "archived" or otherwise retained in such a manner that the work papers could not be deleted, or added to, without attribution until January 2017, nearly two years after the report release date for those audits. Respondents thus violated AS 3 by failing to assemble a complete and final set of audit documentation for retention as of a date not more than 45 days after the report release date for any of the Issuer Audits.⁵⁰

III.

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 Respondents' Offers. Accordingly, it is hereby ORDERED that:

- A. Pursuant to Section 105(c)(4)(B) of the Act and PCAOB Rule 5300(a)(2), Travis J. Green is barred from being an associated person of a registered public accounting firm, as that term is defined in Section 2(a)(9) of the Act and PCAOB Rule 1001(p)(i);⁵¹ and

⁴⁷ See AS 3 ¶¶ 14-15.

⁴⁸ Id. ¶ 15.

⁴⁹ Id. ¶ 6.

⁵⁰ Id. ¶ 15.

⁵¹ As a consequence of the bar, the provisions of Section 105(c)(7)(B) of the Act will apply with respect to Green. Section 105(c)(7)(B) of the Act provides that "[i]t shall be unlawful for any person that is suspended or barred from being associated with a registered public accounting firm under this subsection willfully to become or remain associated with any issuer, broker, or dealer in an accountancy or a financial management capacity, and for any issuer, broker, or dealer that knew, or in the exercise

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- B. Pursuant to Section 105(c)(4)(A) of the Act and PCAOB Rule 5300(a)(1), the registration of Green & Company CPAs LLC, is revoked.

ISSUED BY THE BOARD.

/s/ Phoebe W. Brown

Phoebe W. Brown
Secretary

April 16, 2020

of reasonable care should have known, of such suspension or bar, to permit such an association, without the consent of the Board or the Commission."

Appendix A

At all relevant times, each of the 11 issuers identified below was an issuer as that term is defined by Section 2(a)(7) of the Act and PCAOB Rule 1001(i)(iii).

Issuer	Fiscal Year Ended	Date of Audit Report	Date Financial Statements Filed with Securities and Exchange Commission
1. Issuer A	December 31, 2014	April 10, 2015	April 15, 2015
2. Issuer B	December 31, 2014	April 15, 2015	April 15, 2015
3. Issuer C	December 31, 2014	March 27, 2015	March 30, 2015
4. Issuer D	December 31, 2014	April 15, 2015	April 15, 2015
5. Issuer E	December 31, 2014	March 27, 2015	March 31, 2015
6. Issuer F	December 31, 2014	March 27, 2015	April 3, 2015
7. Issuer G	December 31, 2014	April 10, 2015	April 10, 2015
8. Issuer H	December 31, 2014	May 4, 2015	May 6, 2015
9. Issuer I	December 31, 2014	June 29, 2015	June 30, 2015
10. Issuer J	July 31, 2015	November 12, 2015	November 13, 2015
11. Issuer K	September 30, 2015	January 13, 2016	January 13, 2016