

**Order Instituting Disciplinary Proceedings,
Making Findings, and Imposing Sanctions**

*In the Matter of Cheryl L. Gore, CPA and
Stanley R. Langston, CPA,*

Respondents.

PCAOB Release No. 105-2021-020

December 14, 2021

By this Order Instituting Disciplinary Proceedings, Making Findings, and Imposing Sanctions (“Order”), the Public Company Accounting Oversight Board (“Board” or “PCAOB”) is:

- (1) barring Cheryl L. Gore, CPA (“Gore”) from being associated with a registered public accounting firm;¹ if the Board later consents to Gore’s association with a registered firm, limiting Gore’s activities in connection with any “audit,” as that term is defined in Section 110(1) of the Sarbanes-Oxley Act of 2002, as amended (the “Act”) for an additional period of one year following the termination of the bar; requiring that Gore complete forty hours of continuing professional education (“CPE”), in addition to any CPE required in connection with any professional license; imposing a \$20,000 civil money penalty on Gore; and
- (2) limiting Stanley R. Langston, CPA’s (“Langston”) activities in connection with any “audit,” as that term is defined in Section 110(1) of the Act for a period of one year from the date of this Order, and imposing a \$10,000 civil money penalty on Langston.

The Board is imposing these sanctions on the basis of its findings that Gore and Langston (collectively, “Respondents”) violated PCAOB rules and standards in connection with the audits by Turner, Stone & Company, L.L.P. (the “Firm”) of the financial statements of Issuer

¹ Gore may file a petition for Board consent to associate with a registered public accounting firm after one year from the date of this Order.

A for the year ended December 31, 2016 (“2016 Audit”) and the restated financial statements for the same period (“Restatement Audit”) (collectively, the “Audits”).

I.

The Board deems it necessary and appropriate, for the protection of investors and to further the public interest in the preparation of informative, accurate, and independent audit reports, that disciplinary proceedings be, and hereby are, instituted pursuant to Section 105(c) of the Act, and PCAOB Rule 5200(a)(1) against Respondents.

II.

In anticipation of the institution of these proceedings, and pursuant to PCAOB Rule 5205, Respondents have 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 Respondents and the subject matter of these proceedings, which is admitted, Respondents consent to the entry of this Order as set forth below.²

III.

On the basis of Respondents’ Offers, the Board finds³ that:

A. Respondents

1. **Cheryl L. Gore, CPA** is a certified public accountant licensed by the Texas State Board of Accountancy (License No. 063764). Gore is a partner at the Firm and served as the engagement partner on each of the Audits. At all relevant times, Gore was an associated person

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.

³ The Board finds that Respondents’ conduct described in this Order meets the conditions set out in Section 105(c)(5) of the Act, 15 U.S.C. § 7215(c)(5), which provides that certain sanctions may be imposed in the event of: (1) intentional or knowing conduct, including reckless conduct, that results in a violation of the applicable statutory, regulatory, or professional standard; or (2) repeated instances of negligent conduct, each resulting in a violation of the applicable statutory, regulatory, or professional standard.

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).

2. **Stanley R. Langston, CPA** was, at all relevant times, a certified public accountant licensed by the Texas State Board of Accountancy (License No. 042545). Langston was not a partner, principal, or employee of the Firm. Langston served as the engagement quality reviewer (“EQR reviewer”) on each of the Audits. At all relevant times, Langston was an associated person of a registered public accounting firm (the Firm) as that term is defined in Section 2(a)(9) of the Act and PCAOB Rule 1001(p)(i).

B. Relevant Entities

3. Issuer A was, at all relevant times, a Colorado corporation headquartered in Irvine, California. Issuer A’s public filings disclose that, at all relevant times, it was a development-stage company engaged in the development, production, and commercialization of cannabis-based pharmaceutical products. Issuer A was, at all relevant times, an “issuer” as that term is defined by Section 2(a)(7) of the Act and PCAOB Rule 1001(i)(iii).

4. Corporation A was identified in Issuer A’s fiscal year ended December 31, 2016 (“FY 2016”) Form 10-K/A filed with the Securities and Exchange Commission (“Commission”) on August 11, 2017, as an entity that had made payments on Issuer A’s behalf during 2016 and part of 2017. In a second amended Form 10-K/A for FY 2016 filed with the Commission on April 15, 2019, Issuer A further disclosed that Corporation A was owned by Issuer A’s CEO’s adult son.

C. Summary

5. This matter concerns Respondents’ violations of PCAOB rules and standards in connection with the Audits. As detailed below, during the Audits, Gore failed to exercise due professional care, including professional skepticism, and failed to obtain sufficient appropriate audit evidence in connection with Issuer A’s identification, accounting, and disclosure of related party relationships and transactions.

6. In addition, in connection with the Audits, Langston violated AS 1220, *Engagement Quality Review*, by providing his concurring approval of issuance of the Firm’s audit reports without performing the required engagement quality reviews with due professional care.

D. Gore Violated PCAOB Rules and Standards During the Audits

7. In connection with the preparation and issuance of an audit report, PCAOB rules require that registered public accounting firms and their associated persons comply with applicable auditing and related professional practice standards.⁴ An auditor may express an unqualified 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.⁵ PCAOB standards also provide that due professional care be exercised in the planning and performance of the audit and the preparation of the report.⁶ Due professional care requires the auditor to exercise professional skepticism.⁷

8. PCAOB standards require the auditor to plan and perform audit procedures to obtain sufficient appropriate audit evidence to provide a reasonable basis for his or her opinion.⁸ Inquiry of company personnel, by itself, does not provide sufficient audit evidence.⁹ 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.¹⁰

9. PCAOB standards require the auditor's responses to the assessed risks of material misstatement, particularly fraud risks, to involve the application of professional skepticism in gathering and evaluating audit evidence.¹¹

10. In the case of significant transactions that are outside the normal course of business for the entity, or that otherwise appear to be unusual given the auditor's understanding of the entity and its environment, PCAOB standards require the auditor to gain an understanding of the business purpose for such transactions and whether that purpose (or

⁴ PCAOB Rule 3100, *Compliance with Auditing and Related Professional Practice Standards*; PCAOB Rule 3200, *Auditing Standards*.

⁵ See AS 3101.07, *Reports on Audited Financial Statements* (applicable to audits for fiscal years ending before December 15, 2017).

⁶ AS 1015.01, *Due Professional Care in the Performance of Work*.

⁷ AS 1015.07.

⁸ AS 1105.04, *Audit Evidence*.

⁹ See Note to AS 1105.17.

¹⁰ AS 2805.02, *Management Representations*.

¹¹ AS 2301.07, *The Auditor's Responses to the Risks of Material Misstatement*.

lack thereof) suggests that the transactions may have been entered into to engage in fraudulent financial reporting or to conceal misappropriation of assets.¹² In addition, where a risk of fraud is identified, the auditor is required by PCAOB standards to perform substantive procedures, including tests of details, that are specifically responsive to the assessed fraud risks.¹³

11. PCAOB standards further require the auditor to evaluate whether the financial statements are presented fairly, in all material respects, in conformity with the applicable financial reporting framework and evaluate whether the financial statements contain the information essential for a fair presentation of the financial statements in conformity with the applicable financial reporting framework.¹⁴ Generally accepted accounting principles recognize the importance of reporting transactions and events in accordance with their substance. The auditor should consider whether the substance of transactions or events differs materially from their form.¹⁵

12. As described below, Gore failed to comply with PCAOB rules and standards during the Audits.

i. The 2016 Issuer A Audit

13. The Firm served as Issuer A's external auditor for the FY 2016 financial statements. The Firm issued an audit report containing an unqualified opinion, dated April 13, 2017, regarding Issuer A's FY 2016 financial statements. The report was included with Issuer A's Form 10-K filed with the Commission on April 17, 2017. Gore, the engagement partner on the 2016 Audit, authorized the release of the report. Langston, as the EQR reviewer on the engagement, provided concurring approval of issuance of that audit report.

14. Issuer A disclosed in its Form 10-K revenue of approximately \$9,000 and stock-based payments to related parties of approximately \$1.4 million in FY 2016. These related party transactions comprised 16% of Issuer A's reported net loss before taxes.

15. The objective of the auditor under the PCAOB's standard on related parties is to obtain sufficient appropriate audit evidence to determine whether related parties and

¹² See AS 2401.66, .66A & .67, *Consideration of Fraud in a Financial Statement Audit*.

¹³ AS 2301.13.

¹⁴ AS 2810.30 & .31, *Evaluating Audit Results*.

¹⁵ AS 2815.06, *The Meaning of "Present Fairly in Conformity with Generally Accepted Accounting Principles."*

relationships and transactions with related parties have been properly identified, accounted for, and disclosed in the financial statements.¹⁶ PCAOB standards also require an auditor to perform procedures to obtain an understanding of the company's relationships and transactions with its related parties that might reasonably be expected to affect the risks of material misstatement of the financial statements in conjunction with performing risk assessment procedures in accordance with AS 2110, *Identifying and Assessing Risks of Material Misstatement*.¹⁷ The procedures performed to obtain an understanding of the company's relationships and transactions with related parties include: obtaining an understanding of the company's process; performing inquiries; and communicating with the audit engagement team and other auditors.¹⁸

16. Gore was required to obtain an understanding of Issuer A management's process for: identifying related parties and relationships and transactions with related parties; authorizing and approving transactions with related parties; and accounting for and disclosing relationships and transactions with related parties in its financial statements.¹⁹ Specifically, as part of her risk assessment procedures, she was required to obtain an understanding of the design and implementation of Issuer A's internal control over financial reporting ("ICFR") in connection with related parties,²⁰ to evaluate the design of those controls that were relevant to the audit, and to determine whether those controls had been implemented.²¹ Gore failed to perform any of these procedures during the 2016 Audit.

17. Moreover, Gore assessed unrecorded and/or undisclosed related party transactions as a fraud risk.²² She also determined that unrecorded and/or undisclosed related party transactions were the types of disclosure errors that posed the greatest risk of material

¹⁶ AS 2410.02, *Related Parties*.

¹⁷ AS 2410.03.

¹⁸ *Id.*

¹⁹ AS 2410.04.

²⁰ *See id.*; AS 2110.20.

²¹ *See* AS 2110.20. *See also* AS 2110.18 ("The auditor should obtain a sufficient understanding of each component of internal control over financial reporting ('understanding of internal control') to (a) identify the types of potential misstatements, (b) assess the factors that affect the risks of material misstatement, and (c) design further audit procedures.").

²² Gore also understood during the Audits that Issuer A's CEO had previously been disciplined for violating the securities laws by the Commission and by a Canadian regulator, in both instances for conduct intended to defraud investors.

misstatement to Issuer A's financial statements. However, Gore failed to apply professional skepticism in gathering and evaluating audit evidence in response to this assessed fraud risk.²³

18. Indeed, other than creating a list of Issuer A's related parties based upon inquiries of Issuer A's CFO and obtaining uncorroborated representations from Issuer A's CEO and CFO regarding the completeness and accuracy of that list, Gore failed to perform any other procedures to obtain an understanding of the company's relationships and transactions with its related parties that might reasonably be expected to affect the risks of material misstatement of the financial statements.²⁴

19. In addition, Gore failed to obtain a sufficient understanding of Issuer A's process for identifying related parties and relationships and transactions with related parties.²⁵ Other than obtaining representations from Issuer A's CFO about the process for identifying, authorizing, and accounting for and disclosing related party relationships and transactions, she failed to perform any other procedures to obtain an understanding of the company's process. For example, Issuer A's CFO represented that Issuer A required the Board of Directors' approval for authorizing significant related party transactions, but Gore failed to inquire of management regarding, among other things, what constituted a significant related party transaction under the company's policies and procedures and how many, if any, significant related party transactions were authorized and approved by the Board of Directors (or were granted exceptions from the company's policies and procedures) during the 2016 Audit.²⁶

20. Further, during the 2016 Audit, Gore became aware of certain information indicating management might not have disclosed a complete and accurate listing of its related parties and relationships and transactions with related parties. Among other things, while performing substantive procedures, Gore reviewed numerous recorded transactions with individuals bearing the CEO's surname. These transactions, none of which were disclosed as being with related parties, totaled approximately \$2.5 million. They took the form of stock issuances and other payments, and were purportedly made in exchange for various consulting services.

21. Despite the fact that these payments were made to individuals with the CEO's surname, Gore failed to perform any procedures to resolve the inconsistencies in the audit

²³ See AS 2301.07.

²⁴ See AS 2410.03. See also AS 2805.02.

²⁵ See AS 2410.04.

²⁶ See AS 2410.05f & .05g.

evidence concerning related parties and relationships and transactions with related parties.²⁷ She also failed to perform procedures to test the accuracy and completeness of the related parties and relationships and transactions with related parties identified by the company, taking into account the information gathered during the audit.²⁸

22. In addition, Gore failed to perform certain required inquiries of management about related parties. For example, she failed to inquire of management about, among other things: background information concerning related parties (for example, physical location, industry, size, and extent of operations); the nature of any relationships, including ownership structure, between the company and its related parties; the transactions entered into, modified, or terminated, with its related parties during the period under audit and the terms and business purposes (or the lack thereof) of such transactions; and the business purpose for entering into a transaction with a related party versus an unrelated party.²⁹ Gore, therefore, failed to obtain sufficient appropriate audit evidence and failed to perform sufficient procedures concerning related parties and relationships and transactions with related parties.³⁰

ii. The Issuer A Restatement Audit

23. Several weeks after the issuance of the Firm's audit report, Issuer A informed Gore of material errors in its previously issued FY 2016 financial statements. In particular, Gore learned that Issuer A had failed to record or disclose material transactions entered into on Issuer A's behalf during FY 2016 by an entity identified by the CEO as Corporation A. The unrecorded transactions caused Issuer A's total assets to be understated by approximately \$1.3 million (107%), and total liabilities by approximately \$630,000 (17%).

24. The Firm issued an audit report containing an unqualified opinion, dated August 10, 2017, regarding Issuer A's restated FY 2016 financial statements. The report was included with Issuer A's Form 10-K/A filed with the Commission on August 11, 2017. Gore authorized the release of the audit report. Langston provided concurring approval of issuance of that audit report. This restatement of Issuer A's FY 2016 financial statements amended the FY 2016 financial statements to include the previously unrecorded transactions with Corporation A.

²⁷ See AS 1105.29.

²⁸ AS 2410.14.

²⁹ See AS 2410.05.

³⁰ See AS 1105.04.

25. Through discussions with Issuer A management during the Restatement Audit, Gore learned that Corporation A was controlled by the adult son of Issuer A's CEO. Issuer A's CEO asserted, however, that Corporation A should not be disclosed as a related party in the restated financial statements based on his view that adult immediate family members were not related parties unless they shared a common household.

26. Based on her understanding of U. S. generally accepted accounting principles and Regulation S-X, Gore understood that Corporation A appeared to be a related party and should be disclosed in Issuer A's financial statements.³¹ However, despite being aware of this, she failed prior to authorizing the audit report to recognize that Issuer A was not disclosing Corporation A as a related party. As a result, Gore failed to act with due professional care and professional skepticism and failed to perform sufficient procedures to determine whether related parties and relationships and transactions with related parties were properly identified, accounted for, and disclosed in the restated financial statements.

27. Indeed, although she knew Corporation A was "a related party or relationship or transaction with a related party previously undisclosed to the auditor,"³² Gore failed to evaluate why the related parties or relationships or transactions with related parties were previously undisclosed to the auditor and to assess the need to perform additional procedures to identify other undisclosed relationships or transactions with Corporation A.³³ In addition, Gore failed to perform the required procedures concerning the implications on her assessment of Issuer A's ICFR for the Restatement Audit.³⁴

28. During the Restatement Audit, Issuer A provided Gore with supporting documentation for a second service agreement between Issuer A and Corporation A allowing Corporation A to enter into transactions on Issuer A's behalf, which had been in force during FY

³¹ Rule 4-08(k) of Regulation S-X, *Related party transactions that affect the financial statements* (17 C.F.R. 210.4-08(k)), states that amounts of related party transactions should be stated on the face of the balance sheet, statement of comprehensive income, or statement of cash flows. The term "related parties" includes, among other things, principal owners of the entity and members of their immediate families and management of the entity and members of their immediate families. See Footnote 1 of AS 2410; 17 C.F.R. 210.1-02(u); FASB ASC Master Glossary. "Immediate Family" means family members who might control or influence a principal owner or a member of management, or who might be controlled or influenced by a principal owner or a member of management, because of the family relationship. See FASB ASC 850-10-20, *Related Party Disclosures*.

³² AS 2410.16.

³³ AS 2410.16b & .16d.

³⁴ See AS 2110.18 & .20.

2016 but had not been disclosed to Gore and the engagement team during the 2016 Audit. Despite understanding from discussions with Issuer A management that Issuer A's ICFR was based on a definition of "related party" that did not conform with her understanding of U.S. generally accepted accounting principles or Regulation S-X, Gore failed to perform any procedures to evaluate the implications of that information and support her and the engagement team's continued reliance on management's processes to properly identify, approve, and disclose related party relationships and transactions.

29. When evaluating the results of the Restatement Audit, Gore was required to evaluate whether the accumulated results of the auditing procedures and other observations affected the assessment of the fraud risks made throughout the audit and whether the audit procedures needed to be modified to respond to those risks.³⁵ Gore concluded, without any basis, that the unrecorded, undisclosed Corporation A transactions were an isolated error, despite PCAOB standards stating that Gore could not assume that an instance of error or fraud was an isolated occurrence, and requiring Gore to evaluate the nature and effects of the individual misstatements accumulated during the audit on the assessed risks of material misstatement—an evaluation important in determining whether the risk assessments remained appropriate.³⁶

30. In addition, during the Restatement Audit, Gore did not ask for, or obtain, an updated list of related parties from Issuer A, and instead relied on the audit work that she performed in the area of related parties during the 2016 Audit. Gore thus failed to inquire of management or others within the company regarding the names of the company's related parties, and to perform any procedures to test the accuracy and completeness of the related parties and relationships and transactions with related parties identified by the company, taking into account the information she gathered during the audit concerning Corporation A's ownership and potential related party stock transactions.³⁷ Moreover, the related party list she relied on during the Restatement Audit was still incomplete, as it did not include Corporation A, the CEO's son, or the other individuals that shared the CEO's surname and received large amounts of Issuer A stock in FY 2016.

31. During the Restatement Audit, Gore failed to obtain an understanding of the company's process for identifying, authorizing, and accounting for and disclosing relationships

³⁵ AS 2810.28.

³⁶ See AS 2810.19.

³⁷ See AS 2410.05a, .06 & .14.

and transactions with related parties,³⁸ and to apply professional skepticism in gathering and evaluating the audit evidence in response to the assessed fraud risk concerning related parties and relationships and transactions.³⁹ After learning that Issuer A's interpretation of related parties did not appear to comply with U.S. generally accepted accounting principles and Regulation S-X, Gore failed to obtain the required understanding of the company's process and failed to identify as related party transactions the transactions and stock issuances during FY 2016 that were with and to other individuals that shared the CEO's surname.

32. Gore was also required during the Restatement Audit to obtain an understanding of the design and implementation of Issuer A's ICFR in connection with related parties.⁴⁰ She was also required to evaluate the design of these controls, which were relevant to the audit, and to determine whether the controls had been implemented.⁴¹ She failed to perform any of these procedures.

33. Gore also failed to exercise due professional care in connection with her review of the financial statements during the final days of the Restatement Audit.⁴² Indeed, despite her discussions with Issuer A management concerning the definition of related parties, and her review of several Form 10-K/A drafts of potential language concerning the Corporation A transactions, Gore failed to evaluate the final Form 10-K/A that was to be filed with the Commission on August 11, 2017, to determine whether it did, in fact, disclose that Corporation A was a related party.⁴³ As a result, Gore failed to obtain sufficient appropriate audit evidence and to perform sufficient procedures concerning whether Issuer A's financial statements accurately disclosed its related party transactions.⁴⁴

E. Langston Violated PCAOB Rules and Standards in Connection with the Engagement Quality Reviews During the Audits

34. As noted above, PCAOB rules provide that associated persons of registered public accounting firms shall comply with all applicable auditing and related professional

³⁸ See AS 2410.04.

³⁹ See AS 2301.07.

⁴⁰ See AS 2110.20.

⁴¹ See *id.*

⁴² See AS 1015.

⁴³ See AS 2410.17.

⁴⁴ See AS 1105.04.

practice standards.⁴⁵ PCAOB standards also require that an engagement quality review be performed on all audit engagements conducted pursuant to PCAOB standards.⁴⁶ In conducting the engagement quality review, the EQR reviewer should evaluate the significant judgments made by the engagement team and the related conclusions reached in forming the overall conclusion on the engagement and in preparing the engagement report.⁴⁷

35. PCAOB standards also require the EQR reviewer to evaluate the assessment of, and audit responses to, among other things, significant risks identified by the engagement team, including fraud risks.⁴⁸ In addition, the EQR reviewer is required to evaluate whether the engagement documentation that he or she reviewed when performing the procedures required by paragraph AS 1220.10 indicates that the engagement team responded appropriately to significant risks, and supports the conclusions reached by the engagement team with respect to the matters reviewed.⁴⁹

36. PCAOB standards further require the EQR reviewer to review the engagement completion document and confirm with the engagement partner that there are no significant unresolved matters.⁵⁰ PCAOB standards also require engagement quality review documentation to contain sufficient information to enable an experienced auditor, having no previous connection with the engagement, to understand the procedures performed by the EQR reviewer to comply with the provisions of AS 1220, including information that identifies, among other things, the documents reviewed by the EQR reviewer.⁵¹

37. During both Audits, Langston failed to evaluate properly the significant judgments made by Gore and the engagement teams with respect to unrecorded and/or undisclosed related party transactions that were identified as fraud risks. As noted above, Issuer A disclosed approximately \$1.4 million in stock-based payments to related parties and failed to disclose an additional \$2.5 million in such payments. Although he had telephone discussions with Gore during both Audits, and reviewed certain drafts of Issuer A's Form 10-K and 10-K/A during the 2016 Audit and Restatement Audit, respectively, he failed during the

⁴⁵ See PCAOB Rule 3100.

⁴⁶ See 1220.01.

⁴⁷ AS 1220.09.

⁴⁸ AS 1220.10b.

⁴⁹ AS 1220.11.

⁵⁰ AS 1220.10e.

⁵¹ AS 1220.19.

Audits to review any audit work papers in the significant risk areas of the audit, including related parties, and failed to evaluate the engagement teams' assessment of and audit response to these risk areas,⁵² as well as the significant judgments made by the engagement teams and the related conclusions reached in forming the overall conclusion on the engagement and in preparing the respective engagement reports.⁵³ Langston also failed to review the engagement completion documents during both Audits, as required by AS 1220.⁵⁴ Because of these failures, Langston failed to evaluate whether the documentation prepared by the engagement teams responded appropriately to significant risks, and supported the conclusions reached by the engagement teams with respect to the matters reviewed.⁵⁵

38. Finally, the documentation Langston prepared did not contain sufficient information to enable an experienced auditor, having no previous connection with the engagement, to understand which documents Langston reviewed.⁵⁶

39. As a result of the failures described above, Langston provided his concurring approvals of issuance without performing his reviews with the requisite due professional care.⁵⁷

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 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), Cheryl L. Gore 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).⁵⁸

⁵² AS 1220.10b.

⁵³ AS 1220.09

⁵⁴ AS 1220.10e.

⁵⁵ AS 1220.11.

⁵⁶ See AS 1220.19; AS 1215.06, *Audit Documentation*.

⁵⁷ See AS 1220.12; AS 1015.01.

⁵⁸ As a consequence of the bar, the provisions of Section 105(c)(7)(B) of the Act will apply with respect to Gore. Section 105(c)(7)(B) provides: "It shall be unlawful for any person that is suspended or

- B. Pursuant to PCAOB Rule 5302(b), Gore may file a petition for Board consent to associate with a registered public accounting firm after one year from the date of this Order.
- C. If Gore is permitted to associate again with a registered public accounting firm, pursuant to Section 105(c)(4)(C) of the Act and PCAOB Rule 5300(a)(3), for a period of one year from the date her bar is terminated, Gore's role in any "audit," as that term is defined in Section 110(1) of the Act and PCAOB Rule 1001(a)(v), shall be restricted as follows: Gore shall not (1) serve, or supervise the work of another person serving, as an "engagement partner," as that term is used in AS 1201, *Supervision of the Audit Engagement*; (2) serve, or supervise the work of another person serving, as an "engagement quality reviewer," as that term is used in AS 1220, *Engagement Quality Review*; (3) serve, or supervise the work of another person serving, in any role that is equivalent to engagement partner or engagement quality reviewer, but differently denominated (such as "lead partner," "practitioner-in-charge," or "concurring partner"); (4) exercise authority, or supervise the work of another person exercising authority, to either sign a registered public accounting firm's name to an audit report, or to consent to the use of a previously issued audit report, for any issuer, broker, or dealer; (5) assist the engagement partner in fulfilling his or her responsibilities under paragraph 4 of AS 1201, *Supervision of the Audit Engagement*; or (6) serve, or supervise the work of another person serving, as the "other auditor," or "another auditor," as those terms are used in AS 1205, *Part of the Audit Performed by Other Independent Auditors*;
- D. Pursuant to Section 105(c)(4)(F) of the Act and PCAOB Rule 5300(a)(6), Gore is required to complete, before filing a petition for Board consent to associate with a registered firm, forty hours of continuing professional education ("CPE") and training relating to PCAOB auditing standards (such hours shall be in addition to, and shall not be counted in, the CPE she is required to obtain in connection with any professional license);
- E. Pursuant to Section 105(c)(4)(C) of the Act and PCAOB Rule 5300(a)(3), for a period of one year from the date of this Order, Stanley R. Langston's role in any "audit," as that term is defined in Section 110(1) of the Act and PCAOB Rule

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 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."

1001(a)(v), shall be restricted as follows: Langston shall not (1) serve, or supervise the work of another person serving, as an “engagement partner,” as that term is used in AS 1201, *Supervision of the Audit Engagement*; (2) serve, or supervise the work of another person serving, as an “engagement quality reviewer,” as that term is used in AS 1220, *Engagement Quality Review*; (3) serve, or supervise the work of another person serving, in any role that is equivalent to engagement partner or engagement quality reviewer, but differently denominated (such as “lead partner,” “practitioner-in-charge,” or “concurring partner”); (4) exercise authority, or supervise the work of another person exercising authority, either to sign a registered public accounting firm’s name to an audit report, or to consent to the use of a previously issued audit report, for any issuer, broker, or dealer; (5) assist the engagement partner in fulfilling his or her responsibilities under paragraph 4 of AS 1201, *Supervision of the Audit Engagement*; or (6) serve, or supervise the work of another person serving, as the “other auditor,” or “another auditor,” as those terms are used in AS 1205, *Part of the Audit Performed by Other Independent Auditors*;

F. Pursuant to Section 105(c)(4)(D) of the Act and PCAOB Rule 5300(a)(4), the Board imposes the following civil money penalties:

1. Cheryl L. Gore, \$20,000; and,
2. Stanley R. Langston, \$10,000.

All funds collected by the Board as a result of the assessment of these civil money penalties will be used in accordance with Section 109(c)(2) of the Act. Respondents shall pay these civil money penalties within ten days of the issuance of this Order by (1) wire transfer in accordance with instructions furnished by Board staff; or (2) United States Postal Service postal money order, certified check, bank cashier’s check, or bank money order (a) made payable to the Public Company Accounting Oversight Board, (b) delivered to the Office of Finance, Public Company Accounting Oversight Board, 1666 K Street, N.W., Washington D.C. 20006, and (c) submitted under a cover letter, which identifies the person as a respondent in these proceedings, sets forth the title and PCAOB release number of these proceedings, and states that payment is made pursuant to this Order, a copy of which cover letter and money order or check shall be sent to Office of the Secretary, Attention: Phoebe W. Brown, Secretary, Public Company Accounting Oversight Board, 1666 K Street, N.W., Washington D.C. 20006. ***Respondent Gore understands that failure to pay the civil money penalty described above may alone be grounds to deny any petition, pursuant to PCAOB Rule 5302(b), for Board consent to associate with a registered public accounting firm. Respondents also understand that failure to pay the civil***

money penalty described above may alone be grounds for a summary suspension or bar pursuant to PCAOB Rule 5304(b).

ISSUED BY THE BOARD.

/s/ Phoebe W. Brown

Phoebe W. Brown
Secretary

December 14, 2021