

## Order Making Findings and Imposing Sanctions

*In the Matter of Marcum Asia CPAs LLP,*

Respondent.

PCAOB Release No. 105-2025-033

September 23, 2025

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

- (1) censuring Marcum Asia CPAs LLP (“Marcum Asia,” “MarcumBP,” “Firm,” or “Respondent”);
- (2) imposing a civil money penalty in the amount of \$100,000 on Respondent; and
- (3) requiring Respondent to conduct training relating to communications between predecessor and successor auditors.

The Board is imposing these sanctions based on its findings that MarcumBP violated PCAOB rules and standards concerning communications between predecessor and successor auditors.

### I.

On October 23, 2024, the Board instituted disciplinary proceedings pursuant to Section 105(c) of the Sarbanes-Oxley Act of 2002 (“Act”) and PCAOB Rule 5200(a)(1) against Respondent. The Board determined, under Section 105(c)(2) of the Act and PCAOB Rule 5203, that good cause was shown to make the hearing in this proceeding public, and the Division of Enforcement and Investigations consented to making the hearing public. As permitted by Section 105(c)(2) of the Act and PCAOB Rule 5203, Respondent did not consent to make the hearing in this proceeding public.

## II.

In response to these proceedings, and pursuant to PCAOB Rule 5205, Respondent has submitted an Offer of Settlement (the “Offer”) that the Board has determined to accept. Solely for the purpose of these proceedings and any other proceeding brought by or on behalf of the Board, or to which the Board is a party, and without admitting or denying the findings contained herein, except as to the Board’s jurisdiction over Respondent and the subject matter of these proceedings, which is admitted, Respondent consents to the entry of this Order as set forth below.<sup>1</sup>

## III.

On the basis of Respondent’s Offer, the Board finds that:

### A. Respondent

1. **Marcum Asia CPAs LLP**, formerly known as Marcum Bernstein & Pinchuk LLP,<sup>2</sup> is a public accounting firm headquartered in New York, New York. The Firm is, and at all relevant times was, registered with the Board pursuant to Section 102 of the Act and PCAOB rules, and is licensed by the New York State Education Department (license no. 093038), the Texas State Board of Accountancy (license no. P05632), and the California Board of Accountancy (out-of-state license no. OFR1004). MarcumBP served as the external auditor of Gridsum Holding Inc. (“Gridsum”) from June 28, 2018 until it was dismissed by Gridsum on January 6, 2019. MarcumBP did not issue any audit reports on Gridsum’s financial statements.

### B. Other Relevant Entity

2. **Shandong Haoxin Certified Public Accountants Co., Ltd.** (“Haoxin”) is a public accounting firm headquartered in Weifang City, Shandong Province, the People’s Republic of China (“China”). Haoxin is, and at all relevant times was, registered with the Board pursuant to Section 102 of the Act and PCAOB rules, and is licensed by the China Ministry of Finance (license no. 37060025). Haoxin, which succeeded MarcumBP as Gridsum’s auditor, served as the external auditor of Gridsum from January 6, 2019, until Gridsum terminated its registration with the U.S. Securities and Exchange Commission in April 2021. On November 30, 2023, the

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<sup>1</sup> The findings herein are made pursuant to Respondent’s Offer and are not binding on any other person or entity in this or any other proceeding.

<sup>2</sup> On September 16, 2022, MarcumBP filed a Special Report (Form 3) with the Board indicating that, effective September 7, 2022, its legal name had been changed to Marcum Asia CPAs LLP. Given that all of the conduct subject to this Order occurred under the Firm’s prior name, this Order generally refers to MarcumBP when describing the conduct.

Board issued a settled order sanctioning Haoxin for its conduct in connection with its audits of Gridsum's 2015-2017 financial statements.<sup>3</sup>

### C. Issuer

3. **Gridsum Holding Inc.** was, at all relevant times, an exempted company with limited liability, incorporated in the Cayman Islands, with its headquarters in Beijing, China. Its public filings disclose that Gridsum provided data analysis software for multinational and domestic enterprises and government agencies in China. During all relevant times, Gridsum's American Depositary Shares were listed on Nasdaq Stock Market LLC, and Gridsum was an "issuer," as that term is defined by Section 2(a)(7) of the Act and PCAOB Rule 1001(i)(iii).

### D. Summary

4. This matter involves MarcumBP's violations of PCAOB rules and auditing standards in connection with its transfer of draft work papers to Haoxin, the successor to MarcumBP as Gridsum's auditor.

5. Gridsum engaged MarcumBP in June 2018 to audit Gridsum's fiscal year 2015-2017 financial statements. Before MarcumBP completed those audits, Gridsum dismissed MarcumBP and retained Haoxin as its auditor.

6. Shortly before Gridsum dismissed MarcumBP, as part of an anticipated transition of the audit to Haoxin, MarcumBP transferred its draft work papers to Haoxin. However, MarcumBP failed to reach an understanding with Haoxin as to the use of the draft work papers, in violation of PCAOB standards.

7. MarcumBP never communicated directly with anyone employed at Haoxin about the extent, if any, to which Haoxin could use the work reflected in MarcumBP's draft work papers. Instead, MarcumBP only orally discussed the use of the draft work papers with a third-party intermediary,<sup>4</sup> who came to understand and communicated to Haoxin that there were no restrictions on Haoxin's use of MarcumBP's work papers.

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<sup>3</sup> See *Shandong Haoxin Certified Public Accountants Co., Ltd., LIU Kun, MA Yao, SUN Penghuan, and ZHU Dawei*, PCAOB Rel. No. 105-2023-045 (Nov. 30, 2023).

<sup>4</sup> The third-party intermediary was a former Haoxin partner who had left Haoxin in 2013 and was not engaged to perform any audit services concerning Gridsum. At the time of the discussion, MarcumBP assumed that the individual still was associated with Haoxin, but did not take steps to ascertain whether a current association existed.

8. Haoxin thereafter relied on MarcumBP's draft audit work papers and issued an unqualified audit report on Gridsum's 2015-2017 financial statements one day after Gridsum retained Haoxin as its auditor. Then, nine days after Haoxin issued that audit report, MarcumBP sent a draft letter agreement for Haoxin to sign, asserting that the draft work papers had been provided to Haoxin solely to assist Haoxin in planning the audit. The letter sought a signature from Haoxin to indicate its agreement with the letter, but Haoxin did not agree with MarcumBP's views expressed in the letter and did not sign it.

## **E. MarcumBP Failed to Reach an Understanding with Haoxin Regarding Haoxin's Use of MarcumBP's Draft Work Papers**

### **i. Background**

#### **a. Gridsum's Change in Auditors**

9. In late April 2018, Gridsum's then auditor, after previously informing Gridsum of concerns it had identified in its 2017 audit, notified Gridsum's audit committee that its audit opinion on Gridsum's financial statements for the year ended December 31, 2016, should no longer be relied upon. Shortly thereafter, Gridsum dismissed that auditor and engaged MarcumBP as its new external auditor.

10. Upon being retained by Gridsum, MarcumBP began performing audit procedures on Gridsum's fiscal year 2015, 2016, and 2017 financial statements. However, in December 2018, after performing numerous audit procedures, MarcumBP recognized that it would not be able to complete its audit, in part because a China-based audit firm with a technology specialty that had been retained to help verify certain of Gridsum's revenue-generating activities could not agree to share the underlying data for its audit work with MarcumBP, due to cybersecurity and data privacy regulations in China. Thereafter, MarcumBP communicated to Gridsum that it would not be able to complete its audit.

11. On December 10, 2018, Haoxin, who would later succeed MarcumBP as Gridsum's auditor, entered into an agreement with Gridsum to review MarcumBP's draft work papers and to "pre-audit" Gridsum's financial statements and related information.

#### **b. MarcumBP's Communications with Haoxin Regarding the Use of MarcumBP's Draft Work Papers**

12. In late December 2018, the MarcumBP engagement partner on the Gridsum audits asked a China-based senior staff member of MarcumBP to meet with Haoxin and Gridsum, because of the possibility that Gridsum would hire Haoxin to replace MarcumBP. At that meeting, Haoxin orally requested access to MarcumBP's draft work papers.

13. Shortly after Haoxin requested MarcumBP's draft work papers, the MarcumBP China-based senior staff member directed another staff member to provide MarcumBP's draft work papers to Haoxin. On or around December 24, 2018, the draft work papers were sent to Haoxin through a mainland China file sharing application. The Firm's China-based staff members did not discuss with Haoxin how Haoxin could use MarcumBP's draft work papers at the time the work papers were transferred to Haoxin.

14. At or around the time of the transfer of MarcumBP's draft work papers, two U.S.-based MarcumBP partners and the aforementioned third-party intermediary (a former Haoxin partner) had discussions about Haoxin's use of MarcumBP's draft work papers. After those discussions, the third-party intermediary communicated to the individual who ultimately served as Haoxin's engagement partner on the Gridsum audits her understanding that there were no restrictions on Haoxin's use of MarcumBP's draft work papers. MarcumBP never had any direct communications with anyone employed at Haoxin about Haoxin's ability to use MarcumBP's draft work papers.

c. Haoxin's Improper Reliance on MarcumBP's Draft Work Papers

15. On January 6, 2019, Gridsum dismissed MarcumBP and engaged Haoxin as its external auditor. The following day Haoxin released its same-dated audit report containing an unqualified audit opinion on Gridsum's fiscal year 2015, 2016, and 2017 financial statements. Haoxin performed limited procedures to support its audit opinion and, instead, improperly relied primarily on MarcumBP's draft work papers.

ii. **MarcumBP Failed to Obtain an Understanding with Haoxin Regarding the Use of MarcumBP's Draft Work Papers**

16. PCAOB rules require that a registered public accounting firm and its associated persons comply with PCAOB auditing standards.<sup>5</sup> PCAOB standards provide guidance on communications between predecessor and successor auditors when a change of auditors is in process, or has taken place.<sup>6</sup> The predecessor auditor should determine which work papers are to be made available for review by the successor auditor and which may be copied.<sup>7</sup> "The

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<sup>5</sup> See PCAOB Rule 3100, *Compliance with Auditing and Related Professional Practice Standards*; PCAOB Rule 3200, *Auditing Standards*.

<sup>6</sup> See AS 2610.01, *Initial Audits – Communications Between Predecessor and Successor Auditors*. "[T]he term *predecessor auditor* refers to an auditor who (a) has reported on the most recent audited financial statements or was engaged to perform but did not complete an audit of the financial statements and (b) has resigned, declined to stand for reappointment, or been notified that his or her services have been, or may be, terminated." *Id.* at .02 (footnotes omitted).

<sup>7</sup> AS 2610.11.

predecessor auditor should ordinarily permit the successor auditor to review working papers”; however, “[t]he extent, if any, to which a predecessor auditor permits access to the working papers is a matter of judgment.”<sup>8</sup> The predecessor auditor is required to reach an understanding with the successor auditor as to the use of the work papers it provides.<sup>9</sup>

17. Although MarcumBP, as the predecessor auditor, electronically provided Haoxin substantially all of its draft work papers for the Gridsum audits in late December 2018, MarcumBP failed to reach an understanding with Haoxin, the successor auditor, as to the use of the draft work papers, as required by PCAOB standards.

18. Prior to the completion of Haoxin’s audit, MarcumBP only communicated about Haoxin’s use of MarcumBP’s draft work papers orally, through a third-party intermediary. That intermediary, as discussed above, communicated to Haoxin her understanding that there were no restrictions on Haoxin’s use of those work papers. MarcumBP did not communicate with anyone employed at Haoxin concerning Haoxin’s use of MarcumBP’s draft work papers.

19. Nine days after Haoxin had issued its audit report, MarcumBP sought to document, in writing, an understanding of Haoxin’s use of the draft work papers. On January 16, 2019, MarcumBP sent to the third-party intermediary a draft letter agreement for Haoxin to sign, which addressed the use of MarcumBP’s draft work papers. Among other things, the draft letter agreement asserted that MarcumBP’s sole purpose in providing the draft work papers had been to assist Haoxin in the planning of Haoxin’s audit. The letter asked for Haoxin to countersign to confirm its agreement, but Haoxin did not agree with MarcumBP’s views expressed in the letter and did not sign it.

20. Because MarcumBP failed to reach an understanding with Haoxin as to the use of MarcumBP’s draft work papers for the Gridsum audits, MarcumBP violated AS 2610.11.

#### 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.

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<sup>8</sup> *Id.*

<sup>9</sup> *Id.*

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

- A. Pursuant to Section 105(c)(4)(E) of the Act and PCAOB Rule 5300(a)(5), Marcum Asia CPAs LLP is hereby censured.
- B. Pursuant to Section 105(c)(4)(D) of the Act and PCAOB Rule 5300(a)(4), the Board imposes a civil money penalty in the amount of \$100,000 on Marcum Asia.
  - 1. All funds collected by the PCAOB as a result of the assessment of this civil money penalty will be used in accordance with Section 109(c)(2) of the Act.
  - 2. The Firm shall pay the civil money penalty within ten days of the issuance of this Order by (a) wire transfer in accordance with instructions furnished by PCAOB staff; or (b) United States Postal Service money order, bank money order, certified check, or bank cashier's check (i) made payable to the Public Company Accounting Oversight Board, (ii) delivered to the Office of Finance, Public Company Accounting Oversight Board, 1666 K Street, N.W., Washington D.C. 20006, and (iii) submitted under a cover letter, which identifies the Firm 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.
  - 3. If timely payment is not made, additional interest shall accrue at the federal debt collection rate set for the current quarter pursuant to 31 U.S.C. § 3717. Payments shall be applied first to post-Order interest.
  - 4. Respondent understands that failure to pay the civil money penalty described above may result in summary suspension of Respondent's registration, pursuant to PCAOB Rule 5304(a), following written notice to Respondent at the address on file with the PCAOB at the time of the issuance of this Order.
- C. Pursuant to Section 105(c)(4)(F) of the Act and PCAOB Rule 5300(a)(6), Marcum Asia is required to conduct two hours of training for all of its audit professionals (including all audit partners, audit staff, and other personnel who may engage in the provision of audit services) on the requirements under PCAOB standards relating to communications with successor auditors and Marcum Asia's quality

control policies and procedures relating to communications with successor auditors. Such training must include: (1) an auditor's obligations under AS 2610, *Initial Audits—Communications Between Predecessor and Successor Auditors*, with respect to communications between predecessor and successor auditors when a change of auditors is in process or has taken place; (2) a discussion of Marcum Asia policies and procedures concerning obtaining written agreements from a company's successor auditor prior to Marcum Asia providing access to its predecessor auditor work papers; and (3) information about the location and use of the Firm's templates for written communications and agreements with successor auditors. Within 90 days of the date of this Order, Marcum Asia shall provide the DEI Director a certification, signed by its Chief Executive Officer (or equivalent), confirming the completion of such training. Such certification shall include copies of any written materials or recordings used in the trainings conducted to comply with this undertaking.

- D. Marcum Asia understands that the failure to satisfy any provision of Section IV.C may constitute a violation of PCAOB Rule 5000 that could provide a basis for the imposition of additional sanctions in a subsequent disciplinary proceeding.

ISSUED BY THE BOARD.

/s/ Phoebe W. Brown

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Phoebe W. Brown  
Secretary

September 23, 2025