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ORDER MAKING FINDINGS AND IMPOSING SANCTIONS

*In the Matter of William Trainor, CPA*,

Respondent.

PCAOB Release No. 105-2019-012

June 4, 2019

By this Order, the Public Company Accounting Oversight Board: (1) censures William Trainor ("Trainor" or "Respondent"); (2) bars Trainor from being an associated person of a registered public accounting firm, but allows Trainor, after one year, to petition the Board for consent to associate with a registered firm; (3) if the Board later consents to Trainor associating with a registered firm, restricts, for two years from the date of this Order, the roles he may perform on "audits," as that term is defined in Section 110(1) of the Sarbanes-Oxley Act of 2002, as amended (the "Act"); (4) imposes on Trainor a civil money penalty of $25,000; and (5) requires Trainor to complete forty hours of continuing professional education before filing a petition for Board consent to associate with a registered firm.

The Board is imposing these sanctions on the basis of its findings that Trainor violated PCAOB rules and auditing standards as the engagement partner on the integrated audit of Forest Oil Corporation ("Forest Oil") for the year ended December 31, 2013.

## I.

The Board instituted non-public disciplinary proceedings against Respondent on October 17, 2018.[1] Respondent later submitted an Offer of Settlement that the Board accepted. Solely for purposes of these proceedings and any other proceedings brought

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[1] Section 105(c)(2) of the 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, Respondent did not consent.

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 Respondent and the subject matter of these proceedings, which are admitted, Respondent consents to entry of this Order Making Findings and Imposing Sanctions as set forth below.[2]

## II.

On the basis of Respondent's Offer, the Board finds that:[3]

### A. Respondent

1. **William Trainor**, age 53, of Parker, Colorado, is a certified public accountant licensed by the State of Colorado (license no. 17081). At all relevant times, he was a partner in the Denver, Colorado office of Ernst & Young LLP ("EY"); he was separated from EY in April 2016. Trainor was the engagement partner for the integrated audit of Forest Oil for the year ended December 31, 2013. He led the EY engagement team, had final responsibility for the integrated audit, and authorized the issuance of EY's audit reports. Trainor was at all relevant times an associated person of a registered public accounting firm.

### B. Relevant Entities

2. **Ernst & Young LLP** is a public accounting firm organized as a Delaware limited liability partnership and headquartered in New York, New York. EY has offices in multiple locations, including Denver, and is licensed in multiple jurisdictions, including Colorado (license no. FRM.0000877). It registered with the Board in 2003. EY was the auditor for Forest Oil from 2006 until its dismissal in December 2014 concurrent with the closing of Forest Oil's merger with another company.

3. **Forest Oil Corporation** was a New York corporation with its principal executive offices in Denver, Colorado. Its public filings disclosed that it was an independent oil and gas company engaged in acquiring, exploring, developing, and

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[2] The findings in this Order are based on Respondent's settlement offer and are not binding on any other persons or entities in this or any other proceeding.

[3] The Board finds that Respondent's 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.

producing oil, natural gas, and natural gas liquids, primarily in the United States. At all relevant times, its common stock was registered under Section 12(g) of the Securities Exchange Act of 1934 and traded on the New York Stock Exchange. At all relevant times, Forest Oil was an "issuer" within the meaning of Section 2(a)(7) of the Act and PCAOB Rule 1001(p)(1).

## C. Summary

4. This matter concerns Trainor's failure to adequately evaluate whether Forest Oil's internal control over financial reporting ("ICFR") was effective. During the 2013 audit, Trainor and his engagement team identified pervasive deficiencies in certain information technology ("IT") controls for two significant systems at Forest Oil. These control deficiencies created the risk that Forest Oil personnel could make unauthorized changes to information in the affected systems without detection, potentially leading to material misstatements in Forest Oil's financial statements. These control deficiencies affected essentially every significant account and disclosure ("significant accounts") at Forest Oil.

5. Trainor and his team responded to the deficiencies by identifying other controls that purportedly would detect any unauthorized changes made in the affected IT systems. Trainor concluded that these "compensating controls" were designed and operating effectively during 2013, and mitigated the risks from the IT-related control deficiencies. As a result, he concluded that he did not need to issue an adverse ICFR opinion, or change his strategy for auditing the financial statements, which was to rely on controls and limit substantive testing.

6. During the audit, however, Trainor reviewed evidence indicating that the "compensating controls" did not, in fact, mitigate the risks from the IT-related control deficiencies for a number of reasons. First, some were affected by the same deficiencies for which they were supposed to compensate, or relied on systems whose IT controls had not been tested. Second, some were not relied on by Forest Oil management in its internal control assessment, and Trainor and his team failed to obtain sufficient appropriate evidence that those controls actually were in operation at Forest Oil in 2013. And third, some, by their very design, could not have compensated for the deficiencies.

7. Based on the evidence Trainor reviewed during the audit, he knew, or should have known, that Forest Oil's IT control deficiencies had not been mitigated. He failed, however, to evaluate that evidence with due professional care and recognize that it directly contradicted his audit conclusions. As a result, he failed to obtain sufficient appropriate audit evidence supporting both his ICFR and financial statement audit opinions.

8. Trainor failed to obtain sufficient appropriate audit evidence supporting his financial statement audit opinion for an additional reason. Specifically, he improperly relied on controls that failed to address the risks he had identified for a key process at

Forest Oil—the division of interests process, which the company used to allocate revenues and costs among the fractional owners of its oil and gas properties. Because Trainor improperly relied on ineffective controls, and performed no substantive testing of divisions of interests, he failed to obtain sufficient appropriate audit evidence supporting the relevant assertions for multiple accounts, including revenue.

9. The PCAOB reviewed the 2013 Forest Oil engagement as part of its 2014 inspection of EY. Based on that review, PCAOB inspectors concluded, among other things, that the engagement team had failed to appropriately evaluate the effect of the IT-related control deficiencies identified during the audit. Subsequently, management reevaluated its assessment of ICFR and EY withdrew its 2013 ICFR opinion. After performing additional procedures, EY determined that there were three material weaknesses in Forest Oil's ICFR, two of which related to deficiencies in Forest Oil's IT-related controls and its division of interests controls, and completed a re-audit of Forest Oil's 2013 financial statements using an audit approach that did not rely on Forest Oil's internal controls. EY then issued an amended, adverse 2013 ICFR opinion, which was included in Forest Oil's amended 2013 Form 10-K, filed on October 1, 2014.[4]

## D. Background

10. During the 2013 audit, Trainor and his engagement team identified deficiencies in Forest Oil's IT general controls ("ITGCs"). ITGCs apply to a company's IT environment, and help to ensure the integrity of programs, data files, and IT operations. Trainor and his team found deficiencies in two of the most common ITGCs: (1) change management controls, which are designed to ensure that changes to system programming are authorized and effectively implemented; and (2) logical access controls, which are designed to ensure that user access to data, software, and IT infrastructure is authorized and appropriate.

11. The ITGC deficiencies affected two of Forest Oil's most critical IT systems: (1) the general ledger system, which contained all accounts for recording the company's assets, liabilities, revenue, expenses, and shareholders' equity; and (2) the oil and gas reserves system, which tracked the production, pricing, and other data necessary to estimate the value of Forest Oil's oil and gas reserves. The general ledger system was affected by both change management and logical access deficiencies, creating a risk of unauthorized, improper, and undetected changes to the programming and data in that system. The reserves system was affected by the logical access deficiency, creating a risk of improper and undetected changes to data in that system.

4 There was no restatement of Forest Oil's 2013 financial statements.

12. As Trainor knew, these ITGC deficiencies were significant and had the potential to lead to material misstatements in the company's financial statements. Moreover, because the deficiencies involved the general ledger system, they affected essentially every significant account at Forest Oil.

13. The ITGC deficiencies also affected the engagement team's audit plan. Trainor and his team had planned to rely on the effectiveness of Forest Oil's internal controls in auditing the financial statements. Thus, they planned to obtain less evidence from substantive audit procedures than would otherwise be needed. The ITGC deficiencies, however, rendered ineffective a substantial number of the controls on which the engagement team planned to rely. Faced with these findings, Trainor either had to obtain additional evidence from his substantive audit testing, or find that Forest Oil had other controls in place to mitigate the risks from the ITGC deficiencies.

14. Trainor's plan for addressing the ITGC deficiencies involved a search for compensating controls. He believed that, if he and his team could identify other controls that, as designed and operating, would detect any unauthorized changes to programming or data in the ineffective systems, he would not then have to modify his audit plan, or issue an adverse ICFR opinion. Trainor thus instructed his team to look for controls that agreed data in the ineffective systems to reliable third-party sources. Such controls, he reasoned, would validate the data in the ineffective systems, despite the ITGC deficiencies.

15. Late in the audit, Trainor's team began their search for compensating controls. They ultimately identified seven controls that purportedly mitigated the risks from the ITGC deficiencies. Four purportedly mitigated risks to revenue estimates,[5] which Trainor and his team identified as a fraud risk; one purportedly mitigated risks to reserves calculations, another identified fraud risk; and one purportedly mitigated risks concerning valuation of derivatives, identified as a significant risk of material misstatement. Finally, the team identified a control that supposedly mitigated the risks in <u>all</u> significant accounts affected by the deficiencies. That control involved reconciliations of "significant or critical accounts" in the general ledger.

16. Trainor determined that these seven controls mitigated the risks to all significant accounts affected by the ITGC deficiencies. As a result, he concluded that the ITGC deficiencies, individually and in combination, did not constitute significant deficiencies or material weaknesses in Forest Oil's ICFR.

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[5] Like other oil and gas companies, Forest Oil initially recorded its revenues as estimates. The estimates were later "trued up" when final pricing and production data became available.

## E. Trainor Violated PCAOB Rules and Auditing Standards in Performing EY's Audit of Forest Oil's 2013 ICFR and Financial Statements

17. PCAOB rules require that a registered public accounting firm and its associated persons comply with the Board's auditing and related professional practice standards.[6] 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.[7] Among other things, PCAOB standards require an auditor to exercise due professional care, exercise professional skepticism, and plan and perform audit procedures to obtain sufficient appropriate audit evidence to provide a reasonable basis for the auditor's opinion.[8]

***ICFR Audit***

18. Section 404 of the Act requires company management to assess and report on the effectiveness of internal control. The Act also requires a company's independent auditor to attest, in certain circumstances, to management's disclosures regarding the effectiveness of internal control. Effective internal control provides reasonable assurance regarding the reliability of financial reporting and the preparation

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[6] See PCAOB Rule 3100, *Compliance with Auditing and Related Professional Practice Standards*; 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 2013 Forest Oil audit. As of December 31, 2016, the PCAOB reorganized its 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. 2017). The reorganization did not impose additional requirements on auditors or change substantively the requirements of PCAOB standards.

[7] See AU § 508.07, *Reports on Audited Financial Statements*; see also Auditing Standard No. 5, *An Audit of Internal Control Over Financial Reporting That Is Integrated with An Audit of Financial Statements* ("AS No. 5"), ¶ 85 (ICFR report must state that audit was conducted in accordance with PCAOB standards).

[8] See AU § 150.02, *Generally Accepted Auditing Standards*; AU § 230.01, *Due Professional Care in the Performance of Work*; Auditing Standard No. 13, *The Auditor's Responses to the Risks of Material Misstatement* ("AS No. 13"), ¶ 7; Auditing Standard No. 15, *Audit Evidence* ("AS No. 15"), ¶ 4.

of the financial statements for external purposes.[9] However, a company's internal control cannot be considered effective if one or more material weaknesses in internal controls exist.[10]

19. Trainor and his engagement team identified pervasive deficiencies in ITGCs during the 2013 audit. Upon discovering the deficiencies, Trainor was required to evaluate whether the deficiencies, individually or in combination, were material weaknesses in Forest Oil's internal controls.[11] In doing so, it was appropriate for Trainor to evaluate the effect of any compensating controls. But to have a mitigating effect, the compensating controls had to operate at a precise enough level to prevent or detect a material misstatement arising from the ITGC deficiencies.[12] However, as Trainor knew or should have known, all seven of the controls identified by his team failed to mitigate the risks from the ITGC deficiencies. These failures fall into four categories, as described below.

20. First, several of the controls were themselves affected by the <u>same</u> ITGC deficiencies they were meant to address. For example, Trainor relied on a reconciliation control to mitigate the risks from the general ledger system ITGC deficiencies in all significant accounts affected by them. Trainor concurred with his team's conclusion that this control involved company personnel reconciling significant accounts to reliable information outside the general ledger, including to third-party sources. But by its very description, the reconciliation control provided that significant or critical accounts in the general ledger were reconciled "to the Trial Balance," which Trainor knew was a report generated by the ineffective general ledger system. Trainor also reviewed, just days before issuing his audit opinion, an audit work paper that explicitly stated that the reconciliation control was itself affected by the general ledger system ITGC deficiencies.

21. Moreover, Trainor had dealt with reconciliation controls in other audits, including prior audits of Forest Oil. As a result, he knew that many reconciliation controls do not involve reconciling to third-party sources. Instead, many involve agreeing general ledger data to sub-ledgers or other company systems. In fact, Trainor knew from his Forest Oil experience that several of the company's significant accounts were reconciled to data elsewhere in the ineffective general ledger or in the ineffective reserves system. Despite this knowledge and experience, Trainor concluded that the

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9 AS No. 5 ¶ 2.

10 <u>Id</u>. ¶ 3.

11 <u>Id</u>. ¶ 62.

12 <u>Id</u>. ¶ 68.

reconciliation control was a compensating control for all significant accounts affected by the deficiencies.

22. Second, one of the identified controls involved agreeing inputs for the revenue estimates to information in two IT systems, whose ITGCs the engagement team had not tested.[13] During planning, Trainor and his team discussed testing ITGCs over those systems, but decided not to do so. Trainor later revisited testing the systems during the search for compensating controls, but he again decided against testing them, largely because he did not expect to find them effective. Nevertheless, he ultimately relied on a compensating control whose effectiveness he knew depended on data from those untested—and likely ineffective—systems.

23. Third, Trainor relied on other controls even though they were not included in Forest Oil management's assessment of internal controls, and he and his team failed to obtain appropriate evidence that they were actually in operation at Forest Oil in 2013. For example, Trainor relied on a control that purportedly involved agreeing sales prices used in Forest Oil's revenue estimates to third-party sources. But Trainor and his team failed to obtain any evidence that Forest Oil management relied on that control in its own 2013 internal control assessment. The engagement team also did not identify this control in the documentation of its walkthrough of the revenue estimate process, which Trainor reviewed.[14] In addition, about a month before Trainor signed his audit opinion, his audit senior informed him that the team was not aware of <u>any</u> Forest Oil controls that agreed revenue estimate inputs to third-party support. Trainor never questioned the appropriateness of relying on a control not documented in his team's walkthrough, nor did he attempt to reconcile the identification of this control as a compensating control with audit evidence suggesting it may not have been performed by Forest Oil in 2013.

24. Fourth, other controls failed to mitigate risks from the ITGC deficiencies because, as designed, they would not have detected unauthorized changes to processes or data in the ineffective systems arising from the ITGC deficiencies. For example, Trainor relied on a control that involved a review of information affecting the

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[13] To rely on controls dependent on IT systems, the engagement team needed to test not only the effectiveness of those controls, but also the effectiveness of ITGCs important to the effective operation of the systems or applications used in the performance of those controls. <u>See</u> <u>generally</u> Auditing Standard No. 12, *Identifying and Assessing Risks of Material Misstatement* ("AS No. 12"), App. B; AS No. 13 ¶¶ 16–18.

[14] In performing a walkthrough, an auditor follows a transaction from its origination through the company's processes, including information systems, until it is reflected in the company's financial records, using the same documents and information technology that company personnel use. AS No. 5 ¶ 37.

calculation of Forest Oil's revenue estimates before that information was entered into the general ledger. That control would not have detected if someone made an unauthorized change that affected the information after it was entered into the general ledger. Nevertheless, Trainor simply accepted this control as compensating for the general ledger system deficiencies, without exercising due professional care or performing an appropriate evaluation of the relevant audit evidence.

25. In sum, for the reasons stated above, Trainor failed to review the audit evidence with due professional care, and he failed to perform procedures necessary to resolve inconsistencies in the audit evidence that showed that the controls identified as compensating could not have mitigated the ITGC deficiencies.[15] As a result, he failed to appropriately evaluate whether the ITGC deficiencies constituted material weaknesses in Forest Oil's ICFR, in violation of PCAOB standards.

***Financial Statement Audit***

26. In his audit of Forest Oil's financial statements, Trainor planned to rely on controls in significant accounts to reduce the evidence from substantive testing that otherwise would have been necessary to opine on the financial statements.[16] However, to comply with PCAOB standards, he needed first to obtain evidence that the controls he was relying on were designed and operating effectively during all of 2013.[17] If Trainor's control testing determined that the controls he was relying on were ineffective, he needed to either identify other effective controls related to the same financial statement assertions as the ineffective controls, or reduce reliance on controls and modify his audit plan to increase the persuasiveness of the evidence obtained from substantive procedures.[18]

27. Trainor violated PCAOB standards because he failed to modify his audit plan when faced with evidence of ineffective internal controls at Forest Oil.[19] First, he failed to modify his team's audit plan when confronted with evidence that he could no longer rely on Forest Oil's controls in essentially all significant accounts because of the

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15 AS No. 15 ¶ 29.

16 AS No. 5 ¶ 8; AS No. 13 ¶ 16 n.12.

17 AS No. 13 ¶ 16.

18 Id. ¶¶ 34 and 37.

19 Id.; see also id. ¶ 6; Auditing Standard No. 9, *Audit Planning* ("AS No. 9"), ¶ 15 ("The auditor should modify the overall audit strategy and the audit plan as necessary if circumstances change significantly during the course of the audit.").

ineffective ITGCs in the general ledger and reserves systems. As a result, Trainor failed to obtain sufficient appropriate audit evidence to support relevant assertions for essentially all significant accounts. Second, regardless of the ITGC deficiencies, Trainor failed to modify his audit plan when confronted with evidence that controls related to the division of interests process were not effectively designed to address the identified risks of material misstatement related to that process. Because Trainor performed no substantive testing of divisions of interests and, instead, relied solely on ineffective controls to address the risks to that process, he failed to obtain sufficient appropriate evidence supporting the relevant assertions for significant accounts affected by divisions of interests, including revenue.

*ITGC Deficiencies*

28. The ITGC deficiencies rendered ineffective many of the controls on which Trainor and his team had planned to rely. Indeed, controls in essentially all significant accounts were dependent on effective ITGCs over the general ledger and/or reserves systems. Several were application controls, i.e., controls automatically performed by the ineffective system. Others involved a member of Forest Oil management reviewing and analyzing a report generated from information in one of the ineffective systems. And some involved the agreement of information from one of the ineffective systems to other information in that same system or another ineffective system.

29. Nonetheless, Trainor failed to modify his controls-reliance audit plan after detecting the ITGC deficiencies. He justified his decision primarily on identifying and testing the purportedly compensating controls. But Trainor's reliance on the identified compensating controls was unsupported because he knew, or should have known, that those controls did not mitigate the risks of material misstatement resulting from the ITGC deficiencies, for the reasons discussed above.

30. As a result, Trainor should not have relied on controls rendered ineffective by the ITGC deficiencies to reduce the persuasiveness of the evidence needed from substantive testing. Rather, he should have modified the nature, timing, or extent of the substantive testing in the affected significant accounts to reduce the risk of material misstatement in those accounts to an appropriately low level for the audit. Because Trainor did not do so, he failed to obtain sufficient appropriate audit evidence supporting the relevant assertions for significant accounts, in violation of PCAOB standards.

*Division of Interests Controls*

31. Like other oil and gas companies, Forest Oil had oil and gas properties in which multiple individuals and entities had ownership interests. Forest Oil used a division of interests process to apportion revenues and costs among those with fractional ownership interests. Forest Oil's general ledger included "tables" for each of its properties, identifying the various interest holders and their respective ownership interests. The divisions of interests affected several significant accounts, including revenue.

32. During planning, the engagement team identified several risks associated with the division of interests process, including that personnel could set up fictitious interest owners or make unauthorized changes to the tables in the general ledger. Trainor and his team planned to rely on two controls for the division of interests process, so they performed no substantive testing of the divisions of interests in the 2013 audit.

33. The two controls relied on by Trainor and his team could not, by their design, address the risks of material misstatement from the division of interests process. One involved a review of tables before they were input into the general ledger, so that control could not have prevented or detected unauthorized changes to tables already in that system. The second was an application control that prevented personnel from creating tables in the general ledger that did not sum to 100 percent. That control also could not have prevented or detected improper changes to the tables, so long as the total still summed to 100 percent.

34. Because the controls in the division of interests process were not effectively designed to address the identified risks from that process, Trainor and his team should have performed substantive testing related to divisions of interests. Because they failed to do so, Trainor failed to obtain sufficient appropriate evidence supporting the relevant assertions for several accounts, including revenue, accounts payable, and accounts receivable (all of which were impacted by the divisions of interests), in violation of PCAOB standards.

## 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 Respondent's Offer. Accordingly, it is hereby ORDERED that:

A. Pursuant to Section 105(c)(4)(E) of the Act and PCAOB Rule 5300(a)(5), William Trainor is censured;

B. Pursuant to Section 105(c)(4)(B) of the Act and PCAOB Rule 5300(a)(2), William Trainor 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);[20]

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[20] As a consequence of the bar, the provisions of Section 105(c)(7)(B) of the Act will apply with respect to Trainor. Section 105(c)(7)(B) provides: "It 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

C. After one (1) year from the date of this Order, William Trainor may file a petition, pursuant to PCAOB Rule 5302(b), for Board consent to associate with a registered public accounting firm;

D. If William Trainor is permitted to associate once 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 two (2) years from the date of this Order, his 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: Trainor shall not (1) serve, or supervise the work of another person serving, as an "engagement partner," as that term is used in the Board's 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 the Board's AS 1220, *Engagement Quality Review*; (3) serve, or supervise the work of another person serving, in any role that is equivalent to, but differently denominated from, engagement partner (such as "lead partner" or "practitioner-in-charge") or engagement quality reviewer (such as "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) serve, or supervise the work of another person serving, as the "other auditor," or "another auditor," as those terms are used in the Board's AS 1205, *Part of the Audit Performed by Other Independent Auditors*; or (6) serve, or supervise the work of another individual serving, as a professional practice director;

E. Pursuant to Section 105(c)(4)(D) of the Act and PCAOB Rule 5300(a)(4), a civil money penalty in the amount of $25,000 is imposed upon William Trainor. All funds collected by the Board as a result of the assessment of this civil money penalty will be used in accordance with Section 109(c)(2) of the Act. William Trainor shall pay this civil money penalty within ten (10) 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 money order, bank money order, certified check, or bank cashier's check (a) made payable to the Public Company Accounting Oversight Board, (b) delivered to the Controller, Public Company Accounting Oversight

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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."

Board, 1666 K Street, N.W., Washington D.C. 20006, and (c) submitted under a cover letter, which identifies William Trainor 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; and

F. Pursuant to Section 105(c)(4)(F) of the Act and PCAOB Rule 5300(a)(6), William Trainor is required to complete, before filing any petition for Board consent to associate with a registered public accounting firm, forty (40) hours of continuing professional education in subjects that are directly related to the audits of issuer financial statements under PCAOB standards, including audits of ICFR (such hours shall be in addition to, and shall not be counted in, the continuing professional education he is required to obtain in connection with any professional license).

ISSUED BY THE BOARD.

/s/ Phoebe W. Brown

Phoebe W. Brown
Secretary

June 4, 2019