

Edgar Filing: SOYO GROUP INC - Form 8-K/A

SOYO GROUP INC
Form 8-K/A
August 10, 2004

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 8-K/A

CURRENT REPORT
PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

Date of report (Date of earliest event reported) July 23, 2004

SOYO GROUP, INC.

(Exact name of Registrant as Specified in Charter)

Nevada	333-42036	95-402724
-----	-----	-----
(State of Other Jurisdiction of Incorporation)	(Commission File Number)	(IRS Employer Identification No.)

1420 South Vintage Avenue
Ontario, California 91761

(Address of Principal Executive Offices)

Registrant's telephone number, including area code (909) 937-0778

(Former Name or Former Address, if Changed Since Last Report)

Item 4. Changes in Registrant's Certifying Accountant

(a) Previous Independent Accountants

Effective July 23, 2004, Soyo Group, Inc. (the "Company") dismissed Grobstein, Horwath & Company LLP ("Grobstein"), as the Company's independent registered public accounting firm. Effective July 26, 2004, the Company engaged Vasquez & Company LLP ("Vasquez") as the Company's new independent registered public accounting firm. The dismissal of Grobstein and the engagement of Vasquez were approved by the Company's Board of Directors.

Grobstein audited the Company's financial statements for the fiscal

Edgar Filing: SOYO GROUP INC - Form 8-K/A

years ended December 31, 2002 and 2003. Grobstein's reports for these periods did not contain an adverse opinion or a disclaimer of opinion, nor were they qualified or modified as to audit scope or accounting principles, except that such reports contained a modification paragraph that indicated that as a result of the Company's losses from operations there was substantial doubt about the Company's ability to continue as a going concern.

During the fiscal years ended December 31, 2002 and 2003, and the interim period from January 1, 2004 through July 23, 2004, there were no disagreements with Grobstein on any matter of accounting principles or practices, financial statement disclosure, or auditing scope or procedure, which disagreements, if not resolved to the satisfaction of Grobstein, would have caused such firm to make reference to the subject matter of the disagreements in connection with its reports on the Company's financial statements.

In addition, there were no such events as described under Item 304(a)(1)(v) of Regulation S-K during the fiscal years ended December 31, 2002 and 2003 and the interim period from January 1, 2004 through July 23, 2004, except that (a) as more specifically described in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2003 (Item 9A) and Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2004 (Item 4), the Company's disclosure controls and procedures were not adequate and (b) by letter dated July 15, 2004, Grobstein stated that it noted certain deficiencies involving internal controls that Grobstein considered to be significant deficiencies that, in the aggregate, constitute material weaknesses under standards established by the American Institute of Certified Public Accountants. Grobstein discussed the significant deficiencies and material weaknesses set forth in the above-mentioned letter with the Company's board of directors.

The Company has authorized Grobstein to respond fully to inquiries of Vasquez regarding the matters set forth in the preceding paragraph.

The Company has provided Grobstein with a copy of the disclosures contained herein, and has requested that it furnish the Company with a letter addressed to the Securities and Exchange Commission stating whether it agrees with the statements made by the Company in response to Item 304(a) regarding its involvement with the Company as its independent registered public accounting firm and, if not, stating the respects in which it does not agree. Grobstein's response is included as Exhibit 16.1

2

(b) New Independent Accountants.

During the years ended December 31, 2002 and 2003, and the subsequent interim period from January 1, 2004 through July 26, 2004, neither the Company, nor anyone on its behalf, consulted with Vasquez regarding; (i) either the application of accounting principles to a specified transaction, either completed or proposed; or the type of audit opinion that might be rendered on the Company's financial statements and no written report or oral advice was provided that Vasquez concluded was an important factor considered by the Company in reaching a decision as to the accounting, auditing or financial reporting issue; or (ii) any matter that was either the subject of a disagreement as defined at Item 304(a)(1)(iv) or a reportable event as defined at Item 304 (a)(1)(iv) of Regulation S-K.

Item 7. Financial Statements, Pro Forma Financial Information and Exhibits.

Edgar Filing: SOYO GROUP INC - Form 8-K/A

- (a) Financial Statements. None
- (b) Pro Forma Financial Statements. None
- (c) Exhibits.

Exhibit No. -----	Description -----
16.1	Letter from Grobstein, Horwath & Company, LLP addressed to the United States Securities and Exchange Commission

3

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

SOYO GROUP, INC.

Date: August 9, 2004

By: /s/Ming Tung Chok

Name: Ming Tung Chok
Title: President and Chief Executive Officer

