

SECURITIES AND EXCHANGE COMMISSION

FORM 8-K/A

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FILER

CARDIODYNAMICS INTERNATIONAL CORP

CIK: **719722** | IRS No.: **953533362** | State of Incorporation: **CA** | Fiscal Year End: **1130**
Type: **8-K/A** | Act: **34** | File No.: **000-11868** | Film No.: **05791040**
SIC: **3845** Electromedical & electrotherapeutic apparatus

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 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) April 21, 2005

CardioDynamics International Corporation

(Exact name of registrant as specified in its charter)

California
(State or other jurisdiction
of incorporation)

0-11868
(Commission File Number)

95-3533362
(IRS Employer
Identification No.)

6175 Nancy Ridge Drive, San Diego, California
(Address of principal executive offices)

92121
(Zip Code)

Registrant's telephone number, including area code (858)-535-0202

n/a

(Former name or former address, if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instructions A.2 below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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ITEM 4.01 Changes in Registrant's Certifying Accountant

On April 21, 2005, CardioDynamics International Corporation ("Company") dismissed KPMG LLP ("KPMG") as the Company's independent registered public accounting firm. The change is the result of a competitive bidding process initiated by the Company as part of its ongoing efforts to reduce expenses. The decision to change independent accountants was recommended by the Company's management and approved unanimously by the Company's Audit Committee and Board of Directors. The Audit Committee is in the process of selecting a new independent registered public accounting firm, but has not yet engaged a firm to serve in that role.

KPMG's audit report on the Company's consolidated financial statements for the fiscal years ended November 30, 2004 and 2003, did not contain any adverse opinion or disclaimer of opinion, nor were such reports qualified or modified as to uncertainty, audit scope or accounting principles. As described in the Company's Annual Report on Form 10-K/A for the year ended November 30, 2004, the audit report of KPMG on management's assessment of the effectiveness of internal control over financial reporting and the effectiveness of internal control over financial reporting as of November 30, 2004 did not contain an adverse opinion or disclaimer of opinion, and was not qualified or modified as to uncertainty, audit scope or accounting principles, except that KPMG's report (1) indicates that the Company did not maintain effective internal control over financial reporting as of November 30, 2004 because of the effect of material weaknesses on the achievement of the objectives of the control criteria and contains an explanatory paragraph that states that management identified material weaknesses in internal control over financial reporting related to the Company's accounting for income taxes and the calculation of the Company's allowance for doubtful accounts. Specifically, deficiencies were identified related to management's review of income tax accounting documentation, prepared by a contracted third party, that failed to identify a material error in certain income tax calculations related to a tax benefit resulting from the exercise of warrants. Additionally, as of November 30, 2004 management identified a material weakness in internal controls over financial reporting related to the calculation of the Company's allowance for doubtful accounts. Specifically, the Company's control over the calculation was not designed with adequate precision in order to appropriately reserve for the uncollectible portion of certain classes of aged accounts receivable. This deficiency in internal control over financial reporting resulted in an understatement of the Company's allowance for doubtful accounts, and (2) was modified as to audit scope as follows:

CardioDynamics International Corporation acquired Vermed Medical Inc. and Medis in separate transactions during 2004, and management excluded from its assessment of the effectiveness of CardioDynamics International Corporation's internal control over financial reporting as of November 30, 2004, Vermed's internal control over financial reporting associated with total assets of \$19,156,000 and total revenues of \$6,729,000 and Medis' internal control over financial reporting associated with total assets of \$4,049,000 and total revenues of \$730,000 included in the consolidated financial statements of CardioDynamics International Corporation and subsidiaries as of and for the year ended November 30, 2004. Our audit of internal control over financial reporting of CardioDynamics International Corporation also excluded an evaluation of the internal control over financial reporting of Vermed and Medis.

During the two most recent fiscal years and through April 21, 2005, there were no (1) disagreements with the Company or KPMG on any matters of accounting principles or practices, financial statement disclosure or auditing scope or procedure, which disagreements, if not resolved to the satisfaction of the Company or KPMG, would have caused the Company or KPMG to make reference thereto in their report on the financial statements, or (2) reportable events, except that KPMG advised the Company of material weaknesses in internal control over financial reporting related to the Company's accounting for income taxes and the calculation of the Company's allowance for doubtful accounts, as more fully described in the previous paragraph.

The Company has furnished to KPMG the statements made in this Item 4.01. A copy of a letter addressed to the Securities and Exchange Commission from KPMG regarding these statements is filed as Exhibit 16.1 to this Form 8-K.

ITEM 9.01 Financial Statements and Exhibits

The following exhibits are furnished as a part of this Current Report on Form 8-K:

Exhibit 16.1 Letter from KPMG to the Securities and Exchange commission dated April 29, 2005, regarding agreement with the statements made in this Form 8-K.

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.

CardioDynamics International Corporation

Date: May 2, 2005

/s/ Stephen P. Loomis

Stephen P. Loomis

Chief Financial Officer

Securities and Exchange Commission
450 Fifth Street, N.W.
Washington, D.C. 20549

April 29, 2005

Ladies and Gentlemen:

We were previously principal accountants for CardioDynamics International Corporation and, under the date of February 28, 2005, we reported on the consolidated financial statements of CardioDynamics International Corporation as of and for the years ended November 30, 2004 and 2003, and under the date of March 28, 2005 we reported on management' s assessment of the effectiveness of internal control over financial reporting as of November 30, 2004, and the effectiveness of internal control over financial reporting as of November 30, 2004.

On April 21, 2005, our appointment as principal accountants was terminated. We have read CardioDynamics International Corporation' s statements included under Item 4 of its Form 8-K/A dated April 21, 2005, and we agree with such statements, except we are not in a position to agree or disagree with the Company' s statements made in the second, third and fourth sentences in the first paragraph.

KPMG LLP

CardioDynamics

T H E I C G C O M P A N Y

US Securities Exchange Commission
Division of Corporation Finance
Mail Stop 0306
450 Fifth Street, N.W.
Washington, D.C. 20549
Attn: Ms. Jeanne Bennett

**Re: CardioDynamics International Corporation (File Number 0-11868)
Form 8-K/A dated May 2, 2005 amending Form 8-K dated April 21, 2005**

Ladies and Gentlemen

In response to staff comments, registrant has filed herewith the CardioDynamics International Corporation Form 8-K/A amending its Current Report on 8-K dated April 21, 2005 to clarify that it dismissed KPMG as its independent auditing firm. In this regard, registrant acknowledges that:

the registrant is responsible for the adequacy and accuracy of the disclosure in the filing;

staff comments or changes to disclosure in response to staff comments do not foreclose the Commission from taking any action with respect to the filing; and

the registrant may not assert staff comments as a defense in any proceedings initiated by the Commission or any person under the federal securities laws of the United States.

Sincerely,

CARDIODYNAMICS INTERNATIONAL CORPORATION

Stephen P. Loomis
Chief Financial Officer

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