

Edgar Filing: TARRANT APPAREL GROUP - Form 8-K

TARRANT APPAREL GROUP
Form 8-K
July 10, 2003

FORM 8-K

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 2, 2003

TARRANT APPAREL GROUP
(Exact Name of Registrant as Specified in Charter)

CALIFORNIA (State or Other Jurisdiction of Incorporation)	0-26430 (Commission File Number)	95-4181026 (I.R.S. Employer Identification No.)
---	--	---

3151 EAST WASHINGTON BOULEVARD LOS ANGELES, CALIFORNIA (Address of Principal Executive Offices)	90023 (Zip Code)
---	---------------------

(323) 780-8250
(Registrant's Telephone Number, Including Area Code)

ITEM 4. - CHANGES IN REGISTRANT'S CERTIFYING ACCOUNTANT

On June 20, 2003, the Registrant's Board of Directors, upon recommendation of the Audit Committee, resolved to dismiss Ernst & Young LLP ("E&Y") as the Registrant's independent public accountants.

The Registrant dismissed E&Y on July 2, 2003.

In addition, on June 20, 2003, the Registrant's Board of Directors, upon recommendation of the Audit Committee, resolved to engage Grant Thornton LLP as the Registrant's new independent accountants to audit the Registrant's financial statements for the fiscal year ended December 31, 2003. The engagement of Grant Thornton took effect on July 2, 2003.

E&Y's reports on the Registrant's consolidated financial statements for either of the two fiscal years ended December 31, 2002, did not contain an

Edgar Filing: TARRANT APPAREL GROUP - Form 8-K

adverse opinion or disclaimer of opinion, and were not qualified or modified as to uncertainty, audit scope or accounting principles.

During the two fiscal years ended December 31, 2002 and through the date of E&Y's dismissal, there were no disagreements with E&Y on any matter of accounting principles or practices, financial statement disclosure, or auditing scope or procedure which, if not resolved to E&Y's satisfaction, would have caused it to make reference to the subject matter of the disagreements in connection with its report on the Registrant's consolidated financial statements.

During 2003, E&Y advised the Registrant and discussed with the Audit Committee of the Registrant's Board of Directors that, due in part to certain acquisitions by the Registrant's subsidiaries in Mexico and modifications to the Registrant's inventory costing methodology, certain improvements in the internal controls of those subsidiaries are necessary to ensure reporting from the subsidiaries would be sufficient for the Registrant to develop reliable financial statements. The Registrant has authorized E&Y to respond to the inquiries of the successor accountant concerning this matter. The Registrant has determined to address the deficiencies identified by E&Y in consultation with its new independent public accountants.

The Registrant has requested E&Y to furnish the Registrant a letter addressed to the Securities and Exchange Commission stating whether it agrees with the above statements. A copy of that letter dated July 10, 2003, is filed as an Exhibit to this Form 8-K.

ITEM 7. - FINANCIAL STATEMENTS, PRO FORMA FINANCIAL INFORMATION AND EXHIBITS.

(a) Financial Statements of business acquired.

None.

(b) Pro forma Financial Information.

None.

(c) Exhibits.

16.1 Letter from Ernst & Young LLP.

2

SIGNATURE

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.

TARRANT APPAREL GROUP

Date: July 10, 2003

By: /S/ PATRICK CHOW

Patrick Chow, Chief Financial Officer

EXHIBIT INDEX

EXHIBIT NUMBER -----	DESCRIPTION -----
16.1	Letter from Ernst & Young LLP.