

SPAR GROUP INC  
Form 8-K  
March 15, 2013

**UNITED STATES**

**SECURITIES AND EXCHANGE COMMISSION**

**Washington, D.C. 20549**

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**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): March 13, 2013

SPAR Group, Inc.

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(Exact Name of Registrant as Specified in Charter)

Delaware                      0-27824              33-0684451

(State or Other Jurisdiction (Commission (IRS Employer  
of Incorporation)              File No.)              Identification No.)

333 Westchester Avenue, South Building, Suite 204, White Plains, NY 10604  
(Address of Principal Executive Offices)    (Zip Code)

Registrant's telephone number, including area code: (914) 332-4100

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(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:

- 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.**

Rehmann Robson ("Rehmann") is for 2012, and for several years has been, the principal independent public accounting firm engaged to audit the consolidated financial statements of SPAR Group, Inc. ("SGRP" or the "Registrant"), and its subsidiaries (together with SGRP, "we", "our" or the "Company"). In the Company's 2011 audit report, Rehmann accepted audit responsibility for the financial statements of our then newly formed Mexican subsidiary, SPAR Todopromo, Sapi, de CV ("Todopromo"), and our South African subsidiary, SGRP Meridian (Pty), Ltd. ("Meridian"), and relied upon the audit report of Nitin Mittal & Co. ("Nitin Mittal") respecting our Indian subsidiary, SPAR Krognos Marketing Private Limited ("Krognos").

We are filing this Current Report on Form 8-K (this "Report") for informational purposes since we believe that the engagements of the local principal independent accountants for our subsidiaries in Mexico and South Africa described below, as well as the assumption of audit responsibility by Rehmann for our subsidiary in India as described below, were due to changes in their respective significance to the Company's consolidated financial statements rather than being due to a change (as contemplated in Item 4.01 of the 8-K Form) for a Company subsidiary that was and continues to be significant.

During 2012, the Company believes that Todopromo and Meridian became more significant, and Krognos became less significant, to the Company's consolidated financial statements. Meridian also acquired a new subsidiary in South Africa, CMR Meridian (Pty) Ltd. ("CMR"), adding to the significance of Meridian.

As a result of these changes in significance, the Company has decided to obtain local audits for Todopromo, Meridian and CMR respecting 2012 so that Rehmann may rely on the local auditor reports for the purposes of their report on our 2012 consolidated financial statements. Rehmann has agreed, however, that a local audit for Krognos respecting 2012 will not be necessary and that Rehmann has assumed the 2012 audit responsibility for Krognos.

The Company has engaged Gossler, Sociedad Civil, Member Crowe Horwath International ("CHG-MX") to provide the requested audit of Todopromo in Mexico respecting 2012 and BDO South Africa Inc. ("BDO-SA") to provide the requested audits of Meridian and CMR in South Africa respecting 2012, and we understand that Rehmann intends to rely on those local auditor reports in reporting on the Company's 2012 consolidated financial statements.

In deciding to recommend the engagement of CHG-MX and BDO-SA to the Board of Directors, the Audit Committee and management of the Corporation reviewed auditor independence and existing commercial relationships with CHG-MX and BDO-SA, and concluded that CHG-MX and BDO-SA had no commercial relationships with the Corporation that would impair its independence. During the fiscal years ended December 31, 2012 and 2011, and in the subsequent interim period through the date of the filing of this Report, neither the Corporation nor anyone acting

on its behalf has consulted with CHG-MX or BDO-SA on any matters or events set forth in Item 304(a)(2) of Regulation S-K. However, CHG-MX did perform certain procedures respecting Todopromo in Mexico for Rehmann in connection with its 2011 audit of the Corporation's consolidated financial statements.

During the fiscal years ended December 31, 2012 and 2011, and in the subsequent interim period through the date of this Report there have been (i) no adverse opinions, disclaimers of opinion or qualifications as to uncertainty, audit scope or accounting principles contained in any report by Rehmann or Nitin Mittal on the Corporation's consolidated financial statements, (ii) no unresolved "disagreements" (as defined in Item 304(a)(1)(iv) of Regulation S-K) between the Corporation and Rehmann or Nitin Mittal on any matter of accounting principles or practices, financial statement disclosure or auditing scope or procedure, and (iii) no "reportable events" (as defined in Item 304(a)(1)(v) of Regulation S-K).

The Corporation provided each of Rehmann and Nitin Mittal with a copy of the statements being made in this Report. The Corporation requested that each of Rehmann and Nitin Mittal furnish a letter addressed to the Securities and Exchange Commission stating whether or not it agrees with the statements made in this Report. Each responded that it had no disagreement with such statements, and copies of their response letters are attached hereto as Exhibits 16.1 and 16.2.

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## Forward Looking Statements

Statements contained in this Report and the attached exhibits include "forward-looking statements" within the meaning of Section 27A of the Securities Act and Section 21E of the Exchange Act, including (without limitation) any statements relating to anticipated, expected, intended, planned, prospective or desired customers, acquisitions, growth or markets, trends, updates, or other anticipated, estimated, expected or desired assets, business, capital, cash flow, credit, expenses, financial condition, income, liabilities, liquidity, locations, marketing, operations, profits, prospects, sales, strategies, taxation, valuation or other achievement, results, risks or condition. You can identify forward-looking statements in such information by the Company's use of terms such as "may", "will", "expect", "intend", "believe", "estimate", "anticipate", "continue" or similar words or variations or negatives of those words. You should carefully consider all such information and the other risks and cautions noted in the Company's Annual, Quarterly and Current Reports and other filings under applicable Securities Laws (including this Report, each a "SEC Report", each of which is available on the Company's website at <http://investors.sparinc.com>) that could cause the Company's actual assets, business, capital, cash flow, credit, expenses, financial condition, income, liabilities, liquidity, locations, marketing, operations, prospects, sales, strategies, taxation or other achievement, results, risks or condition to differ materially from those anticipated by the Company and described in the information in the Company's forward-looking statements, risk factors or other cautionary statements, whether express or implied, as the Company's anticipations are based upon the Company's plans, intentions, expectations and estimates and (although the Company believe them to be reasonable) involve known and unknown risks, uncertainties and other factors that could cause them to fail to occur or be realized or to be materially and adversely different from those the Company anticipated.

Although the Company believe that its plans, intentions, expectations and estimates reflected or implied in such forward-looking statements are reasonable, the Company cannot assure you that such plans, intentions, expectations or estimates will be achieved in whole or in part, that the Company has identified all potential risks, or that the Company can successfully avoid or mitigate such risks in whole or in part. You should carefully review the risk factors described below (See Item 1A Risk Factors) and any other cautionary statements contained or incorporated by reference in this Report or in our latest Annual Report and subsequent SEC Reports. All forward-looking and other statements attributable to the Company or persons acting on its behalf are expressly subject to and qualified by all such risk factors and other cautionary statements.

You should not place undue reliance on the Company's forward-looking statements because the matters they describe are subject to known and unknown risks, uncertainties and other unpredictable factors, many of which are beyond its control. The Company's forward-looking statements are based on the information currently available to it and speak only as of the referenced date(s) or, in the case of forward-looking statements incorporated by reference, as of the date of the SEC Report that includes such statement. New risks and uncertainties arise from time to time, and it is impossible for the Company to predict these matters or how they may arise or affect the Company. Over time, the Company's actual assets, business, capital, cash flow, credit, expenses, financial condition, income, liabilities, liquidity, locations, marketing, operations, prospects, sales, strategies, taxation or other achievement, results, risks or condition will likely differ from those expressed or implied by the Company's forward-looking statements, and such difference could be significant and materially adverse to the Company and the value of your investment in the

Company's Common Stock.

The Company does not intend or promise, and the Company expressly disclaims any obligation, to publicly update or revise any forward-looking statements, risk factors or other cautionary statements (in whole or in part), whether as a result of new information, future events or recognition or otherwise, except as and to the extent required by applicable law.

**Item 9.01. Financial Statements and Exhibits.**

(a) Exhibits:

16.1.

Letter from Rehmann Robson dated March 14, 2013, as attached hereto.

16.2.

Letter from Nitin Mittal & Co. dated March 13, 2013, as attached hereto.

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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 thereunto duly authorized.

Date: March 14, 2013

**SPAR Group, Inc.**

By: /s/ James R. Segreto, Chief Financial Officer

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EXHIBIT INDEX

Exhibit

Number Description

- 16.1 Letter from Rehmann Robson dated March 14, 2013, as attached hereto.
- 16.2 Letter from Nitin Mittal & Co. dated March 13, 2013, as attached hereto.