STELAX INDUSTRIES LTD
Form 8-K/A
November 08, 2005

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K/A
Amendment No. 2

CURRENT REPORT
Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported) February 1, 2005

Stelax Industries Ltd.

(Exact name of small business issuer as specified in its charter)

British Columbia	0-18052	None
(State or other jurisdiction of incorporation)	(Commission File Number)	(I.R.S.Employer Identification No.)

5515 Meadow Crest Drive, Dallas, TX	75229
(Address of principal executive offices)	(Zip Code)

(Registrant's telephone number, including area code: (972) 233-6041

(Former name, former address and former fiscal year, if changed since last report)

Section 4 - Matters Related to Accountants and Financial Statements

Item 4.01 Changes in Registrant's Certifying Accountant.

On February 1, 2005, Stelax Industries Ltd (the "Company") dismissed Deloitte & Touche LLP ("Deloitte") as the Company's independent auditor. Accordingly, the Company simultaneously appointed Killman, Murrell & Company, P.C. as its independent auditors. Deloitte has been asked to submit a letter to the Securities & Exchange Commission to the effect that it agrees with the statements made in this Item 4.01, confirming that Deloitte had no disagreements with management of the Company related to matters that are material to the Company's 2002 and 2003 financial statements, the last two year's financial statement on which Deloitte & Touche LLP opined.

Management represents as follows:

(a) Deloitte's reports contained no adverse opinion or disclaimer of opinion, and were not qualified or modified as to uncertainty, audit scope, or accounting principles for the last two fiscal years or any later interim period through the date hereof. In Deloitte's reports for the fiscal years ended March 31, 2001 and 2002, the last two years for which Deloitte issued a report, Deloitte expressed substantial doubt about the Company's "ability to continue as a going concern."

(b) The decision to change accountants from Deloitte to Killman, Murrell & Company, P.C. has been approved by the Company's Board of Directors.

(c) During the registrant's two most recent fiscal years and the subsequent interim period through the date hereof, there were no disagreements with Deloitte on any matter of accounting principles or practices, financial statement disclosure, or auditing scope or procedure. The registrant has authorized Deloitte to respond fully to the inquiries of the successor accountant.

(d) Deloitte expressed no disagreement or difference of opinion regarding any "reportable" event as that term is defined in Item 304(a)(1)(iv) of Regulation S-K, including but not limited to:

(i) Deloitte has not advised the registrant that the internal controls necessary for the registrant to develop reliable financial statements do not exist;

(ii) Deloitte has not advised the registrant that information has come to Deloitte's attention that has led it to no longer be able to rely on management's representations, or that has made it unwilling to be associated with the financial statements prepared by management;

(iii) Deloitte has not advised the registrant of the need to expand significantly the scope of its audit, or notified the registrant that information has come to Deloitte's attention that Deloitte has concluded will or that if further investigated may (A) materially impact the fairness or reliability of either: a previously issued audit report or the underlying financial statements, or the financial statements issued or to be issued covering the fiscal period(s) subsequent to the date of the most recent financial statements covered by an audit report (including information that might preclude it from rendering an unqualified audit report), or (B) cause it to be unwilling to rely on management's representations or be associated with the registrant's financial statements, and due to the Deloitte's resignation (due to audit scope limitations or otherwise) or dismissal, or for any other reason, Deloitte did not so expand the scope of its audit or conduct such further investigation;

(iv) Deloitte has not advised the registrant that information has come to Deloitte's attention that it has concluded materially impacts the fairness or reliability of either (A) a previously issued audit report or the underlying financial statements, or (B) the financial statements issued or to be issued covering the fiscal period(s) subsequent to the date of the most recent financial statements covered by an audit report (including information that, unless resolved to Deloitte's satisfaction, would prevent it from rendering an unqualified audit report on those financial statements), and due to Deloitte's replacement, or for any other reason, the issue has not been resolved to Deloitte's satisfaction prior to its resignation.

(e) In response to a comment letter received by the Company from the Securities and Exchange Commission, the Company discussed issues raised therein with Killman, Murrell & Company, P.C., including the application of various accounting principles. Although Killman Murrell & Company, P.C. provided both written and oral advice on some of those issues, that advice was neither an important factor nor formed any part

of the decision relating to the accounting, auditing or financial reporting issues of the Company. Further, such advice was not a factor in the Company's decision to replace Deloitte.

(f) The registrant has provided Deloitte with a copy of the disclosures it is making in response to Item 304(a) of Regulation S-K. The registrant has requested that Deloitte furnish the registrant with a letter addressed to the Commission stating whether it agrees with the statements made by the registrant. Upon receipt of such letter, the registrant will file it with the Commission.

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, thereby duly authorized.

Date: November 2, 2005

Stelax Industries Ltd.

/s/ Harmon Hardy

Harmon Hardy, Chief Executive Officer

nsumer acceptance of our new cars and trucks, combined with a focus on being competitive in the marketplace, Wagoner said. As we continue to leverage our global resources and bring out more new and exciting products, we plan to remain the market leader globally and in North America, and improve our position in other regions.

Major product enhancements introduced in the third quarter include the restyled Chevrolet Silverado and GMC Sierra, and updated versions of Chevrolet Cavaliers, Pontiac Sunfires, and Saturn L series. They follow the introduction earlier this year of extended versions of the popular Chevy TrailBlazer and GMC Envoy, along with the all-new HUMMER H2. Coming to market later this year and in 2003 are the Saturn ION sedan and coupe, all-new versions of the Saab 9-3 sedan and convertible, the Chevy SSR, the Pontiac Grand Prix, the Chevy Malibu, the Cadillac XLR luxury high-performance roadster, the Cadillac SRX crossover vehicle, the Buick Rainier sport utility vehicle, and the Opel Vectra Signum, Vectra Wagon, and the new Meriva monocab in Europe.

GM Europe (GME) reported a loss of $180 million in the third quarter of 2002, an improvement from the $287 million loss in the year-ago period. Compared with the same period last year, the significant progress in reducing material and structural costs more than offset a decline in vehicle sales and costs associated with the launch of the all-new Saab 9-3. GME continued to face weak market conditions, particularly in Germany, and a challenging pricing environment.

GM Europe s turnaround remains a top priority. We ve made very good progress on the cost side, and now the focus is on improving revenue growth, Wagoner said. We expect that the strong products coming from Opel/Vauxhall and Saab will lead to improved sales.

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GM Asia-Pacific reported a profit of $76 million in the third quarter of 2002 compared with earnings of $60 million a year ago, led by continued strong performance at Shanghai GM and GM s Australia-based Holden unit. GM Latin America/Africa/Mid-East (GMLAAM) reported a loss of $61 million in the third quarter of 2002 compared with a loss of $6 million a year ago. Results were negatively affected by unfavorable economic and market conditions in Brazil, Venezuela and Argentina. On the positive side, GM s market share in the region increased significantly to 18.2 percent in the third quarter of 2002, compared with 15.8 percent in the prior-year period.

GMAC

GMAC earned $476 million in the third quarter of 2002, an increase of nearly 9 percent from third-quarter earnings of $437 million a year ago. The increase was more than accounted for by improvements in mortgage operations, resulting from increased volumes and fees.

GMAC s capital position has strengthened significantly, Wagoner said. Based on estimated asset and earnings growth next year, GMAC s leverage should remain stable without any need for incremental capital from GM.

HUGHES

Hughes lost $81 million in the third quarter of 2002, an improvement compared with the loss of $142 million in the prior-year quarter, primarily because of stronger performance by DIRECTV U.S. Revenue totaled $2.2 billion in the third quarter of 2002, up from $2.1 billion in the same quarter last year, led by the growing subscriber base of DIRECTV. Total DIRECTV U.S. subscriptions increased approximately 206,000 from the second quarter of 2002 to 10.9 million.

Despite the unfavorable initial review by the Federal Communications Commission (FCC) GM, Hughes and EchoStar continue to work with the FCC and the U.S. Justice Department to resolve any concerns about the plan to split off Hughes and merge the company with EchoStar Communications Corp. GM believes this transaction is in the best interest of consumers, and all classes of shareholders, and will work aggressively to obtain approval.

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LOOKING AHEAD

General Motors expects total U.S. industry vehicle sales for 2002 will be approximately 17 million units. North American production is forecast at about 1.4 million vehicles in the fourth quarter of 2002, and more than 5.6 million vehicles in calendar year 2002.

For the fourth quarter of 2002, GM estimates its earnings, excluding Hughes and any special items, will be about $1.50 per share, reflecting higher volume and solid results in North America and at GMAC, partially offset by continued losses in Europe and Latin America.

GM expects 2002 earnings will be about $6.75 per share, excluding special items and Hughes. Including Hughes, but excluding special items, GM expects to earn approximately $1.40 per share in the fourth quarter of 2002 and $6.35 per share for the calendar year.

For 2003, GM expects moderate economic growth and resulting U.S. industry sales in the mid-to-high-16 million-unit range.

General Motors, the world s largest vehicle manufacturer, designs, builds and markets cars and trucks worldwide, and has been the global automotive sales leader since 1931. More information on GM can be found at www.gm.com.

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In this press release and related comments by General Motors management, our use of the words outlook, expect, anticipate, estimate, forecast, project, likely, objective, plan, designed, goal, target, and similar expressions is intended to identify forward-looking statements. While these statements represent our current judgment on what the future may hold, and we believe these judgments are reasonable, actual results may differ materially due to numerous important factors that are described in GM s most recent report on SEC Form 10-K (at page II-15, 16) which may be revised or supplemented in subsequent reports on SEC Forms 10-Q and 8-K. Such factors include, among others, the following: changes in economic conditions, currency exchange rates or political stability; shortages of fuel or interruptions in transportation systems, labor strikes or work stoppages; market acceptance of the corporation s new products; significant changes in the competitive environment; changes in laws, regulations and tax rates; and the ability of the corporation to achieve reductions in cost and employment levels to realize production efficiencies and implement capital expenditures at levels and times planned by management.

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In connection with the proposed transactions, General Motors Corporation (GM), HEC Holdings, Inc. (Hughes Holdings) and EchoStar Communications Corporation (EchoStar) have filed amended preliminary materials with the Securities and Exchange Commission (SEC), including a Registration Statement of Hughes Holdings on Form S-4 that contains a consent solicitation statement/information statement/prospectus. These materials are not yet final and will be further amended. Holders of GM $1-2/3 and GM Class H common stock are urged to read the definitive versions of these materials, as well as any other relevant documents filed or that will be filed with the SEC, as they become available, because these documents contain or will contain important information. The preliminary materials, the definitive versions of these materials and other relevant materials (when they become available), and any other documents filed by GM, Hughes Electronics Corporation (Hughes), Hughes Holdings or EchoStar with the SEC may be obtained for free at the SEC s website, www.sec.gov, and GM stockholders will receive information at an appropriate time on how to obtain transaction-related documents for free from GM.

GM and its directors and executive officers, Hughes and certain of its officers, and EchoStar and certain of its executive officers may be deemed to be participants in GM s solicitation of consents from the holders of GM $1-2/3 common stock and GM Class H common stock in connection with the proposed transactions. Information regarding the participants and their interests in the solicitation was filed pursuant to Rule 425 with the SEC by EchoStar on November 1, 2001 and by each of GM and Hughes on November 16, 2001. Investors may obtain additional information regarding the interests of the participants by reading the amended preliminary consent solicitation statement/information statement/prospectus filed with the SEC and the definitive consent solicitation statement/information statement/prospectus when it becomes available.

This communication shall not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction. No offering of securities shall be made except by means of a prospectus meeting the requirements of Section 10 of the Securities Act of 1933, as amended.

Materials included in this document contain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Such forward-looking statements involve known and unknown risks, uncertainties and other factors that could cause our actual results to be materially different from historical results or from any future results expressed or implied by such forward-looking statements. The factors that could cause actual results of GM, EchoStar, Hughes, or a combined EchoStar and Hughes, to differ materially, many of which are beyond the control of EchoStar, Hughes, Hughes Holdings or GM include, but are not limited to, the following: (1) the businesses of EchoStar and Hughes may not be integrated successfully or such integration may be more difficult, time-consuming or costly than expected; (2) expected benefits and synergies from the combination may not be realized within the expected time frame or at all; (3) revenues following the transaction may be lower than expected; (4) operating costs, customer loss and business disruption including, without limitation, difficulties in maintaining relationships with employees, customers, clients or suppliers, may be greater than expected following the transaction; (5) generating the incremental growth in the subscriber base of the combined company may be more costly or difficult than expected; (6) the regulatory approvals required for the transaction may not be obtained on the terms expected or on the anticipated schedule; (7) the effects of legislative and regulatory changes; (8) an inability to obtain certain retransmission consents; (9) an inability to retain necessary authorizations from the FCC; (10) an increase in competition from cable as a result of digital cable or otherwise, direct broadcast satellite, other satellite system operators, and other providers of subscription television services; (11) the introduction of new technologies and competitors into the subscription television business; (12) changes in labor, programming, equipment and capital costs; (13) future acquisitions, strategic partnership and

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divestitures; (14) general business and economic conditions; and (15) other risks described from time to time in periodic reports filed by EchoStar, Hughes or GM with the Securities and Exchange Commission. You are urged to consider statements that include the words may, will, would, could, should, believes, estimates, projects, potential, expects, plans, anticipates, intends, continues, forecast, designed, goal, or the negative of those words or other comparable words to be uncertain and forward-looking. This cautionary statement applies to all forward-looking statements included in this document.

Contacts:
Mark Tanner
313-665-3146
mark.tanner@gm.com

Jerry Dubrowski
212-418-6261
jerry.dubrowski@gm.com

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