

ZAPATA CORP
Form 8-K
April 05, 2007

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549
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) April 4, 2007
ZAPATA CORPORATION
(Exact Name of Registrant as Specified in Its Charter)
Nevada
(State or Other Jurisdiction of Incorporation)

1-4219

74-1339132

(Commission File Number)

(IRS Employer Identification No.)

100 Meridian Centre, Suite 350, Rochester, New York

14618

(Address of Principal Executive Offices)

(Zip Code)

(585) 242-2000

(Registrant's Telephone Number, Including Area Code)

(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 Instruction 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.

(a) On April 4, 2007, the Audit Committee of the Board of Directors of Zapata Corporation (the Company) notified PricewaterhouseCoopers LLP (PwC) that it had been dismissed as the Company's independent registered public accounting firm.

The reports of PwC on the Company's financial statements as of and for the fiscal years ended December 31, 2006 and December 31, 2005 contained no adverse opinion or disclaimer of opinion, nor were they qualified or modified as to uncertainty, audit scope, or accounting principle.

During the fiscal years ended December 31, 2006 and December 31, 2005 and through April 4, 2007, the Company had no disagreement with PwC on any matter of accounting principles or practices, financial statement disclosure, or auditing scope or procedure, which disagreement, if not resolved to the satisfaction of PwC, would have caused them to make reference thereto in their report on the Company's financial statements for such years. During the fiscal years ended December 31, 2006 and December 31, 2005 and through April 4, 2007, none of the events described in Item 304(a)(1)(v) of Regulation S-K occurred, except that, as previously disclosed in Item 9A of the Company's Annual Report on Form 10-K for the year ended December 31, 2005 and in Item 4 of the Company's Forms 10-Q for the quarters ended September 30, 2005, March 31, 2006 and June 30, 2006, the Company concluded that it had a material weakness in its internal controls over financial reporting. The Company reported that it did not maintain effective controls over the application and monitoring of its accounting for income taxes. Specifically, the Company did not have controls designed and in place to ensure the accuracy and completeness of financial information provided to the Company by third party tax advisors used in accounting for income taxes and the determination of current income taxes payable, deferred income tax assets and liabilities and the related income tax provision (benefit) and the review and evaluation of the application of generally accepted accounting principles relating to accounting for income taxes. Subsequently, in Item 4 of the Company's Form 10-Q for the quarter ended September 31, 2006, the Company concluded that its ongoing remediation efforts resulted in control enhancements which operated for an adequate period of time to demonstrate operating effectiveness such that the material weakness no longer existed. The Company has authorized PwC to respond fully to the inquiries of the successor independent registered public accounting firm concerning the aforementioned material weakness.

PwC was provided a copy of the above disclosures and was requested to furnish a letter addressed to the Securities and Exchange Commission stating whether or not it agrees with the above statements. A letter from PwC is attached hereto as Exhibit 16.

(b) On April 4, 2007, the Audit Committee of the Company's Board of Directors determined to engage the independent registered public accounting firm of Deloitte & Touche LLP effective immediately, to conduct review engagements of the Company's quarterly financial statements and to audit the Company's financial statements for the fiscal year ending December 31, 2007. As a matter of good corporate practice, the Company intends to seek stockholder ratification of the appointment of Deloitte & Touche LLP at the Company's 2007 annual meeting of stockholders. In the event that the engagement of Deloitte & Touche LLP is not ratified by the Company's stockholders, the Company's Audit Committee will consider whether to retain Deloitte & Touche LLP or appoint another firm. The Audit Committee may appoint another firm as the Company's independent registered public accounting firm, without approval of the Company's stockholders.

For the fiscal years ended December 31, 2006 and December 31, 2005 and through April 4, 2007, the Company had not on any prior occasion consulted with Deloitte & Touche LLP regarding any of the matters set forth in Item 304(a)(2)(i) and (ii) of Regulation S-K.

Item 9.01 Finance Statements and Exhibits.

(d) Exhibits.

16 Letter from PricewaterhouseCoopers LLP dated April 5, 2007.

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.

ZAPATA CORPORATION

By: /s/ Leonard DiSalvo
Leonard DiSalvo, Vice President-Finance and
CFO