

REDHOOK ALE BREWERY INC

Form 8-K/A

August 20, 2004

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**SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549**

FORM 8-K/A

Current Report
Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934

August 20, 2004 (July 23, 2004)
Date of Report (Date of earliest event reported)

REDHOOK ALE BREWERY, INCORPORATED

(Exact Name of Registrant as Specified in Charter)

Washington
(State or Other Jurisdiction
of Incorporation)

0-26542
(Commission file number)

91-1141254
(I.R.S. Employer
Identification No.)

14300 NE 145th Street, Suite 210
Woodinville, Washington 98072
(Address of Principal Executive Offices, Zip Code)

(425) 483-3232
(Registrant's Telephone Number, Including Area Code)

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Item 4. Changes in Registrant's Certifying Accountants

On August 16, 2004 Ernst & Young LLP (Ernst & Young) resigned as the independent registered public accounting firm for Redhook Ale Brewery, Incorporated (the Company). This resignation follows the July 23, 2004 notification by Ernst & Young that the firm would resign as the Company's independent registered public accounting firm following completion of services related to the review of the interim financial statements of the Company for the quarter ended June 30, 2004. The Company is currently in the process of selecting a new independent registered public accounting firm for its fiscal year ending December 31, 2004.

The reports of Ernst & Young on the Company's financial statements for the past two fiscal years did not contain an adverse opinion or a disclaimer of opinion and were not qualified or modified as to uncertainty, audit scope, or accounting principles, except that the report for the year ended December 31, 2003 expressed substantial doubt regarding the Company's ability to continue as a going concern if the Company's distribution agreement with Anheuser-Busch, which was subject to early termination in 2004, was terminated. The termination of the distribution agreement would have caused an event of default under the Company's bank credit agreement and would have required the Company to redeem the Series B Preferred Stock on December 31, 2004. As reported in the Company's current report on Form 8-K filed on July 2, 2004, the Company and Anheuser-Busch have entered into a new distribution agreement which will expire on December 31, 2024, subject to the one-time right of Anheuser-Busch to terminate the distribution agreement on December 31, 2014.

In connection with the audits of the Company's financial statements for each of the two fiscal years ended December 31, 2003 and 2002, and in the subsequent interim period from December 31, 2003 through August 16, 2004, there were no disagreements with Ernst & Young on any matters of accounting principles or practices, financial statement disclosure, or auditing scope or procedures which, if not resolved to the satisfaction of Ernst & Young would have caused Ernst & Young to make reference to the subject matter of the disagreement in their report. There were no reportable events as that term is described in Item 304(a)(1)(v) of Regulation S-K. The Company has requested Ernst & Young to furnish it a letter addressed to the Commission stating whether it agrees with the above statements. A copy of that letter, dated August 20, 2004, is filed as Exhibit 16.1 to this Form 8-K/A.

Item 7. Financial Statements, Pro Forma Financial Information and Exhibits

(c) Exhibits.

The following exhibit is filed pursuant to Item 4 hereof:

Exhibit No.	Exhibit
16.1	Letter of Ernst & Young LLP dated August 20, 2004, stating its agreement with the statements made in this report.

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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.

REDHOOK ALE BREWERY, INCORPORATED

Dated: August 20, 2004

By: /s/ DAVID J. MICKELSON

David J. Mickelson
Executive Vice President, Chief Financial Officer
and Chief Operating Officer

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