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TS ELECTRONICS INC
Form 8-K/A
March 09, 2004

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March 8, 2004

Securities and Exchange Commission
Division of Corporation Finance
Pamela A. Long, Assistant Director
ATTENTION GEORGE F. OHSIEK, JR.
450 Fifth Street, N.W.
Washington, D.C. 20549

Re: Amendment 1 to Current Report on Form 8-K
Filed February 6, 2004
TS Electronics, Inc (formerly named "Softstone Inc.")
Commission File No. 0-29523

Dear Ms. Long:

As counsel to TS Electronics, Inc., I enclose Amendment No. 1 to its Form 8-K in response to your comment letter dated February 26, 2004. The following responses are made to your comments. The responses are keyed to your comments.

Form 8-K filed on February 6, 2004

Exhibit 16:

The next-to-last paragraph of Item 4 has been revised, and Exhibit 16.2 is filed with this amendment.

Engagement of new accountant:

The last paragraph of Item 4 has been revised to include all of the disclosures required by Item 304(a)(2) of Regulation S-B.

We are providing you three marked courtesy copies of the amended document.

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If there are questions or matters that could be resolved more effectively by telephone, please call me at 405-235-2575. My fax number is 405-232-8384.

Sincerely,

/s/ Thomas J. Kenan

Thomas J. Kenan

Attachment

cc: Keith Boyd (w/enclosure)
Kabani & Co. (w/enclosure)
Evans, Gaither & Associates, PLLC (w/enclosure)

U. S. SECURITIES AND EXCHANGE COMMISSION
Washington, D. C. 20549

AMENDMENT NO. 1 TO 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): February 4, 2004

T S Electronics, Inc.
(formerly known as Softstone Inc.)
(Exact name of registrant as specified in its charter)

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Delaware
(State of Incorporation)

000-29523
(Commission File Number)

73-1564807
(IRS Employer I.D. Number)

111 Hilltop Lane
Pottsboro, TX 75076
(903) 786-9618
(Address and telephone number of registrant's principal
executive offices and principal place of business)

Item 4. Changes in Registrant's Certifying Accountant.

On February 4, 2004 Kabani & Company, Inc. of Fountain Valley, California, the principal independent accountants of TS Electronics, Inc., formerly Softstone Inc., resigned. Kabani & Company had been engaged as TS Electronics' and previously Softstone's principal independent accountants since September 5, 2002, when it replaced Hogan & Slovacek of Oklahoma City and Tulsa as Softstone's principal independent accountants. See Softstone's Form 8-K filed with the Commission on September 11, 2002 (Commission File No. 000-29523).

The report of Kabani & Company on the financial statements of TS Electronics for its fiscal year ended June 30, 2003 contained no adverse opinions or disclaimers of opinion, and, other than raising substantial doubt about TS Electronics' ability to continue as a going concern for the fiscal year ended June 30, 2003, were not otherwise modified as to uncertainty, audit scope, or accounting principles during the period of its engagement (September 5, 2002) to February 4, 2004, the date of resignation. Similarly, the reports of Kabani & Company and Hogan & Slovacek on the financial statements of Softstone contained no adverse opinions or disclaimers of opinion, and, other than raising substantial doubt about Softstone's ability to continue as a going concern for each of the fiscal years ended June 30, 2002 and 2001, were not modified as to uncertainty, audit scope, or accounting principles during such past two years or the interim period to February 4, 2004, the date of resignation.

During the past two years or interim periods prior to February 4, 2004, there were no disagreements between TS Electronics or Softstone and either Kabani & Company or Hogan & Slovacek, whether or not resolved, on any matter of accounting principles or practices, financial statement disclosure, or auditing scope or procedure which, if not resolved to Kabani & Company's or Hogan & Slovacek's satisfaction, would have caused it to make reference to the subject matter of the disagreements in connection with its reports.

TS Electronics provided Kabani & Company with a copy of the disclosures it makes in this Form 8-K and requested Kabani & Company to furnish a letter addressed to the Commission stating whether it agrees with the statements made

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herein and, if not, stating the respects in which it does not agree. Such a letter is filed as an exhibit to this Form 8-K.

On February 4 2004, TS Electronics engaged Evans, Gaither & Associates, PLLC of Oklahoma City, Oklahoma as its new principal accountant to audit its consolidated financial statements. TS Electronics did not consult the new accountant regarding the application of accounting principles to a specific completed or contemplated transaction, or the type of audit opinion that might be rendered on the issuer's financial statements.

Item 7. Financial Statements and Exhibits.

(a) Financial Statements.

None

(b) Exhibits.

| Number | Description |
|--------|--|
| 16 | Letter of August 27, 2001 of Grant Thornton LLP agreeing with the statements made in the Form 8-K filed on August 27, 2001 by Softstone Inc., concerning Softstone's change of principal independent accountants.* |
| 16.1 | Letter of September 9, 2002 of Hogan & Slovacek agreeing with the statements made in the Form 8-K filed on September 11, 2002 by Softstone Inc., concerning Softstone's change of principal independent accountants.** |
| 16.2 | Letter of March 8, 2004 of Kabani & Company, Inc. agreeing with the statements made in this Amendment No. 1 to Form 8-K by TS Electronics, Inc., concerning TS Electronics' change of principal independent accountants. |

* Previously filed by Softstone Inc. on August 27, 2001, Commission File No. 000-19523, EDGAR Accession Number 0001060830-01-500091; incorporated herein by reference.

** Previously filed by Softstone Inc. on September 11, 2002, Commission File No. 000-19523, EDGAR Accession Number 0001060830-02-000155; incorporated herein by reference.

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.

TS Electronics, Inc.

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March 8, 2004

By: /s/ Keith P. Boyd

Keith P. Boyd, President and Director

TS Electronics, Inc.

Commission File No. 000-29523

EXHIBITS TO
AMENDMENT NO. 1 TO FORM 8-K
CURRENT REPORT

Date of Report (date of earliest event reported): February 4, 2004

The following exhibits are filed with this Form 8-K:

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Certified Public Accountants
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Fax 714-596-0303
e-mail: hamid@kabanico.com

Securities and Exchange Commission
Division of Corporation Finance
450 Fifth Street, N.W.
Washington, DC 20549

Re: TS Electronics, Inc. (formerly Softstone Inc.)
SEC File No. 0-29523

Gentlemen:

We have read Item 4 of the Amendment No. 1 to Form 8-K of TS Electronics, Inc. dated February 4, 2004 and agree with the statements concerning our Firm contained therein.

Very truly yours,

/s/ Kabani & Company, Inc.

Kabani & Company, Inc.

Fountain Valley, California
March 8, 2004