

SECURITIES & EXCHANGE COMMISSION EDGAR FILING

DYADIC INTERNATIONAL INC

Form: 8-K

Date Filed: 2007-04-25

Corporate Issuer CIK: 1213809

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON D.C. 20549

FORM 8-K

Pursuant to SECTION 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): April 23, 2007



Dyadic International, Inc.

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

Delaware

(State or other jurisdiction of
incorporation)

333-102629

(Commission File
Number)

45-0486747

(I.R.S. Employer Identification
No.)

**140 Intracoastal Pointe Drive, Suite
404, Jupiter, Florida**

(Address of principal executive offices)

33477

(Zip Code)

(561) 743-8333

(Registrant's telephone number, including area code)

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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Explanatory Note:

The matters reported by Dyadic International, Inc. (the "Registrant") in this Current Report on Form 8-K were previously announced by the Registrant in its press release dated April 24, 2007, a copy of which is attached hereto as Exhibit 99.1 and incorporated herein by reference.

Item 4.02. Non-Reliance on Previously Issued Financial Statements or a Related Audit Report or Completed Interim Review.

(a) The Registrant has discovered potentially material operational and financial improprieties at its Hong Kong and mainland China operations following the recent death of the managing director of its Hong Kong operations. The Registrant's audit committee, upon the advice of counsel, has initiated an independent investigation of the facts surrounding these improprieties.

On April 23, 2007, the Registrant's board of directors, upon the recommendation of the audit committee, determined that the Registrant's previously filed financial statements, including those contained in its Annual Reports on Form 10-KSB and Quarterly Reports on Form 10-QSB, as filed with the Securities and Exchange Commission (the "SEC"), should no longer be relied upon.

The Registrant's authorized officers, on behalf of the audit committee, have discussed the matters disclosed in this Item 4.02 with Ernst & Young LLP, its independent registered public accounting firm, and are working with Ernst & Young LLP to address them.

Item 5.02. Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

(b) On April 23, 2007, pending the completion of the investigation, the Registrant's chief executive officer and chairman of its board of directors, Mark A. Emalfarb, took a leave of absence from all of his positions and offices with the Registrant, as well as from his position as a member and chairman of the board.

(c) Accordingly, on April 23, 2007, the Registrant's board of directors, upon the recommendation of the audit committee, took the following personnel actions:

- Wayne Moor, the Registrant's chief financial officer, was appointed as the Registrant's Chief Executive Officer on an interim basis during the pendency of the investigation;
- Dr. Glenn E. Nedwin, the Registrant's chief scientific officer and a member of the board of directors, was appointed to serve also as the Registrant's President on an interim basis during the pendency of the investigation; and
- Lisa M. De La Pointe, the Registrant's director of financial reporting, was appointed to serve also as the Registrant's Chief Financial Officer on an interim basis during the pendency of the investigation.

The Registrant is a party to employment agreements with Mr. Moor and Dr. Nedwin, the material terms of which agreements are described in the Registrant's Annual Report on Form 10-KSB for the year ended December 31, 2006, as filed with the SEC, which descriptions are incorporated herein by reference. The business experience of Mr. Moor, 55, and Dr. Nedwin, 51, during the past five years is set forth in such Annual Report on Form 10-KSB and is incorporated herein by reference.

Ms. De La Pointe, 39, has served as the Registrant's director of financial reporting since March 2005, and before that she served as the chief financial officer of Puradyn Filter Technologies Incorporated from March 2002 until March 2005.

Item 8.01. Other Events.

As a result of the improprieties mentioned above, the Registrant will not be in a position to make a timely filing with the SEC of its Quarterly Report on Form 10-QSB for the quarter ended March 31, 2007, nor will it be in a position to announce its operational and financial results for the quarter. The Registrant expects to file the Quarterly Report as soon as practicable.

The Registrant is in discussions with the American Stock Exchange regarding the continued listing of its shares; however, it anticipates that the Exchange may, in accordance with its rules, initiate delisting proceedings against the Registrant. Furthermore, the Registrant has been notified by the Exchange that the trading in its shares will continue to be halted until such time as additional information regarding these matters is publicly available.

Item 9.01. Financial Statements and Exhibits.

(c) The following exhibit is filed with this report:

| Exhibit Number | Description of Exhibit |
|-----------------------|--|
| 99.1 | Press Release of Dyadic International, Inc. dated April 24, 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.

DYADIC INTERNATIONAL, INC.

Date: April 25, 2007

By: /s/ Lisa M. De La Pointe

Name: Lisa M. De La Pointe

Title: Interim Chief Financial Officer

Dyadic Announces Discovery of Potentially Material Operational and Financial Improprieties at its Hong Kong and Mainland China Operations

JUPITER, Fla. - April 24, 2007 - Dyadic International, Inc. (AMEX: DIL) today announced that it has discovered potentially material operational and financial improprieties at its Hong Kong and mainland China operations following the recent death of the managing director of its Hong Kong operations.

The Company's audit committee, upon the advice of counsel, has initiated an independent investigation of the facts surrounding these improprieties. Pending the completion of the investigation, the Company's chief executive officer and chairman of its board of directors, Mark A. Emalfarb, will be on a leave of absence from all of his positions and offices with the Company, and he has also taken a leave of absence from his position as a member and chairman of the board.

Wayne Moor, the Company's chief financial officer, has assumed the position of Chief Executive Officer on an interim basis during the pendency of the investigation.

Dr. Glenn E. Nedwin, the Company's chief scientific officer and a member of the board of directors, has assumed the additional responsibilities of President on an interim basis during the pendency of the investigation.

Lisa De La Pointe, the Company's director of financial reporting, has assumed the additional responsibilities of Chief Financial Officer on an interim basis during the pendency of the investigation.

As a result of these improprieties, the Company will not be in a position to make a timely filing with the Securities and Exchange Commission of its Quarterly Report on Form 10-QSB for the quarter ended March 31, 2007, nor will it be in a position to announce its operational and financial results for the quarter. The Company expects to file the Quarterly Report as soon as practicable.

On April 23, 2007, the Company's board of directors, upon the recommendation of the audit committee, determined that the Company's previously filed financial statements, including those contained in its Annual Reports on Form 10-KSB and Quarterly Reports on Form 10-QSB, as filed with the SEC, should no longer be relied upon.

The Company has notified and is working with Ernst & Young LLP, its independent registered public accounting firm, to address these matters.

The Company is in discussions with the American Stock Exchange regarding the continued listing of its shares; however, it anticipates that the Exchange may, in accordance with its rules, initiate delisting proceedings against the Company. Furthermore, the Company has been notified by the Exchange that the trading in its shares will continue to be halted until such time as additional information regarding these matters is publicly available.

About Dyadic

Dyadic International, Inc., based in Jupiter, Florida, with operations in the United States, Hong Kong and mainland China, Poland and The Netherlands, is a global biotechnology company that uses its patented and proprietary technologies (the "Dyadic Platform Technology") to conduct research and development activities for the discovery, development, and manufacture of products and enabling solutions to the bioenergy, industrial enzyme and pharmaceutical industries.

Cautionary Statement for Forward-Looking Statements

Certain statements contained in this press release are "forward-looking statements." These forward-looking statements involve risks and uncertainties that could cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. For a discussion of these risks and uncertainties, please see our filings from time to time with the Securities and Exchange Commission, which are available free of charge on the SEC's web site at <http://www.sec.gov>, including our Annual Report on Form 10-KSB for the year ended December 31, 2006, and our subsequent filings with the SEC. Except as required by law, we expressly disclaim any intent or obligation to update any forward-looking statements.

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