
UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 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):

May 7, 2010

SearchMedia Holdings Limited

(Exact name of registrant as specified in its charter)

Cayman Islands

001-33800

77-0688094

(State or other jurisdiction
of incorporation)

(Commission
File Number)

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

15A Zhao Feng Universe Building, 1800 Zhong
Shan Xi Lu, Shanghai, China,

200235

(Address of principal executive offices)

(Zip Code)

Registrant's telephone number, including area code:

86-2164403190

Not Applicable

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:

- 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) Resignation of Independent Registered Public Accounting Firm

KPMG was previously the independent registered public accounting firm for SearchMedia Holdings Limited (the "Company"). On May 7, 2010, KPMG resigned as the independent registered public accounting firm of the Company.

KPMG has not issued any audit reports on the financial statements of the Company, and therefore, none exist that contain an adverse opinion or a disclaimer of opinion or were qualified or modified as to uncertainty, audit scope, or accounting principles.

KPMG previously audited the consolidated financial statements of SearchMedia International Limited ("SMI") as of December 31, 2007 and 2008, and for the period from February 9, 2007 (inception) to December 31, 2007, and for the fiscal year ended December 31, 2008. The Company acquired SMI in October 2009. As a result of such acquisition, SMI became a wholly-owned subsidiary of the Company. KPMG's reports on the consolidated financial statements of SMI as of December 31, 2007 and 2008, and for the period from February 9, 2007 (inception) to December 31, 2007, and for the fiscal year ended December 31, 2008, 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 contained an explanatory paragraph stating that: "The accompanying consolidated financial statements have been prepared assuming that the Company [SMI] will continue as a going concern. As discussed in note 1(b) to the consolidated financial statements, the Company's [SMI] inability to generate sufficient cash flows to meet its payment obligations raises substantial doubt about its ability to continue as a going concern. Management's plans with regard to these matters are also described in note 1(b). The consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty."

During the period from February 9, 2007 (inception) to December 31, 2007 and fiscal year ended December 31, 2008, and through May 7, 2010, the Company, including SMI, has had no disagreement with KPMG on any matter of accounting principles or practices, financial statement disclosure or auditing scope or procedures, which disagreements, if not resolved to the satisfaction of KPMG, would have caused KPMG to make a reference to the subject matter of the disagreements.

Except as set forth below, no reportable events as set forth in Item 304(a)(1)(v) of Regulation S-K have occurred.

a. Following the completion of the 2007 and 2008 audits of SMI, KPMG advised management of SMI of a number of deficiencies in internal control relating to SMI in the areas of lack of appropriate accounting personnel, lack of controls over related party transactions, insufficient procedures over business combinations, insufficient credit control procedures, and ineffective oversight by the SMI Board of Directors.

b. As the Company previously reported, the Company is in the process of completing an investigation into certain allegations made in anonymous letters claiming fraudulent activities at its operation in China. The Company has yet to conclude on this investigation, but KPMG has advised the Company that, depending on the final conclusion of the investigation, it may no longer be able to rely on the accounting for certain transactions and representations of certain members of SMI's management team and that there may be an impact on the ability to continue to rely on previously issued audit reports or financial statements of SMI.

A letter to the SEC from KPMG dated May 13, 2010 is attached as Exhibit 16.1 to this Form 8-K.

(b) Engagement of Independent Registered Public Accounting Firm

On May 12, 2010, the Company's Audit Committee engaged Bernstein & Pinchuk LLP, an independent member of the BDO Seidman Alliance ("B&P"), as the Company's independent registered public accounting firm effective May 12, 2010.

During the years ended December 31, 2009 and 2008, and through May 12, 2010, neither the Company nor anyone acting on the Company's behalf consulted B&P 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 Company's financial statements, and no written or oral advice was provided that was an important factor considered by the Company in reaching a decision as to any accounting, auditing or financial reporting issues or any matter that was either the subject of a disagreement (as defined in Item 304(a)(1)(iv) of Regulation S-K and the related instructions) or a reportable event (as defined in Item 304(a)(1)(v) of Regulation S-K).

Item 8.01 Other Events.

On April 16, 2010, the Company announced its intent to file the Form 10-K for the year ended December 31, 2009 by May 17, 2010. At this time, the Company believes that it cannot complete the disclosure necessary to file its Annual Report on Form 10-K by May 17, 2010. The Company intends to file its Annual Report on Form 10-K by no later than July 21, 2010.

Additionally, the Company does not believe it will file its Form 10-Q for the first quarter 2010 by the May 17, 2010 deadline and intends to file a Form 12b-25 with the Securities and Exchange Commission for an extension. The Company intends to release unaudited preliminary results for the 2010 first quarter by May 24, 2010.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

16.1 Letter to the SEC from KPMG, dated May 13, 2010.

99.1 Press Release dated May 13, 2010.

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.

SearchMedia Holdings Limited

May 13, 2010

By: */s/ Paul Conway*

*Name: Paul Conway
Title: Chief Executive Officer*

Exhibit Index

<u>Exhibit No.</u>	<u>Description</u>
16.1	Letter to the SEC from KPMG, dated May 13, 2010
99.1	Press Release dated May 13, 2010

Exhibit 16.1

May 13, 2010

Securities and Exchange Commission
Washington, DC 20549

Ladies and Gentlemen:

We were previously engaged as the independent registered public accounting firm to audit the consolidated financial statements of SearchMedia Holdings Limited (the "Company") as of and for the year ended December 31, 2009. On May 7, 2010, we resigned. We have read the Company's statements included under Item 4.01 of its Form 8-K dated May 13, 2010, and we agree with such statements, except that we are not in a position to agree or disagree with the Company's statements that: (1) the Company's Audit Committee engaged Bernstein & Pinchuk LLP, an independent member of the BDO Seidman Alliance ("B&P"), as the Company's independent registered public accounting firm effective May 12, 2010 and (2) that B&P was not consulted 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 Company's financial statements, and no written or oral advice was provided that was an important factor considered by the Company in reaching a decision as to any accounting, auditing or financial reporting issues or any matter that was either the subject of a disagreement (as defined in Item 304(a)(1)(iv) of Regulation S-K and the related instructions) or a reportable event (as defined in Item 304(a)(1)(v) of Regulation S-K).

Very truly yours,

/s/KPMG
Hong Kong, China

SearchMedia Hires Bernstein & Pinchuk as Independent Auditor

Shanghai, China, May 13, 2010 — SearchMedia Holdings Limited (“SearchMedia” or the “Company”) (NYSE Amex: IDI, IDI.WS), one of China’s leading nationwide multi-platform media companies, announced today that the Audit Committee of its Board of Directors approved the engagement of Bernstein & Pinchuk LLP, an independent member of the BDO Seidman LLP alliance as the Company’s independent registered public accounting firm effective May 12, 2010. Bernstein & Pinchuk replaces the Company’s former independent auditor, KPMG, which resigned on May 7, 2010. The resignation was not due to any dispute between KPMG and the Company. In addition, KPMG’s report on the consolidated financial statements of SearchMedia International Limited for the fiscal year ended December 31, 2008 did not contain an adverse opinion nor a disclaimer of opinion and was not qualified or modified as to uncertainty, audit scope or accounting principles.

Speaking about the appointment, Mr. Paul Conway, CEO of SearchMedia, stated, “With a dedicated team on the ground in China able to work closely with our management team, we believe Bernstein & Pinchuk is a strong complement to our business, our size and the scope of our needs at this current time.”

Bernstein & Pinchuk, an independent member of the BDO Seidman LLP alliance, provides a full range of audit and assurance, tax and transaction advisory services for clients in a variety of industries throughout the world. With offices in New York, Beijing, Guangzhou, and Hangzhou, Bernstein & Pinchuk provides the expertise, cultural understanding and support needed to efficiently serve and advise clients.

At this time, the Company believes that it cannot complete the disclosure necessary for its 2009 Annual Report on Form 10-K by May 17, 2010. The Company intends to file its Annual Report on Form 10-K no later than July 21, 2010.

SearchMedia intends to release unaudited preliminary results for the 2010 first quarter by May 24, 2010.

About SearchMedia

SearchMedia is a leading nationwide multi-platform media company and one of the largest operators of integrated outdoor billboard and in-elevator advertising networks in China. SearchMedia currently operates a network of over 1,500 high-impact billboards with over 500,000 square feet of surface display area and one of China’s largest networks of in-elevator advertisement panels consisting of approximately 125,000 frames in 50 cities throughout China. Additionally, SearchMedia operates a network of large-format light boxes in concourses of eleven major subway lines in Shanghai. SearchMedia’s core outdoor billboard and in-elevator platforms are complemented by its subway advertising platform, which together enable it to provide a multi-platform, “one-stop shop” services for its local, national and international advertising clients.

Forward-Looking Statements

Any statements contained in this press release that do not describe historical facts, including statements about SearchMedia’s beliefs and expectations, may constitute forward-looking statements as that term is defined by the United States Private Securities Litigation Reform Act of 1995. These forward-looking statements can be identified by terminology such as “will,” “expect,” “anticipate,” “future,” “intend,” “plan,” “believe,” “estimate,” “confident” and similar statements. Any forward-looking statements contained herein are based on current expectations, but are subject to a number of risks and uncertainties that may cause actual results to differ materially from expectations. A number of important factors could cause actual results to differ materially from those contained in any forward-looking statement. Potential risks and uncertainties include, but are not limited to: that failure to file our Annual Report or Quarterly Report for the 2010 first quarter on time or to publish adequate financial information for the 2010 first quarter may result in the delisting of our securities from quotation on the NYSE AMEX or a suspension in the trading of our common stock which would materially limit the liquidity or tradability of our common stock; our plan of compliance may not be accepted by NYSE AMEX; that the Company may be unable to complete its review in time to file its Annual Report on Form 10-K or Form 10-Q for the 2010 first quarter within the required time period; that even if we file our Annual Report for the year ended December 31, 2009 or Quarterly Report for the 2010 first quarter within the required time period, we may be in violation of other NYSE AMEX listing standards; and the risks that there are uncertainties and matters beyond the control of management, and other risks outlined in the Company’s filings with the U.S. Securities and Exchange Commission. SearchMedia cautions readers not to place undue reliance upon any forward-looking statements, which speak only as of the date made. SearchMedia does not undertake or accept any obligation or undertaking to release publicly any updates or revisions to any forward-looking statement to reflect any change in the Company’s expectations or any change in events, conditions or circumstances on which any such statement is based.

For more information, please contact:

In the U.S.: Ashley M. Ammon: (646) 277-1227