

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):  
January 8, 2002 (January 2, 2002)

GRAY COMMUNICATIONS SYSTEMS, INC.

-----  
(Exact name of registrant as specified in its charter)

Georgia

0-13796

58-0285030

-----  
(State or other jurisdiction  
of incorporation)

(Commission File Number)

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(IRS Employer  
Identification Number)

4370 Peachtree Road, NE  
Atlanta, GA

30319

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(Address of principal executive offices)

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(Zip code)

(404) 504-9828

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(Registrant's telephone number, including area code)

ITEM 4. CHANGE IN REGISTRANT'S CERTIFYING ACCOUNTANTS

- (a) The following sets forth the information required by Item 304(a)(1) of Regulation S-K:
- (i) On January 2, 2002 Ernst & Young LLP was dismissed as the Company's principal accountant.
  - (ii) The reports of Ernst & Young LLP on the Company's financial statements for the years ended December 31, 2000 and 1999 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.
  - (iii) The decision to change accountants was recommended by the Company's Audit Committee and approved by the Company's Board of Directors.
  - (iv) During the years ended December 31, 2000 and 1999 and through January 2, 2002, there were no disagreements with Ernst & Young LLP on any matter of accounting principles or practices, financial statement disclosures or audit scope or procedure, which disagreements if not resolved to the satisfaction of Ernst & Young LLP would have caused them to make reference thereto in their reports on the financial statements for such periods.
  - (v) During the years ended December 31, 2000 and 1999 and through January 2, 2002, there have occurred none of the "reportable events" listed in Item 304(a)(1)(v) of Regulation S-K.
- (b) The Company has requested that Ernst & Young LLP furnish a letter addressed to the SEC stating whether or not it agrees with the above statements. A copy of such letter, dated January 8, 2002, is filed as Exhibit 16.1 to this Form 8-K.
- (c) The Company has retained PricewaterhouseCoopers LLP as its principal independent accountants, effective January 7, 2002.

ITEM 7. EXHIBITS

- 16.1 Letter from Ernst & Young LLP confirming their agreement with the information contained in this filing.

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.

Gray Communications Systems, Inc.

By: /s/ James C. Ryan

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James C. Ryan  
Vice President-Finance  
and Chief Financial Officer

Date: January 8, 2002

January 8, 2002

Securities and Exchange Commission  
450 Fifth Street, N.W.  
Washington, DC 20549

Gentlemen:

We have read Item 4 of Form 8-K dated January 8, 2002, of Gray Communications Systems, Inc. and are in agreement with the statements contained in paragraph (a) (i), (a) (ii), (a) (iv) and (a) (v) on Page 2 therein. We have no basis to agree or disagree with other statements of the registrant contained therein.

There were no "reportable events" as that term is described in Item 304 (a) (1) (v) of Regulation S-K.

/s/ Ernst & Young LLP