

ITEM 4. CHANGES IN REGISTRANT'S CERTIFYING ACCOUNTANT

On May 10, 2002 the Board of Directors of Intelligent Systems Corporation ("Intelligent Systems"), upon the recommendation of its Audit Committee, dismissed its independent accountants, Arthur Andersen LLP ("Andersen"). Intelligent Systems intends to evaluate proposals from other accounting firms to serve as Intelligent Systems' independent accountants for its fiscal year ending December 31, 2002 and expects to make a decision in early June 2002.

The audit reports issued by Andersen on the consolidated financial statements of Intelligent Systems Corporation as of and for the fiscal years ended December 31, 2001 and December 31, 2000 did not contain any adverse opinion or disclaimer of opinion, nor were they qualified or modified as to uncertainty, audit scope or accounting principles.

During Intelligent Systems' two most recent fiscal years and through the date of this Form 8-K, there were no disagreements between Intelligent Systems and Andersen on any matter of accounting principles or practices, financial statement disclosure, or auditing scope or procedure, which, if not resolved to Andersen's satisfaction, would have caused Andersen to make reference to the subject matter of the disagreements in connection with its reports on Intelligent Systems's consolidated financial statements for such periods, nor have there been any reportable events as listed in Item 304 (a)(1)(v) of Regulation S-K.

Intelligent Systems provided Andersen with a copy of the foregoing disclosures, and a letter from Andersen confirming its agreement with these disclosures is attached as Exhibit 16.1 to this report.

During Intelligent Systems' two most recent fiscal years and through the date of this Form 8-K, Intelligent Systems has not consulted with any other auditor with respect to any of the matters or reportable events set forth in Item 304(a)(2)(i) and (ii) of Regulation S-K.

ITEM 7. FINANCIAL STATEMENTS AND EXHIBITS

(c) Exhibits

- 16.1 Letter from Arthur Andersen LLP dated May 10, 2002
- 99.1 Press release dated May 13, 2002

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.

Date: May 13, 2002

INTELLIGENT SYSTEMS CORPORATION
(Registrant)

By: /s/ Bonnie L. Herron
Bonnie L. Herron
Chief Financial Officer

Exhibit Index

<u>Exhibit Number</u>	<u>Description</u>
16.1	Letter from Arthur Andersen LLP dated May 10, 2002
99.1	Press release dated May 13, 2002

Exhibit 16.1

Office of the Chief Accountant
Securities and Exchange Commission
450 Fifth Street, N.W.
Washington, D.C. 20549

May 10, 2002

Dear Sir/Madam:

We have read the first four (4) paragraphs of Item 4 included in the Form 8-K dated May 10, 2002 of Intelligent Systems Corporation to be filed with the Securities and Exchange Commission and are in agreement with the statements contained therein.

Very truly yours,

/s/Arthur Andersen LLP

Arthur Andersen LLP

Exhibit 99.1

FOR IMMEDIATE RELEASE

For further information, call
Bonnie Herron, 770/564-5504
or email to bherron@intelsys.com

INTELLIGENT SYSTEMS CONFIRMS DISMISSAL OF ANDERSEN AS AUDITOR

Norcross, GA – May 13, 2002 – Intelligent Systems Corporation [AMEX:INS; www.intelsys.com] announced today that it has dismissed Arthur Andersen LLP as the company’s independent auditor effective immediately. The company expects to name a successor auditor within 30 days.

Bonnie Herron, Chief Financial Officer and Vice President, said “For almost twenty years, Andersen has provided us with exceptional service and dedicated professionals of the highest caliber. It is with regret that, given the ongoing turmoil and uncertainty surrounding Andersen, the board of directors has determined that the company and its shareholders are best served by selecting another audit firm.”

The company is presently evaluating proposals from other audit firms and expects to select and announce a new independent auditor by mid-June 2002. The company intends to file today a Form 8-K with the Securities and Exchange Commission regarding the dismissal of Andersen.

About Intelligent Systems Corporation

For more than twenty-five years, Intelligent Systems Corporation [AMEX: INS] has identified, created, operated and grown early stage technology companies. The company has operations and investments, principally in the information technology industry. The company’s consolidated subsidiaries in 2002 include VISaer, QS Technologies, Delos Payment Systems (all software companies) and ChemFree (industrial products). Since 1990, the company has operated the Intelligent Systems Incubator, an award-winning pioneer in privately sponsored incubators. Further information is available on the company’s website at www.intelsys.com, or by calling the company’s headquarters at 770/381-2900.

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