

Richard J. How
Certified Public Accountant
600 Fifth Avenue South, Suite 212
Naples, FL 34102
Tel. 941-262-8343
Fax 941-262-7072

Member:
American Institute of
Certified Public Accountants

Florida Institute of
Certified Public Accountants

August 18, 1999

Florida Board of Accountancy
2610 NW 43rd Street
Suite 1A
Gainesville, FL 32606

Dear Sir or Madam:

1. Complete statement of situation.

During 1998 and part of 1999, I became a sole proprietorship and have been operating my CPA firm in Naples, Florida as Richard J. How, Certified Public Accountant. Sometime during the latter part of 1999, I intend on incorporating my practice. Initially, I will be the only shareholder of the company, but over a period of time will admit others, possibly non-CPA's to the firm and will require that when their participation ceases, their ownership will revert to the firm. I am attaching a copy of the stationery that I am intending on using. The company consists of the following:

- A. Richard J. How, Certified Public Accountant, will be 100% shareholder initially.
- B. Frederick R. Cacchione, Non Certified Public Accountant, will possibly become a CPA and may become a shareholder of the company as a minority owner before he passes the CPA exam.
- C. Mylinda R. Ward, Non Certified Public Accountant, probably will never become a CPA, but may become a minority shareholder.
- D. Paula L. How, Non Certified Public Accountant, will never become a shareholder and never will become a CPA.
- E. Alice A. Brady, Non Certified Public Accountant, will never become a CPA, but may become a minority shareholder.
- F. Will add additional CPA's in the future as shareholders and non shareholders.

Florida Board of Accountancy
August 18, 1999
Page Two

2. Specific questions

- A. I am requesting an opinion as to whether or not this is a proper form of stationery in accordance with all the Florida rules.
- B. May I issue shares of stock to non CPA's under Florida rules?

3. Citations

- A. Florida Rules 61H1-26.001- a firm may not use the term "Certified Public Accountants" in the firm's name if the name of a non-CPA owner also appears in the firm's name. The firm may use the terms "CPA Firm" or "CPA's and Associates" provided the firm has more than one CPA.
- B. Florida Rules 61H1-20.016- natural persons materially participating in the business conducted by the firm can be shareholders and when their participation ceases, their interest will revert to the firm.

4. Conclusions

- A. Based on 61H1-26.004, the attached stationery is proper, as no non-CPA's name is part of the firm name and the firm has not called itself a "CPA Firm" nor is CPA in the firm name.
- B. Based on 61H1-20.16, non-CPA's can be shareholders if stock is restricted as stated above. "When their participation ceases, their interest will revert to the firm."

Thank you for your assistance in this matter.

Very truly yours,

Richard J. How

RJH/plh

Enclosure