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MAY 1, 2001

MEMBERS
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Department of Business and Professional Regulation
State Board of Accountancy
240 NW 76th Drive, Suite A
Gainesville, FL 32607

Dear Sir or Madam:

On July 12, 2000 we submitted a question concerning whether or not employees, through an Employee Stock Ownership Trust, could own shares of a Florida corporation practicing public accounting in the state of Florida. On September 14, 2000 the Board Responded to the negative based on Chapter 473.309's requirements that all shareholders who are not CPA's must be engaged in the business as their principal occupation and the requirement under 61H1-20.016, F.A.C. that all shareholders be natural persons "materially participating in the business conducted by their firm..."

At this time I would like to present facts to be considered by the Board:

By Federal statute, only employees of the firm can be beneficial owners of shares held in trust under an ESOP. The trustee will be a natural person and a CPA in the State of Florida. At no time could any entity own the shares. ESOP's also require a certain number of hours of work each year to participate, so therefore, any employee qualifying to own shares through the ESOP must be materially participating in the business conducted by their firm.

It is our intention that in no case will the shares owned by employees through the ESOP exceed 49% of the total shares in the corporation. 51% will be owned by practicing CPA's and the other 49% would be held by the trustee of the ESOP for the benefit of the person employees of the firm both CPA and non-CPA.

To deny beneficial ownership of shares to full-time, longtime employees of a CPA firm denies the use of a very tax favored method that allows rank and file employees to participate in the profitability of the business to which they devote their entire lives. ESOP also provides a mechanism for all employees to have a secure retirement. The ESOP represents a major tax benefit to all concerned, both the owners and rank and file employees of the firm.

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It is difficult for me and other firm employees to understand that I could walk out On the street in front of my office and ask the first person I see if they want to buy 49% of my practice, yet I am unable to avail my rank and file employees, many with over 10 years service with ownership of stock in this corporation through an ESOP. It dosen't make sense to us.

I would be more than happy to meet with Board members or to provide additional Information regarding ESOP's to the Board or its attorney at any time. Your careful consideration of this matter is greatly appreciated.

Very truly yours,
Bizzell, Neff & Galloway, P.A.

Thomas M. Bizzell
Certified Public Accountant

/cjm

cc: John Rhimes

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