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July 12, 2000

Department of Business and Professional Regulation  
State Board of Accountancy  
2610 NW 43<sup>rd</sup> Street, Suite 1A  
Gainesville, FL 32606

Dear Sir or Madam:

Our question concerns the practice requirements for corporations under Chapter 473.309(2) F.S. and definition of Non-CPA shareholders under 61H1-20.016 F.A.C.

Specifically, may CPA shareholders of a Florida Corporation practicing public accounting sell their shares to an ESOP which will benefit both CPA and Non-CPA employees or that corporation.

Our conclusion is that an ESOP may buy shares of a Florida corporation practicing public accounting because the ESOP only holds the shares in trust for the beneficial owners, the employees (i.e. "natural persons materially participating in the business..."). Further considerations would be that 1) the participant's allocated shares would be redeemed by the corporation (not the ESOP) upon employment termination and 2) the Non-CPA shareholders ownership percentage would equal no more than 33-1/3%.

Thank you for your assistance in this matter.

Very truly yours,

BIZZELL, NEFF & GALLOWAY, P.A.

Thomas M. Bizzell  
Certified Public Accountant