



HOYMAN, DOBSON & COMPANY, P.A.
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Martha Willis, Division Director
Florida Board of Accountancy 240
NW 761h Drive, Suite A Gainesville,
Florida 32607

Dear Ms. Willis:

This letter is to request a ruling regarding whether a certain type of firm configuration would be allowable under Chapter 473 of the Florida Statutes.

Facts: 2 CPA firms, one performing traditional accounting services and one providing wealth management services, are owned by the same shareholders. All owners are CPA's. Both firms are PA's.

Questions:

1. Could the operations be reorganized so that a holding company (formed as a limited liability company) owned by the same individuals owns 100% of both corporations?
2. Could as much as 49% of the membership units of the LLC be owned by non-CPA's? Would the holding company be "P.A." or "Co." or "Inc."? Would it make any difference if the holding company were owned 100% by CPAs or between 51% and 100% by CPAs?
3. Would each of the two existing firms continue to be "P .A." or would they have to be "Co." or "Inc." instead since the intermediate owner would be another corporation?
- 4.

Discussion: Section 473.309 states that at least 51% of the owners of a CPA firm must be CPAs. In this case, 100% of the CPA firms would be owned by another company, which would in turn be owned at least 51% by CPAs. There is no indication as to whether a tiered structure such as the one suggested above would be allowed.

Section 621.05, a copy of which is attached, seems to indicate that the tiered structure is acceptable and all entities could be "P.A.s" if only CPAs own stock. However, if non-CPAs were to become owners, none of the companies could be "P.A.s".

Our conclusion: There is no allowance for indirect or attributed ownership of a CPA firm by 51% CPAs. The statute only addresses direct ownership.

We respectfully request your opinion as to whether such a structure would be allowable.

Thank you for your assistance.

Very truly yours,

Barbara J. Oswald, CPA
Hoyman, Dobson & Company, P.A.