AS FILED WITH THE SECURITIES AND EXCHANGE COMMISSION ON JULY 10, 1997.
Registration No. 333-

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SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM SB-2
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

FROST HANNA CAPITAL GROUP, INC.
(Exact name of registrant as specified in its charter)

<TABLE>
<S> <C> <C>

FLORIDA	6799	65-0701248
(State or other jurisdiction of incorporation or organization)	(Primary Standard Industrial Classification Code Number)	(I.R.S. Employer Identification Number)

</TABLE>

FROST HANNA CAPITAL GROUP, INC.
327 PLAZA REAL, SUITE 319
BOCA RATON, FLORIDA 33432
TELEPHONE (561) 367-1079

(Address, including Zip Code, and telephone number, including area code, of registrant's principal executive offices)

MARK J. HANNA
PRESIDENT
FROST HANNA CAPITAL GROUP, INC.
327 PLAZA REAL, SUITE 319
BOCA RATON, FLORIDA 33432
TELEPHONE (561) 367-1079
(Name, address, including Zip Code, and telephone number, including area code, of agent for service)

Please send copies of all communications to:

TEDDY D. KLINGHOFFER, ESQ.
STEARNS WEAVER MILLER WEISSLER
ALHADEFF & SITTERSON, P.A.
150 WEST FLAGLER STREET
SUITE 2200
MIAMI, FLORIDA 33130
(305) 789-3200

FREDERICK M. MINTZ, ESQ.
MINTZ & FRAADE, P.C.
488 MADISON AVENUE
NEW YORK, NEW YORK 10022
(212) 486-2500

Approximate date of commencement of proposed sale to the public: AS SOON AS PRACTICABLE AFTER THIS REGISTRATION STATEMENT BECOMES EFFECTIVE.

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same Offering [ ].

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same Offering [ ].

If delivery of the prospectus is expected to be made pursuant to Rule 434, please check the following box [ ].

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CALCULATION OF REGISTRATION FEE

<TABLE>
<CAPTION>

Title of Each Class of Securities to be Registered	Amount to be Registered	Proposed Maximum Offering Price Per Security(1)	Proposed Maximum Aggregate Offering Price(1)	Amount of Registration Fee
<S>	<C>	<C>	<C>	<C>
Common Stock, $.0001 par value	1,552,500 Shares(2)	$6.00 per Share	$9,315,000	$2,822.72
Representative Warrants	135,000 Warrants(3)	$ .001 per Warrant	$ 135	0
Common Stock, $.0001 par value	135,000 Shares(5)	$7.20 per Share	$ 972,000	$ 294.55
Total Registration Fee				$3,117.27

</TABLE>

(1) Estimated solely for purposes of calculating the registration fee pursuant to Rule 457.
(2) Includes 202,500 Shares subject to the Underwriters' over-allotment option.
(3) To be issued to the Representative, as set forth on the cover page of the Prospectus comprising a portion of this Registration Statement.
(4) No fee due pursuant to Rule 457(g).

(5) Issuable upon exercise of the Representative's Warrants, together with such indeterminate number of shares of Common Stock as may be issuable by reason of the anti-dilution provisions contained therein.

THE REGISTRANT HEREBY AMENDS THIS REGISTRATION STATEMENT ON SUCH DATE OR DATES AS MAY BE NECESSARY TO DELAY ITS EFFECTIVE DATE UNTIL THE REGISTRANT SHALL FILE A FURTHER AMENDMENT WHICH SPECIFICALLY STATES THAT THIS REGISTRATION STATEMENT SHALL THEREAFTER BECOME EFFECTIVE IN ACCORDANCE WITH SECTION 8(A) OF THE SECURITIES ACT OF 1933 OR UNTIL THIS REGISTRATION STATEMENT SHALL BECOME EFFECTIVE ON SUCH DATE AS THE COMMISSION, ACTING PURSUANT TO SAID SECTION 8(A), MAY DETERMINE.

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FROST HANNA CAPITAL GROUP, INC.

CROSS-REFERENCE SHEET

<TABLE>
<CAPTION>
FORM SB-2

ITEM NO.	ITEM CAPTION	LOCATION IN PROSPECTUS
<S>	<C>	<C>
1.	Front of Registration Statement and Outside Front Cover Page of Prospectus	Facing Page of the Registration Statement and Cover Page of Prospectus
2.	Inside Front and Outside Back Cover Pages of Prospectus	Inside Front and Outside Back Cover Pages of Prospectus
3.	Summary Information and Risk Factors	Prospectus Summary; Risk Factors
4.	Use of Proceeds	Use of Proceeds
5.	Determination of Offering Price	Underwriting
6.	Dilution	Dilution
7.	Selling Security Holders	Not Applicable
8.	Plan of Distribution	Cover Page and Inside Cover Page to Prospectus; Underwriting
9.	Legal Proceedings	Legal Proceedings
10.	Directors, Executive Officers, Promoters and Control Persons	Management of the Company
11.	Security Ownership of Certain Beneficial Owners and Management	Principal Shareholders
12.	Description of Securities	Description of Securities
13.	Interests of Named Experts and Counsel	Legal Matters; Experts
14.	Disclosure of Commission Position on Indemnification for Securities Act Liabilities	Underwriting; Undertakings
15.	Organization Within Last Five Years	Risk Factors; Proposed Business; Certain Transactions
16.	Description of Business	Prospectus Summary; Risk Factors; Proposed Business
17.	Management's Discussion and Analysis or Plan of Operation	Management's Discussion and Analysis or Plan of Operations
18.	Description of Property	Proposed Business
19.	Certain Relationships and Related Transactions	Risk Factors; Proposed Business; Certain Transactions
20.	Market for Common Equity and Related Stockholder Matters	Description of Securities; Risk Factors; Prospectus Summary
21.	Executive Compensation	Management of the Company
22.	Financial Statements	Financial Statements

</TABLE>

FROST HANNA CAPITAL GROUP, INC.

CROSS-REFERENCE SHEET

<TABLE>
<CAPTION>
FORM SB-2

ITEM NO.	ITEM CAPTION	LOCATION IN PROSPECTUS
<S>	<C>	<C>
23.	Changes in and Disagreements with Accountants on Accounting and Financial Disclosure	Not Applicable
24.	Indemnification of Directors and Officers	Indemnification of Directors and Officers
25.	Other Expenses of Issuance and Distribution	Other Expenses of Issuance and Distribution

PROSPECTUS SUBJECT TO COMPLETION
PRELIMINARY PROSPECTUS DATED JULY 9, 1997

FROST HANNA CAPITAL GROUP, INC.

1,350,000 SHARES

Frost Hanna Capital Group, Inc. (the "Company") hereby offers (the "Offering") 1,350,000 shares of common stock, par value $.0001 per share ("Common Stock"). Prior to this Offering, there has been no public market for the Common Stock and there can be no assurance that any such market will develop after this Offering or that, if developed, any such market will be sustained. It is anticipated that the initial public offering price will be approximately $6.00 per share. The initial public offering price has been arbitrarily determined by negotiation between the Company and LH Ross & Company, Inc. (the "Representative"), acting as representative of the several underwriters identified elsewhere herein (the "Underwriters"), and does not bear any relationship to such established valuation criteria as assets, book value or prospective earnings. For information regarding the factors considered in determining the initial public offering price of the Common Stock, see "Risk Factors" and "Underwriting." The Company anticipates that trading of the Common Stock will be conducted through what is customarily known as the "pink sheets" and on the National Association of Securities Dealers, Inc.'s Electronic Bulletin Board (the "Bulletin Board"). Any market for the Common Stock which may result will likely be less well developed than if the Common Stock were traded in NASDAQ or on an exchange. Subsequent to the closing of this Offering, the Company shall prepare and file with the United States Securities and Exchange Commission on Current Report Form 8-K an audited balance sheet of the Company reflecting receipt by the Company of the proceeds of this Offering. Eighty percent of the net proceeds of this Offering may be escrowed for an indefinite period of time following the consummation of this Offering. In the event of liquidation of the Company, investors may recoup only a portion of their initial investment.

THE SECURITIES OFFERED HEREBY INVOLVE A HIGH DEGREE OF RISK AND IMMEDIATE SUBSTANTIAL DILUTION. SEE "RISK FACTORS" AND "DILUTION" AT PAGES 11 AND 26. THIS IS A "BLANK CHECK/BLIND POOL" OFFERING. SEE "RISK FACTORS" AT PAGES 11 THROUGH 23.

THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSIONS NOR HAS THE COMMISSION NOR ANY STATE SECURITIES COMMISSIONS PASSED UPON THE ACCURACY OR ADEQUACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

<TABLE>
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	PRICE TO PUBLIC	UNDERWRITING DISCOUNT(1)	PROCEEDS TO COMPANY(2)
<S>	<C>	<C>	<C>
PER SHARE	$	$	$
TOTAL(3)	$	$	$

</TABLE>

(1) The Company has also agreed to pay to the Representative a non-accountable expense allowance (the "Non-Accountable Expense Allowance") equal to three percent (3%) of the public offering price ($.18 per share). These figures do not include additional compensation to the Representative in the form of a stock purchase option to purchase for nominal consideration, up to 135,000 shares of Common Stock of the Company at an exercise price of 120% of the initial public offering price per share during a four-year period commencing one year after the date of this Prospectus. Additionally, the Company has agreed to certain registration rights with respect to the shares of Common Stock underlying the underwriter warrants and has agreed to certain indemnification and contribution agreements with the Underwriters. See "Underwriting."

(2) The proceeds to the Company set forth in the table on this cover page of the Prospectus have been computed before deduction of costs that will be incurred in connection with this Offering (excluding the Underwriting Discount), including the Non-Accountable Expense Allowance, filing, printing, legal, accounting, transfer agent and escrow agent fees (collectively, the "Offering Costs"). The net proceeds to the Company, after deducting the Underwriting Discount and the Offering Costs (the "Net Proceeds"), are estimated to be $_____, or $_____ if the over-allotment option (as described herein) is exercised in full.

(3) The Company has granted to the Underwriters a 45-day option to purchase up to 202,500 additional shares of Common Stock upon the same terms

and conditions as set forth above, solely to cover over-allotments, if any (the "over-allotment option"). If the over-allotment option is exercised in full the total Price to Public, Underwriting Discount and Proceeds to Company will be $_____, $_____ and $_____, respectively. See "Underwriting."

THE SHARES OF COMMON STOCK ARE BEING OFFERED BY THE UNDERWRITERS, SUBJECT TO PRIOR SALE, WHEN, AS AND IF DELIVERED TO AND ACCEPTED BY THEM, SUBJECT TO APPROVAL OF CERTAIN LEGAL MATTERS BY COUNSEL FOR THE UNDERWRITERS AND CERTAIN OTHER CONDITIONS. THE UNDERWRITERS RESERVE THE RIGHT TO WITHDRAW, CANCEL OR MODIFY SUCH OFFER AND TO REJECT ANY ORDER IN WHOLE OR IN PART. IT IS EXPECTED THAT DELIVERY OF CERTIFICATES WILL BE MADE AGAINST PAYMENT THEREFOR ON OR ABOUT _____, 1997, IN NEW YORK, NEW YORK.

LH ROSS & COMPANY, INC.
One Boca Place
2255 Glades Road, Suite 425W
Boca Raton, Florida 33431

The date of this Prospectus is _____, 1997

Information contained herein is subject to completion or amendment. A registration statement relating to these securities has been filed with the Securities and Exchange Commission. These securities may not be sold nor may offers to buy be accepted prior to the time the registration statement becomes effective. This Prospectus shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of these securities in any state in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such state.

ESCROW OF 80% OF THE NET PROCEEDS DERIVED HEREBY

UPON COMPLETION OF THIS OFFERING, 80% OF THE NET PROCEEDS THEREFROM WILL BE PLACED IN AN ESCROW ACCOUNT (THE "ESCROW FUND"), WITH FIDUCIARY TRUST INTERNATIONAL OF THE SOUTH, AS ESCROW AGENT, SUBJECT TO RELEASE UPON THE EARLIER OF (i) WRITTEN NOTIFICATION BY THE COMPANY OF ITS NEED FOR ALL OR SUBSTANTIALLY ALL OF SUCH NET PROCEEDS FOR THE PURPOSE OF IMPLEMENTING A BUSINESS COMBINATION (AS HEREINAFTER DEFINED); OR (ii) THE EXERCISE BY CERTAIN SHAREHOLDERS OF THE REDEMPTION OFFER (AS HEREINAFTER DEFINED). THE COMPANY INTENDS TO USE THE ESCROW FUND (INCLUDING ANY INTEREST EARNED THEREON) ONLY IN CONNECTION WITH THE OPERATIONS OF AN ACQUIRED BUSINESS (AS HEREINAFTER DEFINED) AND ACCORDINGLY ALL FUNDS EXPENDED BY THE COMPANY PRIOR TO THE CONSUMMATION OF A BUSINESS COMBINATION WILL BE DERIVED FROM THE NET PROCEEDS NOT PLACED IN THE ESCROW FUND OR OTHER SOURCES OF FUNDING NOT YET KNOWN. IN THE EVENT THE COMPANY REQUIRES ADDITIONAL FINANCING, THERE CAN BE NO ASSURANCES THAT SUCH FINANCING WILL BE AVAILABLE ON ACCEPTABLE TERMS, IF AT ALL. ADDITIONALLY, IN THE EVENT THE COMPANY REQUIRES IN EXCESS OF 20% OF THE NET PROCEEDS FOR OPERATIONS, MESSRS. FROST AND HANNA HAVE UNDERTAKEN TO WAIVE THEIR SALARIES UNTIL THE CONSUMMATION BY THE COMPANY OF A BUSINESS COMBINATION. IN THE EVENT OF THE EXERCISE OF THE REDEMPTION OFFER, OR LIQUIDATION OF THE COMPANY AS A RESULT OF THE COMPANY'S FAILURE TO CONSUMMATE A BUSINESS COMBINATION, INVESTORS MAY ONLY RECOUP A PORTION OF THEIR INVESTMENT. SEE "RISK FACTORS" AND "PROPOSED BUSINESS."

INVESTOR FUNDS MAY BE ESCROWED FOR AN INDEFINITE PERIOD OF TIME

INVESTORS' FUNDS MAY BE ESCROWED FOR AN INDEFINITE PERIOD OF TIME FOLLOWING THE CONSUMMATION OF THIS OFFERING. FURTHER, THERE CAN BE NO ASSURANCES THAT THE COMPANY WILL EVER CONSUMMATE A BUSINESS COMBINATION. ALTHOUGH MESSRS. FROST AND HANNA HAVE AGREED TO WAIVE THEIR SALARIES IN THE EVENT ALL OF THE NET PROCEEDS OF THIS OFFERING OTHER THAN THE ESCROW FUND ARE EXPENDED AND THE COMPANY HAS NOT CONSUMMATED A BUSINESS COMBINATION, THE COMPANY CURRENTLY HAS NO PLANS OR ARRANGEMENTS WITH RESPECT TO THE POSSIBLE ACQUISITION OF ADDITIONAL FINANCING WHICH MAY BE REQUIRED TO CONTINUE THE OPERATIONS OF THE COMPANY IN THE EVENT ALL OF THE FUNDS OTHER THAN THE ESCROW FUND ARE EXPENDED AND THE COMPANY HAS NOT CONSUMMATED A BUSINESS COMBINATION. IN THE EVENT ALL OF THE FUNDS OTHER THAN THE ESCROW FUND ARE EXPENDED AND THE COMPANY HAS NOT CONSUMMATED A BUSINESS COMBINATION, MESSRS. FROST, HANNA, BAXTER, ROSENBERG AND FERNANDEZ MAY CONSIDER LOANING TO THE COMPANY FUNDS FOR OPERATIONS, OTHER THAN THE PAYMENT OF SALARIES TO MESSRS. FROST AND HANNA. ALTHOUGH THERE ARE NO PLANS OR ARRANGEMENTS WITH RESPECT TO SUCH LOANS, MESSRS. FROST, HANNA, BAXTER, ROSENBERG AND FERNANDEZ DO NOT CURRENTLY ANTICIPATE SUCH LOANS, IF ANY, TO BE MADE ON TERMS OTHER THAN UPON MARKET INTEREST RATES. THERE CAN BE NO ASSURANCES THAT MESSRS. FROST, HANNA, BAXTER, ROSENBERG AND FERNANDEZ WILL MAKE SUCH LOANS TO THE COMPANY OR, IF MADE, THAT SUCH LOANS WILL BE MADE ON TERMS FAVORABLE TO THE COMPANY.

OFFERING NOT CONDUCTED IN ACCORDANCE WITH CERTAIN BLANK CHECK REGULATIONS

THE COMPANY'S OFFERING IS NOT BEING CONDUCTED IN ACCORDANCE WITH RULE 419 PROMULGATED BY THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION (THE "COMMISSION"). ACCORDING TO THE COMMISSION, RULE 419 WAS DESIGNED TO "STRENGTHEN REGULATION OF SECURITIES OFFERINGS BY BLANK CHECK COMPANIES WHICH CONGRESS HAS FOUND TO HAVE BEEN COMMON VEHICLES FOR FRAUD AND MANIPULATION IN THE PENNY STOCK MARKET." SEE SECURITIES ACT RELEASES NO. 6891 (APRIL 17, 1991), 48 SEC DOCKET 1131, AND NO. 6932 (APRIL 13, 1992), 51 SEC DOCKET 0382. PURSUANT TO RULE 419, A "BLANK CHECK" COMPANY IS DEFINED AS (A) A DEVELOPMENT STAGE COMPANY THAT HAS NO SPECIFIC BUSINESS PLAN OR HAS INDICATED THAT ITS BUSINESS PLAN IS TO ENGAGE IN A MERGER OR ACQUISITION WITH AN UNIDENTIFIED COMPANY OR COMPANIES; AND (B) A COMPANY WHICH ISSUES A "PENNY STOCK," MEANING ANY EQUITY SECURITIES THAT, AMONG OTHER THINGS, (I) ARE NOT QUOTED IN THE NASDAQ SYSTEM;

OR (II) IN

THE CASE OF A COMPANY WHICH HAS BEEN IN CONTINUOUS OPERATION FOR LESS THAN THREE YEARS, HAS NET TANGIBLE ASSETS (I.E., TOTAL ASSETS LESS INTANGIBLE ASSETS AND LIABILITIES) OF LESS THAN $5,000,000, AS DEMONSTRATED BY THE COMPANY'S MOST RECENT FINANCIAL STATEMENTS THAT HAVE BEEN AUDITED AND REPORTED ON BY AN INDEPENDENT PUBLIC ACCOUNTANT. ALTHOUGH THE COMPANY IS A "BLANK CHECK" COMPANY, IT IS NOT SUBJECT TO RULE 419 BECAUSE THE COMPANY'S NET TANGIBLE ASSETS AFTER THIS OFFERING WILL BE GREATER THAN $5,000,000. SEE SECURITIES ACT RELEASE NO. 7024 (OCTOBER 25, 1993), 55 SEC DOCKET 722. ACCORDINGLY, INVESTORS IN THIS OFFERING WILL NOT RECEIVE THE SUBSTANTIVE PROTECTIONS PROVIDED BY RULE 419. THERE CAN BE NO ASSURANCES THAT THE COMMISSION, THE UNITED STATES CONGRESS OR STATE LEGISLATURES WILL NOT ENACT LEGISLATION WHICH WILL PROHIBIT OR RESTRICT THE SALE OF SECURITIES OF "BLANK CHECK" COMPANIES. SEE "PROPOSED BUSINESS - --CERTAIN SECURITIES LAW CONSIDERATIONS" AND "RISK FACTORS."

ESCROW FUND NOT TO BE USED FOR SALARIES, CONSULTING FEES OR REIMBURSABLE EXPENSES

NO FUNDS (INCLUDING ANY INTEREST EARNED THEREON) WILL BE DISBURSED FROM THE ESCROW FUND FOR THE PAYMENT OF SALARIES, CONSULTING FEES OR REIMBURSEMENT OF EXPENSES INCURRED ON THE COMPANY'S BEHALF BY THE COMPANY'S OFFICERS AND DIRECTORS. OTHER THAN THE FOREGOING, THERE IS NO LIMIT ON THE AMOUNT OF SUCH REIMBURSABLE EXPENSES, AND THERE WILL BE NO REVIEW OF THE REASONABLENESS OF SUCH EXPENSES BY ANYONE OTHER THAN THE COMPANY'S BOARD OF DIRECTORS, ALL OF WHOM MAY ALSO BE OFFICERS OF THE COMPANY. IN NO EVENT WILL THE ESCROW FUND (INCLUDING ANY INTEREST EARNED THEREON) BE USED FOR ANY PURPOSE OTHER THAN IMPLEMENTATION OF A BUSINESS COMBINATION OR FOR PURPOSES OF THE REDEMPTION OFFER. SEE "RISK FACTORS," "USE OF PROCEEDS" AND "CERTAIN TRANSACTIONS."

NO PRIOR CONTACT WITH OTHER FIRMS REGARDING POSSIBLE BUSINESS COMBINATIONS

NONE OF THE COMPANY'S OFFICERS, DIRECTORS, 10% SHAREHOLDERS, PERSONS WHO DIRECTLY OR INDIRECTLY CONTROL, ARE CONTROLLED BY OR ARE UNDER COMMON CONTROL WITH, THE COMPANY OR PERSONS WHO MAY BE DEEMED PROMOTERS OF THE COMPANY HAVE HAD ANY PRELIMINARY CONTACT OR DISCUSSIONS WITH ANY REPRESENTATIVE OF ANY OTHER FIRM REGARDING THE POSSIBILITY OF A BUSINESS COMBINATION BETWEEN THE COMPANY AND SUCH OTHER FIRM.

MATERIAL PERSONS

THE OFFICERS AND DIRECTORS OF THE COMPANY ARE THE ONLY PERSONS WHO HAVE BEEN INSTRUMENTAL IN ARRANGING THE CAPITALIZATION OF THE COMPANY TO DATE. NONE OF THE OFFICERS OR DIRECTORS OF THE COMPANY ARE ACTING AS NOMINEES FOR ANY PERSONS OR ARE OTHERWISE UNDER THE CONTROL OF ANY PERSON OR PERSONS. OTHER THAN CERTAIN COMPENSATION TO BE PAID BY THE COMPANY TO EACH OF MESSRS. FROST AND HANNA, THERE ARE NO AGREEMENTS, AGREEMENTS IN PRINCIPLE, OR UNDERSTANDINGS WITH REGARD TO COMPENSATION TO BE PAID BY THE COMPANY TO ANY OFFICER OR DIRECTOR OF THE COMPANY.

STATE SECURITIES REGULATION

THE COMPANY HAS MADE APPLICATION TO REGISTER OR AN EXEMPTION FROM REGISTRATION WILL BE OBTAINED FOR THE SHARES OF COMMON STOCK ONLY IN THE STATES OF COLORADO, DELAWARE, FLORIDA, ILLINOIS, MARYLAND, NEW YORK, OREGON, RHODE ISLAND, SOUTH CAROLINA AND UTAH AND THE SHARES OF COMMON STOCK MAY ONLY BE TRADED IN SUCH JURISDICTIONS. THERE CAN BE NO ASSURANCES THAT THE SHARES WILL BE ELIGIBLE FOR SALE IN SUCH JURISDICTIONS. PURCHASERS OF THE SHARES OF COMMON STOCK EITHER IN THIS OFFERING OR IN ANY SUBSEQUENT TRADING MARKET WHICH MAY DEVELOP MUST BE RESIDENTS OF THE STATES OF COLORADO, DELAWARE, FLORIDA, ILLINOIS, MARYLAND, NEW YORK, OREGON, RHODE ISLAND,

SOUTH CAROLINA AND UTAH, UNLESS AN APPLICABLE EXEMPTION IS AVAILABLE OR A BLUE SKY APPLICATION HAS BEEN FILED AND ACCEPTED. THE COMPANY WILL AMEND THIS PROSPECTUS FOR THE PURPOSE OF DISCLOSING ADDITIONAL STATES, IF ANY, IN WHICH THE SHARES OF COMMON STOCK WILL HAVE BEEN REGISTERED OR WHERE AN EXEMPTION FROM REGISTRATION IS AVAILABLE.

OFFICER AND DIRECTOR INTRODUCTIONS TO REPRESENTATIVE

OFFICERS AND DIRECTORS OF THE COMPANY MAY INTRODUCE THE REPRESENTATIVE TO PERSONS TO CONSIDER THIS OFFERING AND SUBSCRIBE FOR SHARES OF COMMON STOCK EITHER THROUGH THE REPRESENTATIVE, OTHER UNDERWRITERS OR THROUGH PARTICIPATING DEALERS. AS A RESULT OF SUCH INTRODUCTIONS, SUCH PERSONS MAY BE LIKELY TO PURCHASE SHARES OF COMMON STOCK. IN THIS CONNECTION, OFFICERS AND DIRECTORS OF THE COMPANY WILL NOT RECEIVE ANY COMMISSIONS OR ANY OTHER COMPENSATION IN CONNECTION WITH THE OFFERING OF SHARES OF COMMON STOCK.

NO OFFICER OR DIRECTOR OF THE COMPANY TO PURCHASE SHARES IN THIS OFFERING

NO OFFICER OR DIRECTOR OF THE COMPANY, OR ANY BUSINESS ENTITY IN WHICH SUCH OFFICER OR DIRECTOR IS AN OFFICER, DIRECTOR OR GREATER THAN 10% SHAREHOLDER SHALL PURCHASE ANY OF THE SHARES OF COMMON STOCK IN THIS OFFERING.

POTENTIAL CONSIDERATIONS INVOLVING UNDERWRITERS AND AFTER-MARKET TRADING

THE REPRESENTATIVE DOES NOT HAVE ANY DISCRETIONARY POWER OVER ANY OF ITS CUSTOMERS' ACCOUNTS IN CONNECTION WITH THIS OFFERING. HOWEVER, INASMUCH AS A SUBSTANTIAL AMOUNT OF THE REGISTERED SECURITIES OF THE COMPANY ISSUED IN THIS

OFFERING MAY BE DISTRIBUTED TO CUSTOMERS OF THE UNDERWRITERS, AND SUBSEQUENTLY, THESE PERSONS, AS CUSTOMERS OF THE UNDERWRITERS, MAY BE EXPECTED TO ENGAGE IN TRANSACTIONS FOR THE SALE OR PURCHASE OF REGISTERED SECURITIES OF THE COMPANY, SHOULD THE UNDERWRITERS DETERMINE TO MAKE A MARKET, AND SHOULD A MARKET DEVELOP FOR THE COMPANY'S SECURITIES, THE UNDERWRITERS MAY INITIALLY BE EXPECTED TO EXECUTE A SUBSTANTIAL PORTION OF THE TRANSACTIONS IN THE SECURITIES OF THE COMPANY. THEREFORE, THE UNDERWRITERS MAY BE, FOR THE FORESEEABLE FUTURE, A DOMINATING INFLUENCE, AND THEREAFTER A FACTOR OF DECREASING IMPORTANCE FOR THE COMPANY'S SECURITIES, SHOULD A MARKET ARISE FOR THE COMPANY'S SECURITIES.

IN CONNECTION WITH THE OFFERING, THE UNDERWRITERS MAY OVER-ALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE SHARES OF COMMON STOCK AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

INVESTORS SHOULD CAREFULLY REVIEW THE FINANCIAL STATEMENTS WHICH ARE AN INTEGRAL PART OF THIS PROSPECTUS.

PROSPECTUS SUMMARY

The following summary is qualified in its entirety by, and should be read in conjunction with, the more detailed information and financial statements (including the notes thereto) appearing elsewhere in this Prospectus. Each prospective investor is urged to read this Prospectus in its entirety.

THE COMPANY

Business Objectives. The Company was formed to seek to effect a merger, exchange of capital stock, asset acquisition or other similar business combination (a "Business Combination") with an operating or development stage business (an "Acquired Business"). The business objective of the Company is to seek to effect a Business Combination with an Acquired Business which the Company believes has significant growth potential. The Company will not engage in any substantive commercial business immediately following this Offering and for an indefinite period of time following this Offering. The Company has no plan, proposal, agreement, understanding or arrangement to acquire or merge with any specific business or company, and the Company has not identified any specific business or company for investigation and evaluation. The Company intends to utilize cash (to be derived from the proceeds of this Offering), equity, debt or a combination thereof in effecting a Business Combination. As a result of, among other things, management's broad discretion with respect to the specific allocation of the Net Proceeds of this Offering, this Offering may be characterized as a "blank check" offering. While the Company may, under certain circumstances, seek to effect Business Combinations with more than one Acquired Business, it will not expend less than 80% of the Net Proceeds of this Offering (approximately $5,497,600, assuming an initial offering price of $6.00 per share and no exercise of the over-allotment option) plus interest earned thereon (less any amounts payable by the Company pursuant to the Redemption Offer, as hereinafter defined) (the "Threshold Amount") upon the consummation of its first Business Combination. Consequently, it is likely that the Company will have the ability to effect only a single Business Combination.

To date, the Company's efforts have been limited to organizational activities. The implementation of the Company's business plans are wholly contingent upon the successful sale of the shares of Common Stock offered hereby. See "Proposed Business."

Involvement of Certain Principals in Prior "Blank Check" Companies. Certain of the officers and directors of the Company have held similar positions in three other "blank check" companies (i.e., a development stage company that has no specific business plan or has indicated that its business plan is to engage in a merger or acquisition with an unidentified company), each of which has consummated a Business Combination as of the date of this Prospectus. There can be no assurance that the Company will ever be able to effect a Business Combination or that the type of business or the performance of the Acquired Business, if any, will be similar to that of these other "blank check" companies. Further, the results of such "blank check" companies are not indicative in any manner of the possible future results of the Company. Certain information with respect to each such prior Business Combination that the officers and directors of the Company have been involved, as obtained from each such company's respective filings with the Commission, is set forth below:

<TABLE>
<CAPTION>

Name of Acquired Business	Date of Initial Public Offering	Date of Business Combination	Nature of Business	Trading Market and Ticker Symbol
<S>	<C>	<C>	<C>	
Sterling Health Care Group, Inc. and Sterling Healthcare, Inc. (currently operating pursuant to a subsequent merger as, "FPA Medical Management Inc.")	February 9, 1993	May 31, 1994	Providing physician contract management services for hospital emergency departments	NASDAQ National Market (FPAM)

</TABLE>

<TABLE>
<CAPTION>

Name of Acquired Business	Date of Initial Public Offering	Date of Business Combination	Nature of Business	Trading Market and Ticker Symbol
<S>	<C>	<C>	<C>	<C>
LFS Acquisition Corp. (currently known as, "Kids Mart, Inc.")	September 26, 1993	January 3, 1996	Operating children's apparel stores	Bulletin Board (KIDM)
Pan American World Airways, Inc. (currently operating as, "Pan Am Corporation")	March 21, 1994	September 23, 1996	Airline industry	AMEX (PAA)

</TABLE>

Messrs. Richard B. Frost, Mark J. Hanna and Marshal E. Rosenberg, executive officers and directors of the Company, were also officers and directors of Frost Hanna Halpryn Capital Group, Inc., a Florida corporation ("Frost Hanna Halpryn") and "blank check" company whose initial public offering of securities closed in February 1993. Frost Hanna Halpryn raised net proceeds of approximately $6,100,000 through the issuance of 1,175,500 shares of Common Stock at $6.00 per share in such initial public offering. Frost Hanna Halpryn consummated a Business Combination with Sterling Healthcare Group, Inc., a Florida corporation, and Sterling Healthcare, Inc., a Texas corporation (collectively, "Sterling Healthcare") on May 31, 1994 in which both such entities merged with and into a wholly-owned subsidiary of Frost Hanna Halpryn. In connection with such merger, Frost Hanna Halpryn changed its name to Sterling Healthcare, Inc. ("Sterling") (the "Sterling Business Combination"). The principal business activity of Sterling is providing physician contract management services for hospital emergency departments. Upon consummation of the Sterling Business Combination, (i) the former Sterling Healthcare shareholders were issued Sterling common stock which constituted approximately 52% of the outstanding shares of Sterling common stock (assuming full exercise of all outstanding options and warrants to purchase Sterling common stock) and (ii) Messrs. Frost and Hanna resigned from their officer and director positions of Sterling and Mr. Rosenberg resigned from his position of Vice President and Treasurer and remained as a member of the Sterling Board of Directors until December 1994. In October, 1996, Sterling consummated a business combination with FPA Medical Management Inc. ("FPAM") pursuant to which, among other things, each share of Sterling common stock was exchanged for .951 shares of FPAM common stock. FPAM provides regional healthcare management services. FPAM currently trades under the symbol "FPAM" in the NASDAQ National Market. The closing price of FPAM common stock on June 30, 1997 was $23.69 per share.

Messrs. Frost, Hanna, Rosenberg and Donald H. Baxter, also an executive officer and director of the Company, were also officers and directors of Frost Hanna Acquisition Group, Inc., a Florida corporation ("Frost Hanna Acquisition") and "blank check" company whose initial public offering of securities closed in September 1993. Frost Hanna Acquisition raised net proceeds of approximately $6,519,800 through the issuance of 1,265,000 shares of Common Stock at $6.00 per share in such initial public offering. To minimize any potential conflicts of interest which may have arisen as a result of the relationship between such persons' positions with Frost Hanna Halpryn, Frost Hanna Acquisition was prohibited from analyzing or considering any possible Business Combination opportunities until Frost Hanna Halpryn became a party to a letter of intent to consummate a Business Combination. Frost Hanna Acquisition entered into a letter of intent in May 1995 with LFS Acquisition Corp., a Delaware corporation ("LFS"), and on January 3, 1996 consummated a Business Combination with LFS in which LFS merged with and into a wholly-owned subsidiary of Frost Hanna Acquisition. In connection with such merger, Frost Hanna Acquisition changed its name to Kids Mart, Inc. ("Kids Mart") (the "Kids Mart Business Combination"). Upon consummation of the Kids Mart Business Combination (i) the former LFS shareholders were issued Kids Mart common stock which constituted approximately 62% of the outstanding shares of Kids Mart common stock (assuming full exercise of all outstanding options and warrants to purchase Kids Mart common stock) and (ii) Messrs. Frost, Hanna, Baxter and Rosenberg resigned from their positions as officers and directors of Kids Mart. Kids Mart operated a chain

of infant's and children's apparel stores under the names of "Kids Mart" and "Little Folks." On January 10, 1997, Kids Mart filed for Chapter 11 bankruptcy protection in the United States Bankruptcy Court for the District of Delaware (97-42(PJW) In Re LFS Acquisition Corporation, Kidsmart, Inc., Holtzman's Little Folk Shop, Inc.). The closing price of Kids Mart common stock on June 30, 1997 was $0.01 per share.

Messrs. Frost, Hanna, Baxter and Rosenberg were also officers and directors of Frost Hanna Mergers Group, Inc., a Florida corporation ("Frost Hanna Mergers") and "blank check" company whose initial public offering of securities closed in March 1994. Frost Hanna Mergers raised net proceeds of approximately $10.1 million through the issuance of 1,955,000 shares of Common Stock at $6.00 per share in such initial public offering. To minimize any potential conflicts of interest which may have arisen as a result of the relationship between such persons' positions with Frost Hanna Halpryn and Frost Hanna Acquisition, Frost Hanna Mergers was prohibited from analyzing or

considering any possible Business Combination opportunities until Frost Hanna Halpryn and Frost Hanna Acquisition each became parties to a letter of intent to consummate a Business Combination. Frost Hanna Mergers entered into a letter of intent on January 29, 1996 with Pan American World Airways, Inc., a Florida corporation ("PAWA"), and on September 23, 1996, consummated a Business Combination with PAWA in which PAWA merged with and into a wholly-owned subsidiary of Frost Hanna Mergers. In connection with such merger, Frost Hanna Mergers changed its name to Pan Am Corporation ("Pan Am") (the "Pan Am Business Combination"). Upon consummation of the Pan Am Business Combination, (i) the former PAWA shareholders were issued shares of Pan Am common stock which constituted approximately 72% of the outstanding shares of Pan Am common stock (assuming full exercise of all outstanding warrants and options to purchase shares of Pan Am common stock) and (ii) Messrs. Frost and Hanna resigned from their executive officer positions and remained as members of the Pan Am Board of Directors until April 21, 1997 and Messrs. Baxter and Rosenberg resigned from their executive officer and director positions with Pan Am. PAWA was a newly organized corporation established to operate a new low-fare full service airline under the "Pan Am" name, serving selected long-haul routes between major United States cities. Pan Am initiated flight service on September 26, 1996. Pan Am common stock began trading on the American Stock Exchange on September 24, 1996 and trades under the symbol PAA. The closing price of Pan Am common stock on June 30, 1997 was $7.88 per share.

Escrow of Offering Proceeds. Upon completion of this Offering, 80% of the Net Proceeds therefrom (approximately $5,497,600, assuming an initial offering price of $6.00 per share and no exercise of the over-allotment option) will be placed in an interest bearing escrow account (the "Escrow Fund") with Fiduciary Trust International of the South, as escrow agent, subject to release upon the earlier of (i) written notification by the Company of its need for all or substantially all of the Escrow Fund for the purpose of implementing a Business Combination; or (ii) the exercise by certain shareholders of the Redemption Offer (as hereinafter defined). Any interest earned on the Escrow Fund shall remain in escrow and be used by the Company either (i) following a Business Combination in connection with the operations of an Acquired Business or (ii) in connection with the distribution to the shareholders through the exercise of the Redemption Offer or the liquidation of the Company. In the event the Company requires in excess of 20% of the Net Proceeds for operations, Messrs. Frost and Hanna have undertaken to waive their salaries prospectively until the consummation by the Company of a Business Combination. Investors' funds may be escrowed for an indefinite period of time following the consummation of this Offering. Further, there can be no assurances that the Company will ever consummate a Business Combination. In the event of the exercise of the Redemption Offer, investors may only recoup a portion of their investment. The Company currently has no expectation with regard to the Company's plans in the event

a Business Combination is not consummated by a certain date. See "--Redemption Rights" and "Use of Proceeds" below.

Shareholder Approval of Business Combination. The Company, prior to the consummation of any Business Combination, will submit such transaction to the Company's shareholders for their approval. In the event, however, that the holders of 30% (405,000 shares of Common Stock or 465,750 shares of Common Stock if the over-allotment option is exercised) or more of the shares of Common Stock sold hereby in this Offering which are outstanding vote against approval of any Business Combination, the Company will not consummate such Business Combination. The shares of Common Stock sold hereby may sometimes be referred to as the "Public Shares" and the holders (whether current or future) of the Public Shares are referred to as the "Public Shareholders." All of the officers and directors of the Company, who own in the aggregate approximately 82% of the Common Stock outstanding prior to this Offering and will own approximately 44% of the outstanding Common Stock following the Offering (41% if the over-allotment option is exercised), have agreed as of the date of this Prospectus to vote their respective shares of Common Stock in accordance with the vote of the majority of the Public Shares with respect to any such Business Combination.

Redemption Rights. At the time the Company seeks shareholder approval of any potential Business Combination, the Company will offer (the "Redemption Offer"), to each of the Public Shareholders who vote against the proposed Business Combination and affirmatively request redemption, for a twenty (20) day period, to redeem all, but not a portion of, their Public Shares, at a per share price equal to the Company's liquidation value (as described below) on the record date for determination of shareholders entitled to vote upon the proposal to approve such Business Combination (the "Record Date") divided by the number of then outstanding Public Shares. The Redemption Offer will be described in detail in the disclosure documentation relating to the proposed Business Combination. The Company's liquidation value will be equal to the Company's book value, as determined by the Company and audited by the Company's independent public accountants (the "Company's Liquidation Value") (which amount will be less than the initial public offering price per share of Common Stock in the Offering in view of the expenses of the Offering, salaries and expenses paid and the anticipated expenses which will be incurred in seeking a Business Combination), calculated as of the Record Date. In no event, however, will the Company's Liquidation Value be less than the Escrow Fund, inclusive of any interest earned thereon. If the holders of less than 30% of the Public Shares held by Public Shareholders elect to have their Public Shares redeemed, the Company may, but will not be required to, proceed with such Business Combination. If the Company elects to so proceed, it will redeem Public Shares, based upon the Company's Liquidation Value, from those Public Shareholders who affirmatively requested such redemption and who voted against the Business Combination. The determination as to whether the Company proceeds with a Business Combination ultimately rests with the Company. However, if the holders

of 30% or more of the Public Shares held by Public Shareholders vote against approval of any potential Business Combination, the Company will not proceed with such Business Combination and will not redeem such Public Shares. If the Company determines not to pursue a Business Combination, even if the Public Shareholders of less than 30% of the Public Shares vote against approval of the potential Business Combination, no Public Shares will be redeemed.

Escrow of Principals' Shares. The shares of Common Stock owned as of the date hereof by all of the officers and directors of the Company (an aggregate of approximately 41% of the outstanding Common Stock immediately subsequent to this Offering assuming the over-allotment option is exercised in full) will be placed in escrow with American Stock Transfer & Trust Company, as escrow agent, until the occurrence of a Business Combination. During such escrow period, such persons will not be able to sell, or otherwise transfer, their respective shares of Common Stock, but will retain all other rights as shareholders of the Company, including, without limitation, the right to vote such shares of Common Stock.

The Company was organized under the laws of the State of Florida on February 2, 1996. The Company's office is located at 327 Plaza Real, Suite 319, Boca Raton, Florida 33432, and its telephone number is (561) 367-1079.

THE OFFERING

<TABLE>
<S> <C>
Common Stock being offered (1)..... 1,350,000 shares

Common Stock to be outstanding
after the Offering (1)..... 2,907,000 shares

Proposed Bulletin Board Symbol(2)..... FHCG
</TABLE>

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(1) Assumes no exercise of the over-allotment option. Does not include 135,000 shares of Common Stock reserved for issuance upon exercise of the Underwriter Options. See "Underwriting."

(2) The inclusion of these securities on the Bulletin Board does not imply that an established public trading market will develop therefor or, if developed, that such market will be sustained. See "Risk Factors--No Assurance of Public Market; Arbitrary Determination of Offering Price."

USE OF PROCEEDS

Upon completion of this Offering, 80% of the Net Proceeds therefrom will be held in the Escrow Fund and shall only be used, if at all, for the implementation of a Business Combination or for purposes of the Redemption Offer. The portion of Net Proceeds not placed in the Escrow Fund (approximately $1,374,400, assuming an initial offering price of $6.00 per share and no exercise of the over-allotment option) will be used to cover costs and expenses incurred in attempting to effect a Business Combination, including selecting and evaluating an Acquired Business, structuring and consummating a Business Combination and paying office build-out and rent expense and $10,000 monthly for salary and $1,000 monthly for non-accountable expense allowance (prospectively and retroactively for a date four months prior to the date hereof) to each of Messrs. Frost and Hanna. As of March 31, 1997, $121,061 of the twenty percent (20%) of the Net Proceeds not held in the Escrow Fund will immediately be used to pay past due general expenses and officers' salaries and $20,000 will be used to pay loans payable to officers. See "Use of Proceeds," "Proposed Business" and "Certain Transactions."

RISK FACTORS

The Common Stock offered hereby involves a high degree of risk and immediate substantial dilution and should not be purchased by investors who cannot afford the loss of their entire investment. Such risk factors include, among others: the Offering is not being conducted in accordance with certain of the Commission's blank check regulations, the Company was recently organized, has no operating history, limited resources and no present source of revenues and the Company's independent auditors have issued a qualified report. See "Risk Factors," "Dilution" and "Use of Proceeds."

SUMMARY FINANCIAL INFORMATION

The following data have been derived from the financial statements of the Company and should be read in conjunction with those statements, which are included in this Prospectus. The pro forma financial information gives effect to the issuance of 145,000 shares of Common Stock and the redemption of 80,000 shares of Common Stock in private placement transactions completed in June 1997 for net proceeds of $32,500, and the as adjusted information gives effect to the issuance of the securities in this Offering as if such Offering and such issuance had occurred at March 31, 1997.

<TABLE>
<CAPTION>

	March 31, 1997		
	Actual	Pro Forma	As Adjusted (1)
	(unaudited)		

Balance Sheet Data:

<S>	<C>	<C>	<C>
Total Assets	$ 183,175	$215,675	$6,993,275
Working capital (deficit)	(195,879)	(163,379)	6,831,731
Total liabilities	235,461	235,461	141,061
Shareholders' equity (deficit)	(52,286)	(19,786)	6,852,214

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(1) The as adjusted information does not give effect to the payment of $10,000 monthly for salary and $1,000 monthly for non-accountable expense allowance (retroactive for four months prior to the date hereof ($88,000)) and loans payable of $10,000 to each of Messrs. Frost and Hanna.

THE COMPANY

The Company was formed to seek to effect a Business Combination with an Acquired Business which the Company believes has significant growth potential. The Company will not engage in any substantive commercial business immediately following this Offering and for an indefinite period of time thereafter. The Company has no plan, proposal, agreement, understanding or arrangement to acquire or merge with any specific business or company, and the Company has not identified any specific business or company for investigation and evaluation. The Company intends to utilize cash (to be derived from the proceeds of this Offering), equity, debt or a combination thereof in effecting a Business Combination. As a result of, among other things, management's broad discretion with respect to the specific allocation of the Net Proceeds of this Offering, this Offering may be characterized as a "blank check" offering.

To date, the Company's efforts have been limited to organizational activities. In April 1997, the Company attempted to consummate an initial public offering of its Common Stock. The attempted offering was terminated prior to any shares of Common Stock being offered or sold thereto after the Company's underwriter (which has no affiliation with the Representative) discontinued its operations. The implementation of the Company's business plans are wholly contingent upon the successful sale of the shares of Common Stock offered hereby. See "Proposed Business."

The Company was organized under the laws of the State of Florida on February 2, 1996. The Company's office is located at 327 Plaza Real, Suite 319, Boca Raton, Florida, 33432, and its telephone number is (561) 367-1079.

RISK FACTORS

THE COMMON STOCK OFFERED HEREBY IS SPECULATIVE, INVOLVES IMMEDIATE SUBSTANTIAL DILUTION AND A HIGH DEGREE OF RISK, INCLUDING, BUT NOT NECESSARILY LIMITED TO, THE SEVERAL FACTORS DESCRIBED BELOW. EACH PROSPECTIVE INVESTOR SHOULD CAREFULLY CONSIDER THE FOLLOWING RISK FACTORS INHERENT IN AND AFFECTING THE BUSINESS OF THE COMPANY AND THIS OFFERING BEFORE MAKING AN INVESTMENT DECISION.

OFFERING NOT CONDUCTED IN ACCORDANCE WITH CERTAIN BLANK CHECK REGULATIONS

The Company's Offering is not being conducted in accordance with the Commission's Rule 419, which was adopted to strengthen regulation of securities offerings by "blank check" companies which the United States Congress has found to have been common vehicles for fraud and manipulation in the penny stock market. Pursuant to Rule 419, a "blank check" company is defined as (a) a development stage company that has no specific business plan or has indicated that its business plan is to engage in a merger or acquisition with an unidentified company or companies; and (b) a company which issues a "penny stock," meaning any equity securities that, among other things, (i) are not quoted in the NASDAQ system; or (ii) in the case of a company which has been in continuous operation for less than three years, has net tangible assets (i.e., total assets less intangible assets and liabilities) of less than $5,000,000, as demonstrated by the company's most recent financial statements that have been audited and reported on by an independent public accountant. Although the Company is a "blank check" company, it is not subject to Rule 419 because the Company's net tangible assets after this Offering will be greater than $5,000,000. Accordingly, investors in this Offering will not receive the substantive protections provided by Rule 419. There can be no assurances that the Commission, the United States Congress or state legislatures will not enact legislation which will prohibit or restrict the sale of securities of "blank check" companies. See "Proposed Business -- Certain Securities Laws Considerations."

RECENTLY ORGANIZED COMPANY; NO OPERATING HISTORY; ACCUMULATED DEFICIT; LIMITED RESOURCES; NO PRESENT SOURCE OF REVENUES

The Company, which was incorporated on February 2, 1996, is a development stage company and has not, as of the date hereof, attempted to seek a Business Combination. The attempted offering was terminated prior to any shares of Common Stock being offered or sold thereto after the Company's underwriter (which has no affiliation with the Representative) discontinued its operations. The Company has experienced operating losses since its inception. As of March 31, 1997, the Company had a deficit accumulated in the development

stage of $236,398 (see Financial Statements included herein). The Company has no operating history and, accordingly, there is only a limited basis upon which to evaluate the Company's prospects for achieving its intended business objectives. Other than with respect to Frost Hanna Halpryn, Frost Hanna Acquisition and Frost Hanna Mergers, the Company's officers and directors have no prior experience relating to the identification, evaluation and acquisition of an Acquired Business. Investors will be relying primarily on their ability to attempt to select an Acquired Business which will be profitable. To date, the Company's efforts have been limited primarily to organizational activities. The Company has limited resources and has had no revenues to date. In addition, the Company will not achieve any revenues (other than interest income earned upon the Net Proceeds of this Offering) until the consummation of a Business Combination, if at all. Moreover, there can be no assurances that any Acquired Business, at the time of the Company's consummation of a Business Combination, or at any time thereafter, will derive any material revenues from its operations or operate on a profitable basis. See "Proposed Business."

QUALIFIED REPORT OF INDEPENDENT AUDITORS

The Company's independent auditors' report on the Company's financial statements includes an explanatory paragraph stating that the Company's ability to commence operations is contingent upon obtaining adequate financial resources through a contemplated public offering, or otherwise, which raises substantial doubt about its ability to continue as a going concern. Additionally, if unsuccessful, the Company may be unable to continue in its present form. The financial statements do not include any adjustments relating to the recoverability and classification of asset carrying amounts or the amount and classification of liabilities that might result should the Company be unable to continue as a going concern. See "Proposed Business,"

"Management's Discussion and Analysis of Financial Condition and Results of Operation," and the Financial Statements of the Company included elsewhere in this Prospectus.

LIMITED UNDERWRITING HISTORY

The Representative has not previously participated in any public offerings as an underwriter. In evaluating an investment in the Company, prospective investors in the Common Stock offered hereby should consider the Representative's lack of experience as an underwriter of public offerings. See "Underwriting."

80% OF NET PROCEEDS MAY BE ESCROWED FOR AN INDEFINITE PERIOD OF TIME

Investors' funds may be escrowed for an indefinite period of time following the consummation of this Offering. Further, there can be no assurances that the Company will ever consummate a Business Combination. Although Messrs. Frost and Hanna have agreed to waive their salaries in the event all of the Net Proceeds of this Offering other than the Escrow Fund are expended and the Company has not consummated a Business Combination, the Company currently has no plans or arrangements with respect to the possible acquisition of additional financing which may be required to continue the operations of the Company in the event all of the funds other than the Escrow Fund are expended and the Company has not consummated a Business Combination. In the event all of the funds other than the Escrow Fund are expended and the Company has not consummated a Business Combination, Messrs. Frost, Hanna, Baxter, Rosenberg and Fernandez may consider loaning to the Company funds for operations, other than the payment of salaries to Messrs. Frost and Hanna. Although there are no plans or arrangements with respect to such loans, Messrs. Frost, Hanna, Baxter, Rosenberg and Fernandez do not currently anticipate such loans, if any, to be made on other than market rate terms. There can be no assurances that Messrs. Frost, Hanna, Baxter, Rosenberg and Fernandez will make such loans to the Company or, if made, that such loans will be made on terms favorable to the Company.

INVESTORS RISK LOSS OF NON-ESCROWED PROCEEDS

Approximately twenty percent (20%) of investors proceeds will not be placed in the Escrow Fund. Instead, such proceeds shall be used immediately by the Company to commence operations relating to selection of a prospective Acquired Business. Although Messrs. Frost and Hanna have agreed to waive their salaries in the event all of the Net Proceeds of this Offering other than the Escrow Fund are expended and the Company has not consummated a Business Combination, the Company currently has no plans or arrangements with respect to the possible acquisition of additional financing which may be required to continue the operations of the Company. In the event the Company is unable to raise additional financing and continue operations, it may have no other alternative than liquidation. In the event of liquidation, the Company's only assets will be the cash in the Escrow Fund (representing only approximately 80% of the investors' initial investment) and the investors would receive a liquidation return of only a portion of their initial investment.

INVOLVEMENT OF CERTAIN PRINCIPALS IN PRIOR BLANK CHECK COMPANIES INCLUDING A COMPANY WHICH SUBSEQUENTLY FILED FOR BANKRUPTCY PROTECTION

Certain of the officers and directors of the Company have held similar positions in three other "blank check" companies. The descriptions of such companies and their respective results have been included elsewhere herein. Purchasers who purchase Common Stock in the Offering will not acquire any ownership interest whatsoever in any of the other "blank check" companies to which the officers and directors of this Company have been involved. The inclusion of the information regarding these companies does not imply that the Company will have similar results with respect to the time period taken to

consummate a Business Combination or the relative success or failure of the Acquired Business following such Business Combination. Investors in this Offering should not assume that they will experience returns, if any, comparable to those experienced by investors in such other "blank check" companies. Additionally, one of such companies filed for Chapter 11 bankruptcy protection on January 10, 1997 in the United States Bankruptcy Court for the District of Delaware. There can be no assurance as to the requirements (if any) that the bankruptcy or any litigation relating thereto could have on the officers and directors of the Company who held similar positions in such other blank check company. There can be no assurance that the Company will be able to effect a Business Combination or that the type of business or the performance of the Acquired Business, if any, will or will not be similar to that of other "blank check" companies to which the officers and directors of the Company have been involved. See "Proposed Business--Involvement of Certain Principals in Prior `Blank Check' Companies."

DISCRETIONARY USE OF PROCEEDS; ABSENCE OF SUBSTANTIVE DISCLOSURE RELATING TO A BLANK CHECK/BLIND POOL OFFERING

As a result of, among other things, management's broad discretion with respect to the specific application of the Net Proceeds of this Offering, this Offering may be characterized as a "blank check" offering. Although substantially all of the Net Proceeds of this Offering are intended to be generally applied toward effecting a Business Combination, such proceeds are not otherwise being designated for any more specific purposes. Accordingly, prospective investors will invest in the Company without an opportunity to evaluate the specific merits or risks of any one or more Business Combinations. "Blank check" offerings are inherently characterized by an absence of substantive disclosure (other than general descriptions relating to the intended application of the net proceeds of the offering). The Company has not yet identified a prospective Acquired Business. Accordingly, investors in this Offering will have virtually no substantive information available for advance consideration of any specific Business Combination. The absence of disclosure may be contrasted with the disclosure which would be necessary if the Company had already identified an Acquired Business as a Business Combination candidate or if the Acquired Business were to effect an offering of its securities directly to the public. There can be no assurances that an investment in the securities offered hereby will not ultimately prove to be less favorable to investors in this Offering than a direct investment, if such opportunity were available, in an Acquired Business. See "Proposed Business--`Blank Check' Offering."

INHERENT RISKIER BUSINESS COMBINATION; SEEKING TO ACHIEVE PUBLIC TRADING MARKET THROUGH BUSINESS COMBINATION

It is possible that in seeking to effect a Business Combination, the Company may consider a candidate base of potential Acquired Businesses that may have inherent riskier businesses than those which may be able to secure financing from more traditional sources. Such candidate base may well have sought to secure financing from banks or financial institutions, venture capitalists, or private or institutional investors, and may have been unable to procure such financing. Such rejection may have resulted from the analysis by such parties that the Acquired Business does not fall within parameters established by such persons or entities for investment or financing including, without limitation, substantial risk of failure. Additionally, a prospective Acquired Business may be a company which does or does not need substantial additional capital but which desires to establish a public trading market for its shares and is unable to do so on its own or wishes to avoid what it may deem to be adverse consequences of undertaking a public offering itself, such as time delays, significant expense, loss of voting control and compliance with various federal and state securities laws enacted for the protection of investors. See "Proposed Business--`Blank Check' Offering."

UNSPECIFIED INDUSTRY AND ACQUIRED BUSINESS; UNASCERTAINABLE RISKS

To date, the Company has not selected any particular industry or any Acquired Business in which to concentrate its Business Combination efforts. Accordingly, there is no current basis for prospective investors in this Offering to evaluate the possible merits or risks of the Acquired Business or the particular industry in which the Company may ultimately operate. However, in connection with seeking shareholder approval of a Business Combination, the Company (as a result of its intention to register the Common Stock under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and thereby become subject to the proxy solicitation rules contained therein) intends to furnish its shareholders with proxy solicitation materials prepared in accordance with the Exchange Act, which, among other matters, will include a description of the operations of the prospective Acquired Business and audited historical financial statements thereof. To the extent the Company effects a Business Combination with a financially unstable company or an entity in its early stage of development or growth (including entities without established records of sales or earnings), the Company will become subject to numerous risks inherent in the business operations of financially unstable and early stage or potential emerging growth companies. In addition, to the extent that the Company effects a Business Combination with an entity in an industry characterized by a high level of risk, the Company will become subject to the currently unascertainable risk of that industry. An extremely high level of risk frequently characterizes certain industries which experience rapid growth. Although management will endeavor to evaluate

the risks inherent in a particular industry or Acquired Business, there can be no assurances that the Company will properly ascertain or assess all such significant risk factors. Accordingly, management could identify and acquire an Acquired Business which could fail, resulting in the loss of an investor's entire investment in the shares of Common Stock offered hereby.

PROBABLE LACK OF BUSINESS DIVERSIFICATION

While the Company may, under certain circumstances, seek to effect Business Combinations with more than one Acquired Business, it will not expend less than the Threshold Amount (approximately $5,497,600, assuming an initial offering price of $6.00 per share and no exercise of the over-allotment option) upon its first Business Combination. Consequently, it is likely that the Company will have the ability to effect only a single Business Combination. Accordingly, the prospects for the Company's success will be entirely dependent upon the future performance of a single business. Unlike certain entities which have the resources to consummate several business combinations of entities operating in multiple industries or multiple areas of a single industry, it is highly likely that the Company will not have the resources to diversify its operations or benefit from the possible spreading of risks or offsetting of losses. In addition, by consummating a Business Combination with only a single entity, the prospects for the Company's success may become dependent upon the development or market acceptance of a single or limited number of products, processes or services. Consequently, there can be no assurances that the Acquired Business will prove to be commercially viable. See "Proposed Business - --`Blank Check' Offering."

UNCERTAIN STRUCTURE OF BUSINESS COMBINATION; PROBABLE CHANGE IN CONTROL AND MANAGEMENT

The structure of a Business Combination with an Acquired Business, which may take the form of, among other structures, a merger, exchange of capital stock or asset acquisition, cannot be presently determined since neither the Company's officers or directors nor any of their affiliates have had any preliminary contacts, discussions or understandings with representatives of any potential Acquired Business regarding the possibility of a Business Combination. The Company will most likely issue additional shares of Common Stock as part of the consideration for the Business Combination and may incur debt, or, engage in a Business Combination involving any combination thereof. The successful completion of such a transaction could result in a change in control of the Company. This could result from the issuance of a large percentage of the Company's authorized securities or the sale by the present shareholders of all or a portion of their stock or a combination thereof in connection with a Business Combination. Any change in control will most likely also result in the resignation or removal of the Company's present officers and directors. Accordingly, investors will be relying, in some significant respects, on the abilities of the management and directors of the Acquired Business who are unidentifiable as of the date hereof. If there is a change in management in connection with a Business Combination, which is likely to occur, no assurances can be given as to the experience or qualifications of the persons who replace present management respecting either the operation of the Company's activities or the operation of the business, assets or property being acquired.

DEPENDENCE UPON KEY PERSONNEL

The ability of the Company to successfully effect a Business Combination will be largely dependent upon the efforts of its executive officers and directors. It is anticipated that the Company's executives, officers and directors are the only persons whose activities will be material to the operations of the Company pending the Company's identification and consummation of a Business Combination and such individuals are the only persons who have been instrumental in arranging the capitalization of the Company to date. The Company has entered into employment agreements with Richard B. Frost, the Company's Chief Executive Officer and Chairman of the Board of Directors and Mark J. Hanna, a Director and President of the Company, and has obtained "key man" life insurance on the lives of both individuals in the amount of $1,000,000 each. Although the Company anticipates that it will maintain this "key man" life insurance, no assurances can be given that such insurance will be maintained at reasonable rates, if at all. The loss of the services of such key personnel before suitable replacements are obtained could have a material adverse effect on the Company's capacity to

successfully achieve its business objectives. None of the Company's key personnel are required to commit their full time to the affairs of the Company and, accordingly, such personnel may have conflicts of interest in allocating management time among various business activities. It is anticipated that each of Messrs. Frost and Hanna will devote approximately 50% of their working time to the affairs of the Company and Donald H. Baxter and Marshal E. Rosenberg, a Director and the Company's Vice President and Treasurer and a Director and the Company's Vice President and Secretary, respectively, will devote approximately 10% of their time to the affairs of the Company. Additionally, the success of the Company may be dependent upon its ability to retain additional personnel with specific knowledge or skills necessary to assist the Company in evaluating a potential Business Combination. There can be no assurances that the Company will be able to retain such necessary additional personnel. See "Proposed Business--Employees" and "Management of the Company."

CONFLICTS OF INTEREST

None of the Company's key personnel are required to commit their full time to the affairs of the Company and, accordingly, such personnel may have conflicts of interest in allocating management time among various business activities. Certain of these key personnel may in the future become affiliated with entities, including other "blank check" companies, engaged in business activities similar to those intended to be conducted by the Company. Messrs. Frost and Hanna are each currently directors of Continucare Corporation, a Florida corporation ("Continucare") engaged in the development and management of mental and physical rehabilitation health care programs. Mr. Rosenberg is an investor in numerous private enterprises, engaged in, among other things, real estate development and retail sales, which business interests may conflict with those of an Acquired Business. Mr. Baxter is the President of Baxter Financial Corporation, an investment advisory firm, and the President and Chairman of the Philadelphia Fund and Eagle Growth Shares, mutual funds registered under the Investment Company Act of 1940. Mr. Fernandez is currently Chairman of the Board, President and Chief Executive Officer of Continucare. Certain activities which may be performed by such individuals in connection with their other business affiliations may be deemed competitive with the business of the Company.

In the course of their other business activities, including private investment activities, Messrs. Frost, Hanna, Baxter, Rosenberg and Fernandez may become aware of investment and business opportunities which may be appropriate for presentation to the Company as well as the other entities with which they are affiliated. Such persons may have conflicts of interest in determining to which entity a particular business opportunity should be presented. In general, officers and directors of corporations incorporated under the laws of the State of Florida are required to present certain business opportunities to such corporations. Accordingly, as a result of multiple business affiliations, Messrs. Frost, Hanna, Baxter, Rosenberg and Fernandez may have similar legal obligations relating to presenting certain business opportunities to the various entities upon which they serve as directors. In addition, conflicts of interest may arise in connection with evaluations of a particular business opportunity by the Board of Directors with respect to the foregoing criteria. There can be no assurances that any of the foregoing conflicts will be resolved in favor of the Company. In order to minimize potential conflicts of interest which may arise from multiple corporate affiliations, each of Messrs. Frost, Hanna, Baxter, Rosenberg and Fernandez have agreed to present to the Company for its consideration, prior to presentation to any other entity, any prospective Acquired Business which is appropriate for the Company to consider and which prospective Acquired Business participates in an industry dissimilar to any of the industries to which such individuals have corporate affiliations. It should be further noted, that the Company shall not consider Business Combinations with entities owned or controlled by officers, directors, greater than 10% shareholders of the Company or any person who directly or indirectly controls, is controlled by or is under common control with the Company. The Company may consider Business Combinations with entities owned or controlled by persons other than those persons described above. See "Proposed Business--`Blank Check' Offering" and "Selection of an Acquired Business and Structuring of a Business Combination."

Pursuant to an agreement among each of Messrs. Frost, Hanna, Baxter, Rosenberg and Fernandez and the Company, such persons will not (i) actively negotiate for or otherwise consent to the disposition of any portion of their Common Stock at a per share price different than that offered with respect to the Public Shares as a condition to or in connection with a Business Combination or (ii) cause any securities of the Company to be

sold by any officers, directors, greater than 10% shareholders or persons who may be deemed promoters of the Company except as may otherwise be made in permitted market transactions without affording all shareholders of the Company a similar opportunity. Further, the Company shall not borrow funds to be used directly or indirectly to (i) purchase any shares of the Company's Common Stock owned by management of the Company; or (ii) make payments to the Company's promoters, management or their affiliates or associates.

NO DISINTERESTED MEMBERS OF THE BOARD OF DIRECTORS

All members of the Company's current Board of Directors are significant shareholders of the Company and will own, in the aggregate, approximately 44% of the outstanding Common Stock following the Offering (41% if the over-allotment option is exercised). Additionally, following the Offering, the Representative will have the right to appoint one member to the Company's Board of Directors until such time as the Company effects a Business Combination utilizing a majority of its funds. Accordingly, there will be, at most, only one disinterested or outside member of the Board of Directors, and the Company may not benefit from the advice of a member of the Board of Directors who is not also an officer or director of the Company or otherwise not involved in the offering of shares of Common Stock. The Board of Directors currently has no formal committees, such as a compensation committee or an audit committee, and most likely will not form such committees until some time after the consummation of a Business Combination.

REIMBURSEMENT OF EXPENSES TO OFFICERS AND DIRECTORS; 20% OF NET PROCEEDS IMMEDIATELY AVAILABLE

No funds will be disbursed from the Escrow Fund for salaries payable to Messrs. Frost and Hanna or for the reimbursement of expenses incurred by the Company's officers and directors on behalf of the Company. Other than the foregoing, there is no limit on the amount of such reimbursable expenses, and there will be no review of the reasonableness of such expenses by anyone other than the Company's Board of Directors, all the members of which are officers

unless the Representative exercises his right to appoint one member to the Company's Board of Directors. In no event will the Escrow Fund be used for any purpose other than implementation of a Business Combination or for purposes of implementing the Redemption Offer. In the event the Company requires in excess of 20% of the Net Proceeds for operations, Messrs. Frost and Hanna have undertaken to waive their salaries and non-accountable expense allowance until the consummation of a Business Combination. See "Use of Proceeds," "Proposed Business--Payment of Salaries or Consulting Fees," and "Management of the Company."

EXECUTIVE COMPENSATION; CERTAIN PROCEEDS TO BE USED TO PAY RETROACTIVE SALARY

Pursuant to employment agreements, Messrs. Frost and Hanna each receive $10,000 monthly for salary and $1,000 monthly for non-accountable expense allowance. Messrs. Frost and Hanna currently intend to devote approximately 50% of their time to the affairs of the Company. The amounts due under such employment agreements shall be payable prospectively and retroactively to a date four months prior to the date of this Offering. Other than pursuant to the employment agreements and except for the Representative who may designate a member of the Board of Directors, no officers or directors will receive any other salaries or fees, unless received by all other shareholders on a proportionate basis. See "Management of the Company."

LIMITED ABILITY TO EVALUATE ACQUIRED BUSINESS' MANAGEMENT;
NO INDEPENDENT ANALYSIS OR AUDITS TO BE PERFORMED

While the Company's ability to successfully effect a Business Combination will be dependent upon certain of its key personnel, the future role of such personnel in the Acquired Business cannot presently be stated with any certainty. It is unlikely that any of the Company's key personnel will remain associated in any operational capacity with the Company following a Business Combination. Moreover, there can be no assurances that such personnel will have significant experience or knowledge relating to the operations of the particular Acquired Business. Furthermore, although the Company intends to closely scrutinize the management of a prospective Acquired Business in connection with evaluating the desirability of effecting a Business

Combination, there can be no assurances that the Company's assessment of such management will prove to be correct, especially in light of the possible inexperience of current key personnel of the Company in evaluating certain types of businesses. In addition, there can be no assurances that such future management will have the necessary skills, qualifications or abilities to manage a public company. The Company may also seek to recruit additional managers to supplement the incumbent management of the Acquired Business. There can be no assurances that the Company will have the ability to recruit such additional managers, or that such additional managers will have the requisite skills, knowledge or experience necessary to enhance the incumbent management. Additionally, there can be no assurances that the Company will hire an independent company to perform any analysis or audit of a potential Acquired Business or perform any type of background check on any of the management of such Acquired Business. See "Proposed Business--'Blank Check' Offering."

COMPETITION

The Company expects to encounter intense competition from other entities having a business objective similar to that of the Company. Many of these entities, including venture capital partnerships and corporations, blind pool companies, large industrial and financial institutions, small business investment companies and wealthy individuals, are well-established and have extensive experience in connection with identifying and effecting business combinations directly or through affiliates. Many of these competitors possess greater financial, marketing, technical, personnel and other resources than the Company and there can be no assurances that the Company will have the ability to compete successfully. The Company's financial resources will be relatively limited when contrasted with those of many of its competitors. This inherent competitive limitation may compel the Company to select certain less attractive Business Combination prospects. Further, the Company's obligation to redeem shares of Common Stock held by certain Public Shareholders, discussed under "Proposed Business -- Redemption Rights" and elsewhere herein, may place the Company at a competitive disadvantage in successfully negotiating a Business Combination. There can be no assurances that such prospects will permit the Company to meet its stated business objective. See "Proposed Business - --Competition."

UNCERTAINTY OF COMPETITIVE ENVIRONMENT OF ACQUIRED BUSINESS

In the event that the Company succeeds in effecting a Business Combination, the Company will, in all likelihood, become subject to intense competition from competitors of the Acquired Business. In particular, certain industries which experience rapid growth frequently attract an increasingly larger number of competitors, including competitors with increasingly greater financial, marketing, technical and other resources than the initial competitors in the industry. The degree of competition characterizing the industry of any prospective Acquired Business cannot presently be ascertained. There can be no assurances that, subsequent to a Business Combination, the Company will have the resources to compete effectively, especially to the extent that the Acquired Business is in a high-growth industry. See "Proposed Business--Competition."

POSSIBLE NEED FOR ADDITIONAL FINANCING

The Company has had no revenues to date and is entirely dependent upon the proceeds of this Offering to commence operations relating to selection of a prospective Acquired Business. The Company will not receive any revenues (other than interest income) until, at the earliest, the consummation of a Business Combination. Although the Company believes that the proceeds of this Offering will be sufficient to effect a Business Combination, inasmuch as the Company has not yet identified any prospective Acquired Business candidates, the Company cannot ascertain with any degree of certainty the capital requirements for any particular transaction. In the event that the Net Proceeds of this Offering prove to be insufficient for purposes of effecting a Business Combination (because of the size of the Business Combination or the depletion of 20% of the portion of the Net Proceeds available to the Company from the search of an Acquired Business), the Company will be required to seek additional financing. There can be no assurances that such financing would be available on acceptable terms, if at all. In the event no Business Combination is identified, negotiations are incomplete or no Business Combination has been consummated, and all of the Net Proceeds other than the Escrow Fund have

been expended, the Company currently has no plans or arrangements with respect to the possible acquisition of additional financing which may be required to continue the operations of the Company. In such event, Messrs. Frost, Hanna, Baxter and Rosenberg may consider lending to the Company funds for operations other than the payment of salaries to Messrs. Frost and Hanna. Although there are no plans or arrangements with respect to such loans, such individuals do not currently anticipate such loans, if any, to be made on terms other than upon market interest rates. To the extent that such additional financing proves to be unavailable when needed to consummate a particular Business Combination, the Company would, in all likelihood, be compelled to restructure the transaction or abandon that particular Business Combination and seek an alternative Acquired Business candidate.

In the event of a consummation of a Business Combination, the Company cannot ascertain with any degree of certainty the capital requirements for any particular Acquired Business inasmuch as the Company has not yet identified any prospective Acquired Business candidates. To the extent the Business Combination results in the Acquired Business requiring additional financing, such additional financing (which, among other forms, could be derived from the public or private offering of securities or from the acquisition of debt through conventional bank financing), may not be available, due to, among other things, the Acquired Business not having sufficient (i) credit or operating history; (ii) income stream; (iii) profit level; (iv) asset base eligible to be collateralized; or (v) market for its securities.

As no specific Business Combination or industry has been targeted, it is not possible to predict the specific reasons why conventional private or public financing or conventional bank financing might not become available. There can be no assurances that, in the event of a consummation of a Business Combination, sufficient financing to fund the operations or growth of the Acquired Business will be available upon terms satisfactory to the Company, nor can there be any assurances that financing would be available at all. See "Proposed Business--'Blank Check' Offering--Selection of an Acquired Business and Structuring of a Business Combination."

POSSIBLE USE OF DEBT FINANCING; DEBT OF AN ACQUIRED BUSINESS

There are currently no limitations relating to the Company's ability to borrow funds to increase the amount of capital available to the Company to effect a Business Combination or otherwise finance the operations of the Acquired Business. The amount and nature of any borrowings by the Company will depend on numerous considerations, including the Company's capital requirements, the Company's perceived ability to meet debt service on any such borrowings and then prevailing conditions in the financial markets, as well as general economic conditions. There can be no assurances that debt financing, if required or otherwise sought, would be available on terms deemed to be commercially acceptable and in the best interests of the Company. The inability of the Company to borrow funds required to effect or facilitate a Business Combination, or to provide funds for an additional infusion of capital into an Acquired Business, may have a material adverse effect on the Company's financial condition and future prospects. Additionally, to the extent that debt funding ultimately proves to be available, any borrowings may subject the Company to various risks traditionally associated with incurring of indebtedness, including the risks of interest rate fluctuations and insufficiency of cash flow to pay principal and interest. Furthermore, an Acquired Business may have already incurred debt financing and, therefore, all the risks inherent thereto. See "Use of Proceeds" and "Proposed Business - --'Blank Check' Offering" and "--Selection of an Acquired Business and Structuring of a Business Combination."

AUTHORIZATION OF ADDITIONAL SECURITIES

The Company's Articles of Incorporation authorizes the issuance of 100,000,000 shares of Common Stock, par value $.0001 per share. Upon completion of this Offering, assuming all of the shares of Common Stock offered hereby are sold, there will be a minimum of 96,755,500 authorized but unissued shares of Common Stock available for issuance (after appropriate reservation for the issuance of shares upon full exercise of the over-allotment option and the Underwriter Options). Although the Company has no commitments as of the date of this Prospectus to issue any shares of Common Stock other than as described in this Prospectus, the Company

will, in all likelihood, issue a substantial number of additional shares of Common Stock in connection with a Business Combination. To the extent that additional shares of Common Stock are issued, dilution to the interests of the Company's shareholders will occur. Additionally, if a substantial number of shares of Common Stock are issued in connection with a Business Combination, a change in control of the Company may occur which may impact, among other things, the utilization of net operating losses, if any. Furthermore, the issuance of a substantial number of shares of Common Stock may cause dilution and adversely affect prevailing market prices, if any, for the Common Stock, and could impair the Company's ability to raise additional capital through the sale of its equity securities. The Company has no plans, proposals, arrangements or understandings with respect to the creation of a subsidiary entity with a view to distribution to the Company's shareholders the securities of the subsidiary entity. See "Proposed Business--'Blank Check' Offering;" "--Selection of an Acquired Business and Structuring of a Business Combination" and "Description of Securities."

INVESTMENT COMPANY ACT CONSIDERATIONS

After the Offering, substantially all of the Company's assets will be invested in interest-bearing securities, which could subject the Company to the registration requirements of the Investment Company Act of 1940, as amended (the "Investment Company Act"). Registration under the Investment Company Act would subject the Company to substantive regulations which could have a material adverse effect on its business. The Company intends to conduct its business in a manner designed to avoid being subject to the registration requirements of the Investment Company Act and management believes that the Company can avoid being subject to the registration requirements of such Act; however, there can be no assurance that the Company can avoid becoming subject to these registration requirements.

TAX CONSIDERATIONS

As a general rule, federal and state tax laws and regulations have a significant impact upon the structuring of business combinations. The Company will evaluate the possible tax consequences of any prospective Business Combination and will endeavor to structure the Business Combination so as to achieve the most favorable tax treatment to the Company, the Acquired Business and their respective shareholders. There can be no assurances, however, that the Internal Revenue Service (the "IRS") or appropriate state tax authorities will ultimately assent to the Company's tax treatment of a consummated Business Combination. To the extent the IRS or state tax authorities ultimately prevail in recharacterizing the tax treatment of a Business Combination, there may be adverse tax consequences to the Company, the Acquired Business and their respective shareholders. See "Proposed Business--'Blank Check' Offering;" "--Selection of an Acquired Business and Structuring of a Business Combination."

POSSIBLE PAYMENT OF FINDER'S FEES

In the event that a person or entity assists the Company in connection with the introduction to a prospective Acquired Business with which a Business Combination is ultimately consummated, such person or entity may be entitled to receive a finder's fee in consideration for such introduction. Such finder's fees may take the form of the issuance of securities or cash. Such person may be required to be registered as, among other things, an agent or broker-dealer under the laws of certain jurisdictions. The executive officers and directors of the Company have agreed that neither they nor any entity with which they are affiliated will be entitled to receive a finder's fee in the event they originate a Business Combination. See "Proposed Business--'Blank Check' Offering;" "--Selection of an Acquired Business and Structuring of a Business Combination;" "Management of the Company--Conflicts of Interest" and "Underwriting."

DIVIDENDS UNLIKELY

The Company has not paid any dividends on its Common Stock to date and does not presently intend to pay cash dividends prior to the consummation of a Business Combination. The payment of dividends after any such Business Combination, if any, will be contingent upon the Company's revenues and earnings, if any, capital requirements and general financial condition subsequent to consummation of a Business Combination. The payment of any dividends subsequent to a Business Combination will be within the discretion of the Company's then Board of Directors. It is the present intention of the Board of Directors to retain all earnings, if any, for use in the Company's business operations and, accordingly, the Board does not anticipate paying any cash dividends in the foreseeable future. See "Description of Securities--Dividends."

CONTROL BY PRESENT SHAREHOLDERS

Upon consummation of the Offering, present shareholders, including the present management of the Company, will collectively own approximately 54% of the then issued and outstanding shares of Common Stock (assuming no exercise of the Underwriter Options or over-allotment option), approximately 44% of which will be owned by the current officers and directors. In the election of directors, shareholders are not entitled to cumulate their votes for nominees. Accordingly, the current shareholders will essentially be able to elect all of the Company's Directors and thereafter have a substantial impact upon the operations of the Company. See "Principal Shareholders," "Certain Transactions," "Proposed Business--'Blank Check' Offering" and "Description of Securities."

NO ASSURANCE OF PUBLIC MARKET; ARBITRARY DETERMINATION OF OFFERING PRICE

Prior to this Offering, there has been no public trading market for the Common Stock. The initial public offering price of the shares of Common Stock have been arbitrarily determined by negotiation between the Company and the Representative and does not bear any relationship to such established valuation criteria as assets, book value or prospective earnings. There can be no assurances that a regular trading market will develop for the shares of Common Stock after this Offering or that, if developed, any such market will be sustained. Trading of the Common Stock will likely be conducted through what is customarily known as the "pink sheets" and on the Bulletin Board. Any market for the Common Stock which may result will likely be less well developed than if the Common Stock were traded in NASDAQ or an exchange.

The Representative has advised the Company that although the Representative anticipates it will act as a market maker of the Company's shares of Common Stock after the closing of the Offering, there can be no assurances that the Representative will in fact act in such capacity. As of the date hereof, other than with the Representative, the Company has had no discussions and there are no understandings with any firm regarding the participation of such firm as a market maker in the shares of the Company's Common Stock. See "Underwriting."

RISK OF LOW PRICE ("PENNY STOCK") SECURITIES

If the Company, at any time, has net tangible assets of $2,000,000 or less, transactions in the Common Stock would be subject to certain rules promulgated under the Exchange Act. Under such rules, broker-dealers who recommend such securities to persons other than institutional accredited investors (generally institutions with assets in excess of $5,000,000) must make a special written suitability determination for the purchaser, receive the purchaser's written agreement to a transaction prior to sale and provide the purchaser with risk disclosure documents which identify certain risks associated with investing in "penny stocks" and which describes the market therefor as well as a purchaser's legal remedies. Further, the broker-dealer must also obtain a signed and dated acknowledgment from the purchaser demonstrating that the purchaser has actually received the required risk disclosure document before a transaction in a "penny stock" can be consummated. If the Common Stock becomes subject to such rules, broker-dealers may find it difficult to effectuate customer

transactions and the trading activity in the Common Stock; thus, the market price, if any, may be depressed, and an investor may find it more difficult to dispose of the Common Stock.

IMMEDIATE SUBSTANTIAL DILUTION; DISPARITY OF CONSIDERATION

The difference between the public offering price per share of Common Stock and the pro forma net tangible book value per share of Common Stock of the Company after this Offering constitutes the dilution to investors in this Offering. The pro forma net tangible book value per share is determined by dividing the net tangible book value of the Company (total tangible assets less total liabilities) by the number of outstanding shares of Common Stock. New investors will incur an immediate and substantial dilution of approximately $3.64 per share (i.e. the difference between the pro forma net tangible book value per share after the Offering of $2.36 and the public offering price of $6.00 per share) allocable to each Share (assuming no exercise of the Underwriter Options or the over-allotment option). The existing shareholders of the Company acquired their shares of Common Stock at a nominal price (an average of $0.14 per share) and, accordingly, new investors will bear virtually all of the risks inherent in an investment in the Company. See "Dilution."

SHARES ELIGIBLE FOR FUTURE SALE

All of the 1,557,000 shares of Common Stock issued and outstanding prior to this Offering are "restricted securities," as that term is defined under Rule 144 ("Rule 144"), promulgated under the Securities Act. None of such shares will be eligible for sale under Rule 144, as currently in effect, prior to September 13, 1997. The shares of Common Stock owned as of the date hereof by Messrs. Frost, Hanna, Baxter, Rosenberg and Fernandez (an aggregate of approximately 82% of the outstanding Common Stock prior to this Offering) will be placed in escrow with American Stock Transfer & Trust Company, as escrow agent, until the occurrence of a Business Combination. During such escrow period, such persons will not be able to sell, or otherwise transfer, their respective shares of Common Stock, but will retain all other rights as shareholders of the Company, including, without limitation, the right to vote such shares of Common Stock.

In general, under Rule 144, as currently in effect, subject to the satisfaction of certain other conditions, a person, including an affiliate of the Company (or persons whose shares are aggregated), who has beneficially owned restricted shares of Common Stock for at least one year is entitled to sell, within any three-month period, a number of shares that does not exceed the greater of 1% of the total number of outstanding shares of the same class or, if the Common Stock is quoted on NASDAQ or an exchange, the average weekly trading volume during the four calendar weeks preceding the sale. A person who has not been an affiliate of the Company for at least the three months immediately preceding the sale and who has beneficially owned restricted shares of Common Stock for at least two years is entitled to sell such shares under Rule 144 without regard to any of the limitations described above. No prediction can be made as to the effect, if any, that sales of "restricted"

shares of Common Stock or the availability of such shares for sale will have on the market prices prevailing from time to time. Nevertheless, the possibility that substantial amounts of Common Stock may be sold in the public market may adversely affect prevailing market prices for the Common Stock and could impair the Company's ability to raise capital through the sale of its equity securities. See "Principal Shareholders" and "Shares Eligible for Future Sale."

REGULATIONS CONCERNING "BLANK CHECK" ISSUERS

The ability to register or qualify the shares of Common Stock for both initial sale and secondary trading is limited because a number of states have enacted regulations pursuant to their securities or "blue sky" laws restricting or, in some instances, prohibiting, the sale of securities of "blank check" issuers, such as the Company, within that state. In addition, many states, while not specifically prohibiting or restricting "blank check" companies, would not permit registration or qualification of the Common Stock for sale in their states. Because of such regulations and other restrictions, the Company's selling efforts, and any secondary market which may develop, may only be conducted in certain States (as described below) or in those jurisdictions where an applicable exemption is available or a blue sky application has been filed and accepted. See "State Blue Sky

Registration; Restricted Resales of the Common Stock," below. In addition, the Commission has enacted rules under the Securities Act which, among other things, afford shareholders of "blank check" companies a right to rescind their purchases of such securities for a limited period subsequent to the consummation of a Business Combination. Such rules, however, are not applicable to, among other things, offerings where the net worth of the company is greater than $5,000,000 and consequently, it is the Company's belief that such rules are not applicable to this Offering. There can be no assurances that the Commission, the United States Congress, or state legislatures will not enact legislation which will prohibit or restrict the sale of securities of "blank check" companies.

STATE BLUE SKY REGISTRATION; RESTRICTED RESALES OF THE COMMON STOCK

The Company has made application to register or has or will seek to obtain an exemption from registration to offer the Common Stock, and intends to conduct its selling efforts in Colorado, Delaware, Florida, Illinois, Maryland, New York, Oregon, Rhode Island, South Carolina and Utah. Purchasers of the Common Stock in the Offering must be residents of such jurisdictions. In order to prevent resale transactions in violation of states' securities laws, shareholders may only engage in resale transactions in the states listed above and such other jurisdictions in which an applicable exemption is available or a blue sky application has been filed and accepted. As a matter of notice to the holders thereof, the Common Stock certificates shall contain information with respect to resale of the Common Stock. Further, the Company will advise its market maker, if any, of such restriction on resale. Such restriction on resale may limit the ability of investors to resell the shares of Common Stock purchased in this Offering.

Several additional states may permit secondary market sales of the shares of Common Stock (i) once or after certain financial and other information with respect to the Company is published in a recognized securities manual such as Standard & Poor's Corporation Records; (ii) after a certain period has elapsed from the date hereof; or (iii) pursuant to exemptions applicable to certain investors. However, since the Company is a "blank check" company, it may not be able to be listed in any recognized securities manual until after the consummation of the first Business Combination.

UNDERWRITER OPTIONS

In connection with this Offering, the Company has agreed to sell to the Representative, at an aggregate price of $135, warrants to purchase up to 135,000 shares of Common Stock (the "Stock Purchase Option" or "Underwriter Options"). The Underwriter Options are exercisable at a price of $7.20 per share (120% of offering price) for a period commencing one year after, and ending five years after, the date of this Prospectus. In addition, the holders of the Underwriter Options will have certain registration rights with respect to the shares of Common Stock underlying the Underwriter Options (the "Underlying Shares"). See "Underwriting--Underwriter Options." In addition, the sale, or even the possibility of sale, of the Underlying Shares could have an adverse effect on the market price for the Company's securities or on the Company's ability to obtain future public financing. If and to the extent the Underwriter Options are exercised, shareholders may experience dilution in the book value of their holdings. See "Dilution."

LACK OF BUSINESS OPERATIONS

Although the Company will use efforts to attempt to locate potential Business Combinations, there can be no assurances that any business or assets worthy of even preliminary investigation will come to the Company's attention, or that any significant amount of funds will be expended in actual acquisition of assets. See "Management of the Company--Conflicts of Interest."

LOSS FROM ANALYSIS AND INVESTIGATION OF BUSINESS PROSPECTS

The Company will be required, in all probability, to expend funds in the preliminary internal investigation or examination of assets, business or properties, whether or not an investment occurs.

Additionally, the Company may expend additional funds if it hires an independent company to perform an analysis or audit of a potential Acquired Business or perform background checks on the management of such Acquired Business. To the extent management determines that the potential investment has little or no value, the monies spent on internal investigations and independent company consultation services will be a total loss. In no event will the funds placed in the Escrow Fund, including any interest earned thereon, be used for expenses associated with the evaluation and structuring of a contemplated Business Combination.

CERTAIN PROVISIONS OF COMPANY'S ARTICLES OF INCORPORATION; INDEMNIFICATION OF OFFICERS AND DIRECTORS AND ELECTION OUT OF ANTI-TAKEOVER STATUTES

The Company's Articles of Incorporation provide, among other things, that (i) officers and directors of the Company will be indemnified to the fullest extent permitted under Florida law; and (ii) the Company has elected not to be governed by Sections 607.0901 and 607.0902 of the Florida Business Corporation Act and other laws relating thereto (the "Anti-Takeover Sections").

Because of the Company's election not to be governed by the Anti-Takeover Sections, the Company will not be subject to the provisions of Florida law which provide that certain transactions between the Company and an "interested shareholder" or any affiliate of the "interested shareholder" be approved by two-thirds of the Company's outstanding shares. An "interested shareholder" as defined in Section 607.0901 of the Florida Business Corporation Act is any person who is the beneficial owner of more than 10% of the outstanding shares of the company who is entitled to vote generally in the election of directors. In addition, because of the Company's election not to be governed by the Anti-Takeover Sections, the Company will not have the alleged assistance against unfriendly take-over attempts purportedly provided by that statute.

USE OF PROCEEDS

The Net Proceeds to the Company from the sale of the shares of Common Stock offered hereby, after the Offering Costs and Underwriting Discount of approximately $1,228,000, are estimated to be $6,872,000 and $7,929,050, if the over-allotment option is exercised in its entirety. Eighty percent (80%) of the Net Proceeds of this Offering (approximately $5,497,600 if the over-allotment option is not exercised), after such costs and discounts, will be placed in the Escrow Fund which is an interest bearing escrow account, with Fiduciary Trust International of the South, as escrow agent, subject to release upon the earlier of (i) written notification by the Company of its need for all, or substantially all, of such Net Proceeds for the purpose of implementing a Business Combination; or (ii) the exercise by certain shareholders of the Redemption Offer. See "Proposed Business -- Redemption Rights." Any interest earned on the Escrow Fund will accrue in the Escrow Fund. In no event will the funds placed in the Escrow Fund, including any interest earned thereon, be used for expenses associated with the evaluation and structuring of a contemplated Business Combination. The Escrow Agent has advised the Company that the Escrow Agent is under no prohibitions with respect to the length of time that the Escrow Agent may act as escrow agent in connection with the holding of the Escrow Fund.

The Company estimates that the remaining twenty percent (20%) of such Net Proceeds may be required to evaluate potential Acquired Businesses, to select an Acquired Business and to structure and consummate a Business Combination with such Acquired Business (including possible payment of finder's fees or other compensation to persons or entities which provide assistance or services to the Company in these regards), as well as to pay the Company's accounting fees, legal fees, office build-out and rent, telephone, mailing, travel related to a potential Business Combination, filing fees, occupational license fees, escrow agent fees, transfer agent fees, consulting fees, the fees, if any, to hire any independent appraisers in connection with a potential Business Combination, and salary and non-accountable expense allowance for each of Messrs. Frost and Hanna (the "General and Administrative Expenses"), until consummation of a Business Combination. The Company believes that it can satisfy its cash requirements until a Business Combination is consummated with 20% of the Net Proceeds derived from this Offering, including interest earned thereon. As of March 31, 1997, $121,061 of the remaining twenty percent (20%) of the Net Proceeds will immediately be used to pay past due General and Administrative Expenses and officers' salaries and $20,000 will be used to pay loans payable to officers. Meanwhile, due to the possible indefinite period of time to consummate a Business Combination and the nature and cost of the Company's expenses related to the Company's search and analysis of a Business Combination, there can be no assurances that the Company's cash requirements until a Business Combination is consummated will be satisfied with 20% of the Net Proceeds of this Offering (including interest income earned thereon). In the event the Company requires in excess of 20% of the Net Proceeds for operations, Messrs. Frost and Hanna have undertaken to waive their salaries and non-accountable expense allowance until the consummation by the Company of a Business Combination. In the event that the Company elects to effect more than one Business Combination, it will expend at least the Threshold Amount on the first Business Combination. To the extent that securities of the Company are used in whole or in part as consideration to effect a Business Combination, the balance of the Net Proceeds of this Offering not theretofore expended will be used to finance the operations of the Acquired Business.

The Company has agreed to pay to each of Messrs. Frost and Hanna, upon consummation of this Offering, $10,000 monthly for salary and $1,000 monthly for non-accountable expense allowance (prospectively and retroactively for four months prior to the date hereof ($88,000)). No other officers, directors or current shareholders, except for the Representative who may designate a member of the Board of Directors, shall be paid any consulting fees or salaries for services delivered by such persons in connection with a Business Combination. The Company shall reimburse its officers and directors for any accountable reasonable expenses incurred in connection with activities on behalf of the Company. The proceeds placed in the Escrow Fund (including any interest earned thereon) will not be used by the Company for salaries or expenses payable to Messrs. Frost or Hanna or to reimburse the Company's officers and directors for expenses incurred in connection with activities on behalf of the Company. Other than the foregoing, there is no limit on the amount of such reimbursable expenses and there will be no review of the reasonableness of such expenses by anyone other than the Board of Directors, all of the current members (except Mr. Fernandez) of which are officers of the Company. In no event will the Escrow Fund be used for any purpose other than the implementation of a Business Combination or for purposes of the Redemption Offer.

Further, no Net Proceeds of this Offering shall be loaned to any of the Company's officers, directors, greater than 10% shareholders of the Company or any person who directly or indirectly controls, is controlled by or is under common control with the Company. No proceeds of this Offering will be paid to officers, directors, greater than 10% shareholders of the Company or any person who directly or indirectly controls, is controlled by or is under common control with the Company, in consideration for professional services rendered by such persons prior to the consummation of a Business Combination. The Net Proceeds of this Offering not immediately required for the purposes set forth above will be invested in United States Government securities or other minimum risk, short-term interest bearing investments; provided, however, that the Company will attempt to not invest the Net Proceeds in a manner which may result in the Company being deemed to be an investment company under the Investment Company Act.

DILUTION

The difference between the public offering price per share of Common Stock and the pro forma net tangible book value per share of Common Stock of the Company after this Offering constitutes the dilution to investors in this Offering. Pro forma net tangible book value per share is determined by dividing the net tangible book value of the Company (total tangible assets less total liabilities) by the number of outstanding shares of Common Stock.

At March 31, 1997, the net tangible book value of the Company, after giving effect to the issuance of 145,000 shares of Common Stock and the redemption of 80,000 shares of Common Stock in private placement transactions completed in June 1997 for net proceeds of $32,500, was ($142,896) or ($0.09) per share of Common Stock. After giving effect to the sale of 1,350,000 shares of Common Stock offered hereby and the application of the estimated Net Proceeds therefrom, the pro forma net tangible book value of the Company at March 31, 1997 would have been $6,852,214 or $2.36 per share, representing an immediate increase in net tangible book value of $6,995,110 or $2.45 per share to existing shareholders and an immediate dilution of $3.64 per share to new investors. As of the date hereof, there are currently no plans, proposals, arrangements or understandings with respect to the sale of additional securities to any persons for the period commencing with the closing of this Offering and the Company's identification of a Business Combination, other than the Company's issuance of shares of Common Stock upon the exercise of the over-allotment option and the Underwriter Options. See "Underwriting."

The following table illustrates the foregoing information with respect to dilution to new investors on a per-share basis after the Offering.

<TABLE>

<S>	<C>	<C>
Public offering price per share		$ 6.00
Net tangible book value per share, before this Offering	(0.09)	
Increase per share attributable to payment by new investors	2.45	
Pro forma net tangible book value per share, after this Offering		2.36
Dilution to new investors per share		3.64

</TABLE>

The following table sets forth as of the date of this Prospectus, with respect to existing shareholders and new investors, a comparison of the number of shares of Common Stock acquired from the Company, their percentage ownership

of such shares, the total consideration paid, the percentage of total consideration paid and the average price per share:

<TABLE>
<CAPTION>

	SHARES PURCHASED(1)		TOTAL CONSIDERATION		PRICE PER
	AMOUNT	PERCENTAGE	PAID	PERCENTAGE	SHARE
<S>	<C>	<C>	<C>	<C>	<C>
Existing Shareholders	1,557,000	54%	$ 216,612	3%	$ .14
New Investors	1,350,000	46%	8,100,000	97%	$ 6.00
	2,907,000	100%	$ 8,316,672	100%	

</TABLE>

- ---

(1) The above table assumes no exercise of the over-allotment option. If the over-allotment option is exercised in full, the new investors will have paid $9,175,000 for 1,552,500 shares of Common Stock, representing approximately 98% of the total consideration for approximately 49.9% of the total number of shares of Common Stock outstanding. The above table also assumes no exercise of the Underwriter Options. See "Underwriting."

CAPITALIZATION

The following table sets forth the actual capitalization of the Company as of March 31, 1997, the pro forma capitalization as if the issuance of 145,000 shares of Common Stock and the redemption of 80,000 shares of Common Stock in private placement transactions completed in June 1997 for net proceeds of $32,500 had occurred on March 31, 1997 and the capitalization as adjusted to give effect to the sale of 1,350,000 shares of Common Stock being offered hereby and the application of the estimated Net Proceeds therefrom:

<TABLE>
<CAPTION>

	Actual	Pro Forma	As Adjusted(2)
<S>	<C>	<C>	<C>
Shareholder's Equity(1)			
Common Stock, $.0001 par value, 100,000,000 shares authorized: 1,492,000 shares issued actual, 1,557,000 issued pro forma, and 2,907,000 as adjusted	$ 149	$ 156	$ 291
Capital in excess of par value	183,963	216,456	7,088,321
Deficit accumulated during development stage	(236,398)	(236,398)	(236,398)
Total shareholders' equity	$ (52,286)	$ (19,786)	$ 6,852,214

</TABLE>

(1) Assumes no exercise of the Underwriter Options or the over-allotment option. See "Underwriting."
(2) The as adjusted information does not give effect to the payment of $10,000 monthly for salary and $1,000 monthly for non-accountable expense allowance (retroactive for four months prior to the date hereof ($88,000)) and loans payable of $10,000 to each of Messrs. Frost and Hanna.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The Company, a development stage entity, was formed in February 1996 to serve as a vehicle to effect a Business Combination with an Acquired Business which the Company believes has significant growth potential. The Company intends to utilize cash (to be derived from the proceeds of this Offering), equity, debt or a combination thereof in effecting a Business Combination. The Company has neither engaged in any operations nor generated any revenues to date. Its entire activity since its inception has been to prepare for its proposed fundraising through an offering of equity securities as contemplated herein. The attempted offering was terminated prior to any shares of Common Stock being offered or sold thereto after the Company's underwriter (which has no affiliation with the Representative) discontinued its operations.

Through March 31, 1997, the Company's expenses which are primarily attributable to its formation and proposed fundraising are approximately $237,824, of which $116,763 has been paid to date, with the remaining amount contemplated to be paid out of the proceeds of the Offering.

Substantially all of the Company's working capital needs subsequent to the Offering will be attributable to the identification of a suitable Acquired Business, and thereafter to effectuate a Business Combination with such Acquired Business. Such working capital needs are expected to be satisfied from the Net Proceeds of the proposed Offering. Although no assurances can be made, the Company believes it can satisfy its cash requirements until a Business Combination is consummated with 20% of the Net Proceeds derived hereby. Due to the possible indefinite period of time to consummate a Business Combination and the nature and cost of the Company's expenses related to the Company's search and analysis of a Business Combination, there can be no assurances that the Company's cash requirements until a Business Combination is consummated will be satisfied with 20% of the Net Proceeds of this Offering (including interest income earned thereon). The Company believes, however, that the Company's cash requirements for the next twelve months will be satisfied with 20% of the Net Proceeds of this Offering. See "Risk Factors" and "Use of Proceeds."

The report of independent public accountants on the Company's financial statements includes an explanatory paragraph concerning the Company's ability to commence operations being dependent on the success of this Offering, which raises substantial doubt about its ability to continue as a growing concern.

FORWARD-LOOKING STATEMENTS AND ASSOCIATED RISKS

This Prospectus contains forward-looking statements. These forward-looking statements are based largely on the Company's expectations and are subject to a number of risks and uncertainties, many of which are beyond the Company's control. Actual results could differ from these forward-looking statements as a result of, among other things, the factors described in "Risk Factors." In light of these risks and uncertainties, there can be no assurance that the forward-looking information contained in this Prospectus will in fact occur.

PROPOSED BUSINESS

INTRODUCTION

The Company was formed in February 1996 to seek to effect a Business Combination with an Acquired Business which the Company believes has significant growth potential. The Company will not engage in any substantive commercial business immediately following this Offering and for an indefinite period of time following this Offering. The Company has no plan, proposal, agreement, understanding or arrangement to acquire or merge with any specific business or company, and the Company has not identified any specific business or company for investigation and evaluation. The Company intends to utilize cash (to be derived from the proceeds of this Offering), equity, debt or a combination thereof in effecting a Business Combination. While the Company may, under certain circumstances, seek to effect Business Combinations with more than one Acquired Business, it will not expend less than the Threshold Amount (approximately $5,497,600, assuming an initial offering price of $6.00 per share and no exercise of the over-allotment option) upon its first Business Combination. Consequently, it is likely that the Company will have the ability to effect only a single Business Combination. The Company may effect a Business Combination with a prospective Acquired Business which may be financially unstable or in its early stages of development or growth.

"BLANK CHECK" OFFERING

Background. As a result of, among other things, management's broad discretion with respect to the specific application of the Net Proceeds of this Offering, this Offering may be characterized as a "blank check" offering. Although substantially all of the Net Proceeds of this Offering are intended to be generally applied toward effecting a Business Combination, such proceeds are not otherwise being designated for any more specific purposes. Accordingly, prospective investors will invest in the Company without an opportunity to evaluate the specific merits or risks of any one or more Business Combinations. A Business Combination may involve the acquisition of, or merger with, a company which does not need substantial additional capital but which desires to establish a public offering itself, while avoiding what it may deem to be adverse consequences of undertaking a public offering itself, such as time delays, significant expense, loss of voting control and compliance with various federal and state securities laws. In the event that management identifies and effectuates a Business Combination with an Acquired Business which proves to be not successful for any of a myriad of reasons, some of which may not at this time be identifiable because of the "blank check" nature of the Offering, investors in the Company could lose their entire investment in the Company.

Unspecified Industry and Acquired Business. To date, the Company has not selected any particular industry or any Acquired Business in which to concentrate its Business Combination efforts. Accordingly, there is no current basis for prospective investors in this Offering to evaluate the possible merits or risks of the Acquired Business or the particular industry in which the Company may ultimately operate. However, in connection with seeking shareholder approval of a Business Combination, the Company (as a result of its intention to register its Common Stock under the Exchange Act and thereby become subject to the proxy solicitation rules contained therein) intends to furnish its shareholders with proxy solicitation materials prepared in

accordance with the Exchange Act which, among other matters, will include a description of the operations of the Acquired Business candidate and audited historical financial statements thereof. To the extent the Company effects a Business Combination with a financially unstable company or an entity in its early stage of development or growth (including entities without established records of sales or earnings), the Company will become subject to numerous risks inherent in the business and operations of financially unstable and early stage or potential emerging growth companies. In addition, to the extent that the Company effects a Business Combination with an entity in an industry characterized by a high level of risk, the Company will become subject to the currently unascertainable risks of that industry. An extremely high level of risk frequently characterizes certain industries which experience rapid growth. Although management will endeavor to evaluate the risks inherent in a particular industry or Acquired Business, there can be no assurances that the Company will properly ascertain or assess all significant risk factors. Additionally, a prospective Acquired Business may be a company which does not need substantial additional capital but which desires to establish a public trading

market for its shares, while avoiding what it may deem to be adverse consequences of undertaking a public offering itself, such as time delays, significant expense, loss of voting control and compliance with various federal and state securities laws enacted for the protection of investors. Accordingly, management could identify and acquire an Acquired Business which could fail, resulting in the loss of an investor's entire investment in the shares of Common Stock offered hereby. See "Risk Factors."

Probable Lack of Business Diversification. While the Company may, under certain circumstances, seek to effect Business Combinations with more than one Acquired Business, it will not expend less than the Threshold Amount (approximately $5,497,600) upon its first Business Combination. Consequently, it is likely that the Company will have the ability to effect only a single Business Combination. Accordingly, the prospects for the Company's success will be entirely dependent upon the future performance of a single business. Unlike certain entities which have the resources to consummate several business combinations of entities operating in multiple industries or multiple areas of a single industry, it is highly likely that the Company will not have the resources to diversify its operations or benefit from the possible spreading of risks or offsetting of losses. The Company's probable lack of diversification may subject the Company to numerous economic, competitive and regulatory developments, any or all of which may have a substantial adverse impact upon the particular industry in which the Company may operate subsequent to a Business Combination. In addition, by consummating a Business Combination with only a single entity, the prospects for the Company's success may become dependent upon the development or market acceptance of a single or limited number of products, processes or services. Accordingly, notwithstanding the possibility of capital investment in and management assistance to the Acquired Business by the Company, there can be no assurances that the Acquired Business will prove to be commercially viable. Prior to the consummation of a Business Combination, the Company has no intention to purchase or acquire a minority interest in any company.

Opportunity for Shareholder Evaluation or Approval of Business Combinations. The investors in this Offering will, in all likelihood, neither receive nor otherwise have the opportunity to evaluate any financial or other information which will be made available to the Company in connection with selecting a potential Business Combination until after the Company has entered into an agreement to effectuate a Business Combination. Such agreement to effectuate a Business Combination, however, will be subject to shareholder approval as discussed elsewhere herein. As a result, investors in this Offering will be almost entirely dependent on the judgment of management in connection with the selection and ultimate consummation of a Business Combination. In connection with seeking shareholder approval of a Business Combination, the Company intends to furnish its shareholders with proxy solicitation materials prepared in accordance with the Exchange Act which, among other matters, will include a description of the operations of the Acquired Business candidate and audited historical financial statements thereof.

Under the Florida Business Corporation Act, certain forms of Business Combinations may be effected without shareholder approval. In addition, the form of Business Combination may have an impact upon the availability of dissenters' rights (i.e., the right to receive fair payment with respect to the Company's Common Stock) to shareholders disapproving the proposed Business Combination. The Company will afford to investors in this Offering the right to approve any Business Combination, irrespective of whether or not such approval would be required under applicable Florida law. IN THE EVENT, HOWEVER, THAT THE HOLDERS OF 30% OR MORE OF THE PUBLIC SHARES HELD BY PUBLIC SHAREHOLDERS VOTE AGAINST APPROVAL OF ANY BUSINESS COMBINATION, THE COMPANY WILL NOT CONSUMMATE SUCH BUSINESS COMBINATION. All of the officers and directors of the Company, who own in the aggregate approximately 82% of the Common Stock outstanding prior to this Offering, have agreed as of the date of this Prospectus to vote their respective shares of Common Stock in accordance with the vote of the majority of the Public Shares held by the Public Shareholders with respect to any Business Combination. See "Redemption Rights," below.

Limited Ability to Evaluate Acquired Business' Management. While the Company's ability to successfully effect a Business Combination will be dependent upon certain key personnel, the future role of such personnel in the Acquired Business cannot presently be stated with any certainty. It is unlikely that any of the Company's key personnel will remain associated in any operational capacity with the Company following a

Business Combination. Moreover, there can be no assurances that such personnel will have any experience or knowledge relating to the operations of the particular Acquired Business. Furthermore, although the Company intends to closely scrutinize the management of a prospective Acquired Business in connection with evaluating the desirability of effecting a Business Combination, there can be no assurances that the Company's assessment of such management will prove to be correct, especially in light of the inexperience of current key personnel of the Company in evaluating businesses. Accordingly, investors will be relying in some significant respects, on the ability of the management of the Acquired Business who are unidentifiable as of the date hereof. In addition, there can be no assurances that such future management will have the necessary skills, qualifications or abilities to manage a public company. The Company may also seek to recruit additional managers to supplement the incumbent management of the Acquired Business. There can be no assurances that the Company will have the ability to recruit such additional managers, or that such additional managers will have the requisite skill, knowledge or experience necessary or desirable to enhance the incumbent management.

Selection of an Acquired Business and Structuring of a Business Combination. Management anticipates that the selection of an Acquired Business will be complex and risky because of competition for such business opportunities among all segments of the financial community. The nature of the Company's search for the acquisition of an Acquired Business requires maximum flexibility inasmuch as the Company will be required to consider various factors and circumstances which may preclude meaningful direct comparison among the various business enterprises, products or services investigated. Investors should recognize that the possible lack of diversification among the Company's acquisitions may not permit the Company to offset potential losses from one venture against profits from another. Management of the Company will have virtually unrestricted flexibility in identifying and selecting a prospective Acquired Business. In addition, in evaluating a prospective Acquired Business, management will consider, among other factors, the following:

- financial condition and results of operation of the Acquired Business;

- growth potential and projected financial performance of the Acquired Business and the industry in which it operates;

- equity interest in and possible management participation in the Acquired Business;

- experience and skill of management and availability of additional personnel of the Acquired Business;

- capital requirements of the Acquired Business;

- competitive position of the Acquired Business;

- stage of development of the product, process or service of the Acquired Business;

- degree of current or potential market acceptance of the product, process or service of the Acquired Business;

- possible proprietary features and possible other protection of the product, process or service of the Acquired Business;

- regulatory environment of the industry in which the Acquired Business operates; and

- costs associated with effecting the Business Combination.

The foregoing criteria are not intended to be exhaustive; any evaluation relating to the merits of a particular Business Combination will be based, to the extent relevant, on the above factors as well as other considerations deemed relevant by management in connection with effecting a Business Combination consistent

with the Company's business objective. In connection with its evaluation of a prospective Acquired Business, management anticipates that it will conduct a due diligence review which will encompass, among other things, meetings with incumbent management and inspection of facilities, as well as review of financial or other information which will be made available to the Company.

The time and costs required to select and evaluate an Acquired Business candidate (including conducting a due diligence review) and to structure and consummate the Business Combination (including negotiating relevant agreements and preparing requisite documents for filing pursuant to applicable securities laws and state corporation laws) cannot presently be ascertained with any degree of certainty. Messrs. Frost and Hanna currently intend to devote approximately 50% of their working time to the affairs of the Company, Messrs. Baxter and Rosenberg intend to devote approximately 10% of their working time to the affairs of the Company and Mr. Fernandez does not intend to devote any of his working time to the affairs of the Company and, accordingly, consummation of a Business Combination may require a greater period of time than if the Company's executive officers devoted their full time to the Company's affairs. Any costs

incurred in connection with the identification and evaluation of a prospective Acquired Business with which a Business Combination is not ultimately consummated will result in a loss to the Company and reduce the amount of capital available to otherwise complete a Business Combination.

The Company may utilize cash (derived from the proceeds of this Offering), equity, debt or a combination of these as consideration in effecting a Business Combination. Although the Company has no commitments as of the date of this Prospectus to issue any shares of Common Stock other than as described in this Prospectus, the Company will, in all likelihood, issue a substantial number of additional shares in connection with a Business Combination. To the extent that such additional shares are issued or other securities convertible or exchangeable into common stock, dilution to the interest of the Company's shareholders will occur. Additionally, if a substantial number of shares of Common Stock are issued in connection with a Business Combination, a change in control of the Company may occur.

If securities of the Company are issued as part of an acquisition, it cannot be predicted whether such securities will be issued in reliance upon exemptions from registration under applicable federal or state securities laws or will be registered for public distribution. When registration of securities is required, substantial cost may be incurred and time delays encountered. In addition, the issuance of additional securities and their potential sale in any trading market which may develop in the Company's Common Stock, of which there is no assurances, may depress the price of the Company's Common Stock in any market which may develop in the Company's Common Stock. Additionally, such issuance of additional securities of the Company would result in a decrease in the percentage ownership of the Company of purchasers of the Common Stock being offered hereby.

The Company's operations may be limited by the Investment Company Act. Unless the Company registers with the Commission as an investment company, it will not, among other things, be permitted to own or propose to acquire investment securities, exclusive of government securities and cash items, which have a value exceeding 40% of the value of the Company's total assets on an unconsolidated basis. It is not anticipated that the Company will have a policy restricting the type of investments it may make. While the Company will attempt to conduct its operations so as not to require registration under the Investment Company Act and management believes that the Company can avoid being subject to the registration requirements under such Act, there can be no assurances that the Company will not be deemed to be subject to the Investment Company Act.

There are currently no limitations relating to the Company's ability to borrow funds to increase the amount of capital available to the Company to effect a Business Combination or otherwise finance the operations of the Acquired Business. The amount and nature of any borrowings by the Company will depend on numerous considerations, including the Company's capital requirements, the Company's perceived ability to meet debt service on such borrowings and then prevailing conditions in the financial markets, as well as general economic conditions. There can be no assurances that debt financing, if required or otherwise sought, would be available on terms deemed to be commercially acceptable and in the best interests of the Company. The inability of the Company to borrow funds for an additional infusion of capital into an Acquired Business may have material

adverse effects on the Company's financial condition and future prospects. To the extent that debt financing ultimately proves to be available, any borrowings may subject the Company to various risks traditionally associated with incurring indebtedness, including the risks of interest rate fluctuations and insufficiency of cash flow to pay principal and interest. Furthermore, an Acquired Business may have already incurred debt financing and, therefore, all the risks inherent thereto.

Because of the Company's small size, investors in the Company should carefully consider the business constraints on its ability to raise additional capital when needed. Until such time as any enterprise, product or service which the Company acquires generates revenues sufficient to cover operating costs, it is conceivable that the Company could find itself in a situation where it needs additional funds in order to continue its operations. This need could arise at a time when the Company is unable to borrow funds and when market acceptance for the sale of additional shares of the Company's Common Stock does not exist.

PAYMENT OF SALARIES

In connection with the consummation of a Business Combination, the Company may become obligated to pay to certain persons consulting fees or salaries. The Company has agreed to pay, to each of Messrs. Frost and Hanna, upon consummation of the Offering, $10,000 monthly for salary and $1,000 monthly for non-accountable expense allowance (prospectively and retroactively for four months prior to the date hereof ($88,000 in the aggregate)) No other current officers, directors or shareholders shall be paid any consulting fees or salaries for services delivered by such persons in connection with a Business Combination. The Company shall reimburse its officers and directors for any accountable reasonable expenses incurred in connection with activities on behalf of the Company. The proceeds placed in the Escrow Fund (including any interest earned thereon) will not be used by the Company for salaries or expenses payable to Messrs. Frost or Hanna or for consulting fees. No funds (including any interest earned thereon) will be disbursed from the Escrow Fund for reimbursement of expenses. Other than the foregoing, there is no limit on the amount of such reimbursable expenses and there will be no review of the

reasonableness of such expenses by anyone other than the Board of Directors, all of the members of which are present officers of the Company. In the event the Company requires in excess of 20% of the Net Proceeds for operations, Messrs. Frost and Hanna have undertaken to defer their salaries and non-accountable expense allowance until the consummation by the Company of a Business Combination. Subsequent to the consummation of a Business Combination, to the extent the current officers, directors or shareholders of the Company provide services to the Company, such persons may receive from the Company consulting fees or salaries. The Company is not aware of any plans, proposals, understandings or arrangements with respect to the sale of any shares of Common Stock of the Company by any current shareholders. Further, there are no plans, proposals, understandings or arrangements with respect to the transfer by the Company to any of the current shareholders, any funds, securities or other assets of the Company.

INVOLVEMENT OF CERTAIN PRINCIPALS IN PRIOR "BLANK CHECK" COMPANIES

Certain of the officers and directors of the Company have held similar positions in three other "blank check" companies (i.e., a development stage company that has no specific business plan or has indicated that its business plan is to engage in a merger or acquisition with an unidentified company), each of which has consummated a Business Combination as of the date of this Prospectus. There can be no assurance that the Company will ever be able to effect a Business Combination or that the type of business or the performance of the Acquired Business, if any, will be similar to that of these other "blank check" companies. Further, the results of such "blank check" companies are not indicative in any manner of the possible future results of the Company. Certain information with respect to each such prior Business Combination that the officers and directors of the Company have been involved, as obtained from each such company's respective filings with the Commission, is set forth below:

<TABLE>
<CAPTION>

Name of Acquired Business	Date of Initial Public Offering	Date of Business Combination	Nature of Business	Trading Market and Ticker Symbol
<S>	<C>	<C>	<C>	<C>
Sterling Health Care Group, Inc. and Sterling Healthcare, Inc. (currently operating subsequent to a merger as, "FPA Medical Management, Inc.")	February 9, 1993	May 31, 1994	Providing physician contract management services for hospital emergency departments	NASDAQ National Market (FPAM)
LFS Acquisition Corp. (currently known as, "Kids Mart, Inc.")	September 26, 1993	January 3, 1996	Operating children's apparel stores	Bulletin Board (KIDM)
Pan American World Airways, Inc. (currently operating as, "Pan Am Corporation")	March 21, 1994	September 23, 1996	Airline industry	AMEX (PAA)

</TABLE>

Messrs. Richard B. Frost, Mark J. Hanna and Marshal E. Rosenberg, executive officers and directors of the Company, were also officers and directors of Frost Hanna Halpryn a "blank check" company whose initial public offering of securities closed in February 1993. Frost Hanna Halpryn raised net proceeds of approximately $6,100,000 through the issuance of 1,175,500 shares of Common Stock at $6.00 per share in such initial public offering. Frost Hanna Halpryn consummated a Business Combination with Sterling Healthcare on May 31, 1994 in which both such entities merged with and into a wholly-owned subsidiary of Frost Hanna Halpryn. In connection with such merger, Frost Hanna Halpryn changed its name to "Sterling Healthcare, Inc." The principal business activity of Sterling is providing physician contract management services for hospital emergency departments. Upon consummation of the Sterling Business Combination, (i) the former Sterling Healthcare shareholders were issued Sterling common stock which constituted approximately 52% of the outstanding shares of Sterling common stock (assuming full exercise of all outstanding options and warrants to purchase Sterling common stock) and (ii) Messrs. Frost and Hanna resigned from their officer and director positions of Sterling and Mr. Rosenberg resigned from his position of Vice President and Treasurer and remained as a member of the Sterling Board of Directors until December 1994. In October, 1996, Sterling consummated a business combination with FPA Medical Management Inc. ("FPAM") pursuant to which, among other things, each share of Sterling common stock was exchanged for .951 shares of FPAM common stock. FPAM provides regional healthcare management services. FPAM currently trades under the symbol "FPAM" in the NASDAQ National Market. The closing price of FPAM common stock on June 30, 1997 was $23.69 per share.

Messrs. Frost, Hanna, and Rosenberg and Mr. Donald H. Baxter, also an executive officer and director of the Company, were also officers and directors of Frost Hanna Acquisition, a "blank check" company whose initial public offering of securities closed in September 1993. Frost Hanna Acquisition raised net proceeds of approximately $6,519,800 through the issuance of 1,265,000 shares of Common Stock at $6.00 per share in such initial public offering. To minimize any potential conflicts of interest which may have arisen as a result of the relationship between such persons' positions with Frost Hanna Halpryn, Frost Hanna Acquisition was prohibited from analyzing or considering any

possible Business Combination opportunities until Frost Hanna Halpryn became a party to a letter of intent to consummate a Business Combination. Frost Hanna Acquisition entered into a letter of intent in May 1995 with LFS and on January 3, 1996, consummated a Business Combination with LFS in which LFS merged with and into a wholly-owned subsidiary of Frost Hanna Acquisition. In connection with such merger, Frost Hanna Acquisition changed its name to "Kids Mart, Inc." Upon consummation of the Kids Mart Business Combination (i) the former LFS shareholders were issued Kids

Mart common stock which constituted approximately 62% of the outstanding shares of Kids Mart common stock (assuming full exercise of all outstanding options and warrants to purchase Kids Mart common stock) and (ii) Messrs. Frost, Hanna, Baxter and Rosenberg resigned from their positions as officers and directors of Kids Mart. Kids Mart operated a chain of infant's and children's apparel stores under the names of "Kids Mart" and "Little Folks." On January 10, 1997, Kids Mart filed for Chapter 11 bankruptcy protection in the United States Bankruptcy Court for the District of Delaware (97-42(PJW) In Re LFS Acquisition Corporation, Kidsmart, Inc., Holtzman's Little Folk Shop, Inc.). The closing price of Kids Mart common stock on June 30, 1997 was $0.01 per share.

Messrs. Frost, Hanna, Baxter and Rosenberg, were also officers and directors of Frost Hanna Mergers Group, a "blank check" company whose initial public offering of securities closed in March 1994. Frost Hanna Mergers raised net proceeds of approximately $10.1 million through the issuance of 1,955,000 shares of Common Stock at $6.00 per share in such initial public offering. To minimize any potential conflicts of interest which may have arisen as a result of the relationship between such persons' positions with Frost Hanna Halpryn and Frost Hanna Acquisition, Frost Hanna Mergers was prohibited from analyzing or considering any possible Business Combination opportunities until Frost Hanna Halpryn and Frost Hanna Acquisition each became parties to a letter of intent to consummate a Business Combination. Frost Hanna Mergers entered into a letter of intent on January 29, 1996 with PAWA and on September 23, 1996, consummated a Business Combination with PAWA in which PAWA merged with and into a wholly-owned subsidiary of Frost Hanna Mergers. In connection with such merger, Frost Hanna Mergers changed its name to "Pan Am Corporation." Upon consummation of the Pan Am Business Combination, (i) the former PAWA shareholders were issued shares of Pan Am common stock which constituted approximately 72% of the outstanding shares of Pan Am common stock (assuming full exercise of all outstanding warrants and options to purchase shares of Pan Am common stock) and (ii) Messrs. Frost and Hanna resigned from their executive officer positions with Pan Am and remained as members of the Pan Am Board of Directors until April 21, 1997 and Messrs. Baxter and Rosenberg resigned from their executive officer and director positions with Pan Am. PAWA was a newly organized corporation established to operate a new low-fare full service airline under the "Pan Am" name, serving selected long-haul routes between major United States cities. Pan Am initiated flight service on September 26, 1996. Pan Am common stock began trading on the American Stock Exchange on September 24, 1996 and trades under the symbol PAA. The closing price of Pan Am common stock on June 30, 1997 was $7.88 per share.

Purchasers who purchase Common Stock in the Offering will not acquire any ownership interest whatsoever in any of the other "blank check" companies to which the officers and directors of this Company have been involved. The inclusion of the information regarding these companies does not imply that the Company will have similar results with respect to the time period taken to consummate a Business Combination or the relative success or failure of the Acquired Business following such Business Combination. Investors in this Offering should not assume that they will experience returns, if any, comparable to those experienced by investors in such other "blank check" companies. There can be no assurance that the Company will be able to effect a Business Combination or that the type of business or the performance of the Acquired Business, if any, will be similar to that of other "blank check" companies to which the officers and directors of the Company have been involved.

SOURCES OF ACQUIRED BUSINESSES

The Company anticipates that it will make contact with business prospects primarily through the efforts of its officers, who will meet personally with existing management and key personnel, visit and inspect material facilities, assets, products and services belonging to such prospects, and undertake such further reasonable investigation as management deems appropriate. The Company anticipates that certain Acquired Business candidates may be brought to its attention from various unaffiliated sources, including securities broker-dealers, investment bankers, venture capitalists, bankers, other members of the financial community, and affiliated sources. While the Company does not presently anticipate engaging the services of professional firms that specialize in business acquisitions on any formal basis, the Company may engage such firms in the future, in which event the Company may pay a finder's fee or other compensation. Such finder may be required to be registered as, among other things, an agent or broker-dealer under the laws of certain jurisdictions. In no event, however, will the Company pay a finder's fee or commission to officers or directors of the Company or any entity with which they are affiliated for such services except, the Representative in the event it assists the Company during the five-year period commencing on the date hereof in connection with the introduction of a prospective Acquired Business with which a Business Combination is ultimately consummated. See "Management of the Company--Conflicts of Interest."

COMPETITION

The Company expects to encounter intense competition from other entities having a business objective similar to that of the Company. Many of these entities are well-established and have extensive experience in connection with identifying and effecting business combinations directly or through affiliates. Many of these competitors possess greater financial, marketing, technical, personnel and other resources than the Company and there can be no assurances that the Company will have the ability to compete successfully. Inasmuch as the Company may not have the ability to compete effectively with its competitors in selecting a prospective Acquired Business, the Company may be compelled to evaluate certain less attractive prospects. There can be no assurances that such prospects will permit the Company to meet its stated business objective. Further, the Company's obligation to seek shareholder approval of a Business Combination may delay the consummation of a transaction; and the Company's obligation in certain circumstances to convert into cash, shares of Common Stock held by Public Shareholders (as a result of a Redemption Offer) may reduce the resources available to the Company for a Business Combination or for other corporate purposes. Either of these obligations may place the Company at a competitive disadvantage in successfully negotiating a Business Combination. Management believes, however, that the Company's status as a public entity and its potential access to the United States public equity markets may give the Company a competitive advantage over privately-held entities having a similar business objective to that of the Company in acquiring an Acquired Business with significant growth potential on favorable terms. See "Risk Factors."

UNCERTAINTY OF COMPETITIVE ENVIRONMENT OF ACQUIRED BUSINESS

In the event that the Company succeeds in effecting a Business Combination, the Company will, in all likelihood, become subject to intense competition from competitors of the Acquired Business. In particular, certain industries which experience rapid growth frequently attract an increasingly larger number of competitors, including competitors with increasingly greater financial, marketing, technical and other resources than the initial competitors in the industry. The degree of competition characterizing the industry of any prospective Acquired Business cannot presently be ascertained. There can be no assurances that, subsequent to a Business Combination, the Company will have the resources to compete effectively, especially to the extent that the Acquired Business is in a high-growth industry.

REDEMPTION RIGHTS

At the time the Company seeks shareholder approval of any potential Business Combination, the Company will offer each of the Public Shareholders who vote against the proposed Business Combination and

affirmatively request redemption, for a specified period of time of not less than 20 days, to redeem all, but not a portion of, their Public Shares, at a per share price equal to the Company's liquidation value on the Record Date divided by the number of Public Shares held by all of the Public Shareholders. The Redemption Offer will be described in detail in the disclosure documentation relating to the proposed Business Combination. The Company's liquidation value will be equal to the Company's Liquidation Value (the Company's book value, as determined by the Company and audited by the Company's independent public accountants) (which amount will be less than the initial public offering price per share of Common Stock in this Offering in view of the expenses of this Offering, salaries and expenses paid and the anticipated expenses which will be incurred in seeking a Business Combination), calculated as of the Record Date. In no event, however, will the Company's Liquidation Value be less than the Escrow Fund, inclusive of any net interest income thereon. If the holders of less than 30% of the Public Shares held by the Public Shareholders elect to have their shares of Common Stock redeemed, the Company may, but will not be required to, proceed with such Business Combination. If the Company elects to so proceed, it will redeem Public Shares, based upon the Company's Liquidation Value, from those Public Shareholders who affirmatively requested such redemption and who voted against the Business Combination. The determination as to whether the Company proceeds with a Business Combination ultimately rests with the Company. HOWEVER, IF THE HOLDERS OF 30% OR MORE OF THE PUBLIC SHARES HELD BY PUBLIC SHAREHOLDERS VOTE AGAINST APPROVAL OF ANY POTENTIAL BUSINESS COMBINATION, THE COMPANY WILL NOT PROCEED WITH SUCH BUSINESS COMBINATION AND WILL NOT REDEEM SUCH SHARES OF COMMON STOCK. If the Company determines not to pursue a Business Combination, even if the holders of less than 30% of the Public Shares held by Public Shareholders vote against approval of the potential Business Combination, no Public Shares will be redeemed.

FACILITIES

The Company maintains its executive offices in approximately 1,445 square feet of office space located at 327 Plaza Real, Suite 319, Boca Raton, Florida, 33432, pursuant to a three-year lease agreement with Crocker Downtown Development Associates, at an approximate cost per month of $3,000. The Company spent approximately $17,000 on the build-out of such office space. The Company considers its current office space adequate for its current operations.

EMPLOYEES

As of the date of this Prospectus, the Company's employees consist of its executive officers, of whom each of Messrs. Frost and Hanna intend to devote approximately 50% of their working time to the affairs of the Company

and Messrs. Baxter and Rosenberg intend to devote approximately 10% of their working time to the affairs of the Company. Additionally, the Company has hired one employee in an administrative capacity.

MANAGEMENT OF THE COMPANY

EXECUTIVE OFFICERS AND DIRECTORS

The current executive officers and directors of the Company are as follows:

NAME	AGE	POSITION
Richard B. Frost	48	Chief Executive Officer, Chairman of the Board of Directors
Mark J. Hanna	49	President, Director
Donald H. Baxter	53	Vice President, Secretary, Director
Marshal E. Rosenberg, Ph.D.	60	Vice-President, Treasurer, Director
Charles Fernandez	35	Director

Richard B. Frost has been the Chief Executive Officer and Chairman of the Board of Directors of the Company since its inception. Mr. Frost was the Chief Executive Officer and Chairman of the Board of Directors of Frost Hanna Mergers from October 1993 until the Pan Am Business Combination in September 1996. Mr. Frost remained a member of the Pan Am Board of Directors until April 21, 1997. Mr. Frost was the Chief Executive Officer and Chairman of the Board of Directors of Frost Hanna Acquisition from April 1993 until the Kids Mart Business Combination in January 1996, at which time Mr. Frost resigned from such positions. From June 1992 to May 1994, Mr. Frost held similar positions at Frost Hanna Halpryn until the Sterling Business Combination. From February 1992 through May 1992, Mr. Frost was Regional Director of GKN Securities Corp., a broker-dealer ("GKN"), where his responsibilities included the recruitment and training of GKN brokerage personnel located or to be located in Florida. From May, 1982 through February, 1992, Mr. Frost was a Vice President and Branch Manager of Dean Witter Reynolds, a broker-dealer, where his responsibilities included the management and day-to-day operations of the West Boca Raton and Lighthouse Point, Florida, branch offices of such brokerage firm. Mr. Frost is currently a member of the Board of Directors of Continucare, a Florida corporation engaged in the development and management of mental and physical rehabilitation health care programs.

Mark J. Hanna has been the President and a member of the Board of Directors of the Company since its inception. Mr. Hanna was the President and a member of the Board of Directors of Frost Hanna Mergers from October 1993 until the Pan Am Business Combination in September 1996. Mr. Hanna remained a member of the Pan Am Board of Directors until April 21, 1997. Mr. Hanna was the President and a member of the Board of Directors of Frost Hanna Acquisition from April 1993 until January 1996, whereupon Mr. Hanna resigned from such positions following the Kids Mart Business Combination. Mr. Hanna held similar positions at Frost Hanna Halpryn from June 1992 until the Sterling Business Combination in May 1994. From February, 1992 through May, 1992, Mr. Hanna was a registered representative with GKN. From January, 1992 through February, 1992, Mr. Hanna was a registered representative with Barron Chase Securities, Inc. From September 1990, through January, 1992, Mr. Hanna was a registered representative with Prudential Bache Securities, Inc. From August, 1982 through June, 1985, Mr. Hanna was First Vice President, Investments, at the Fort Lauderdale office of Drexel Burnham Lambert Incorporated. From July, 1985 through September, 1990, Mr. Hanna was Chief Executive Officer and principal shareholder of GGH Consulting, Inc., a firm engaged in providing financial consulting services. From September, 1985 through December, 1988, Mr. Hanna was a director of Biocontrol, Technology, Inc. (f/k/a Coratomic, Inc.), a public company engaged at that time in the manufacture and sale of cardiac pacemakers and heart valves ("Biocontrol"). From September, 1986 through March, 1987, Mr. Hanna was the Chief Operating Officer of Biocontrol. Mr. Hanna is currently a member of the Board of Directors of Continucare.

Donald H. Baxter has been Vice-President, Secretary and a member of the Board of Directors of the Company since its inception. Mr. Baxter was the Vice-President, Secretary and a member of the Board of Directors of Frost Hanna Mergers from October 1993 until the Pan Am Business Combination in September 1996. Mr. Baxter was the Vice President, Secretary and a member of the Board of Directors of Frost Hanna Acquisition from April 1993 until the Kids Mart Business Combination in January 1996. During the past five years, Mr. Baxter has been the President of Baxter Financial Corporation, an investment advisory firm, and President and Chairman of the Board of Directors of the Philadelphia Fund and Eagle Growth, mutual funds which are registered under the Investment Company Act of 1940.

Marshal E. Rosenberg, Ph.D. has been a member of the Board of

Directors of the Company since its inception. Mr. Rosenberg was the Vice President, Treasurer and a member of the Board of Directors of Frost Hanna Mergers from October 1993 until the Pan Am Business Combination in September 1996. Mr. Rosenberg was the Vice President, Secretary and a member of the Board of Directors of Frost Hanna Acquisition from April 1993 until the Kids Mart Business Combination in January 1996. Mr. Rosenberg was a director of Frost Hanna Halpryn from June 1992 until shortly following the Sterling Business Combination when he resigned in December 1994. During the past five years, Mr. Rosenberg has been the President, Chairman and sole shareholder of The Marshal E. Rosenberg Organization, Inc., Coral Gables, Florida, a firm engaged in the sale of life, health and disability insurance. Mr. Rosenberg is an investor in numerous private enterprises, engaged in, among other things, real estate development and retail sales. He served as a member of the Board of Directors and member of the Executive Committee of the former Intercontinental Bank, Miami, Florida. In addition, Mr. Rosenberg is a member of the faculty at the University of Miami School of Business.

Charles M. Fernandez, serves as Chairman of the Board, President and Chief Executive Officer of Continucare, a leading developer and manager of outpatient behavioral and physical rehabilitation programs and facilities. Mr. Fernandez co-founded Continucare in February 1996, recognizing the future growth potential in the outpatient healthcare services industry. Under his leadership, Continucare now manages 33 healthcare services centers and provides a continuum of healthcare services in five states: Florida, Tennessee, Texas, Illinois and Missouri. Continucare recently announced an agreement with Bally Total Fitness to provide comprehensive outpatient rehabilitation services at more than 100 Bally's fitness centers nationwide, and also made its first physician practice acquisition: Norman Gaylis M.D., Inc., a rheumatology practice subsidiary of Sheridan Healthcare, Inc. Prior to co-founding Continucare, Mr. Fernandez served as Executive Vice President and Director of Heftel Broadcasting Corporation (Nasdaq National Market: HBCCA), a Spanish language radio broadcasting company in the United States which owns 17 radio stations in markets including Los Angeles, New York, Miami, Chicago and Dallas/Fort Worth. He has also served as an officer of Bally Entertainment Corporation. He received a Bachelor of Business Administration from Florida International University.

EXECUTIVE COMPENSATION

The Company was incorporated in February 1996. Pursuant to employment agreements, Messrs. Frost and Hanna each receive $10,000 monthly for salary and $1,000 monthly for non-accountable expense allowance. Messrs. Frost's and Hanna's salaries have been paid through October, 1996. However, each has agreed to waive all unpaid salary and expense allowance through the date which is four months prior to the date hereof. Further, all officers and directors of the Company shall receive accountable reimbursement for any reasonable business expenses incurred in connection with activities on behalf of the Company. The proceeds placed in the Escrow Fund (including any interest earned thereon) shall not be used by the Company to pay salaries to Messrs. Frost or Hanna or to reimburse the Company's officers and directors for expenses incurred by such persons on behalf of the Company. No funds (including any interest earned thereon) will be disbursed from the Escrow Fund for reimbursement of expenses. Other than the foregoing, there is no limit on the amount of such reimbursable expenses, and there will be no review of the reasonableness of such expenses by anyone other than the Board of Directors, all of the members of which are officers. In the event the Company requires in excess of 20% of the Net Proceeds for operations, Messrs. Frost and Hanna have undertaken to defer their salaries and non-accountable expense allowance until the consummation of a Business Combination. None of the Company's current executive officers or directors or their respective affiliates will receive any consulting or finder's fees in connection with a Business Combination. Further, other than pursuant to the employment agreements, none of such persons will receive any other payments or assets, tangible or intangible, unless received by all other shareholders on a proportionate basis. See "Use of Proceeds" and "Certain Transactions."

REIMBURSEMENT OF EXPENSES

No funds (including any interest earned thereon) will be disbursed from the Escrow Fund for the reimbursement of expenses incurred by the Company's officers and directors on behalf of the Company. Other than the foregoing, there is no limit on the amount of such reimbursable expenses, and there will be no review of the reasonableness of such expenses by anyone other than the Company's Board of Directors, all of the members of which are presently officers of the Company. See "Use of Proceeds" and "Certain Transactions."

KEY MAN INSURANCE

The Company has obtained $1,000,000 "key man" policies insuring each of the lives of Messrs. Frost and Hanna. There can be no assurances that such "key man" insurance will be maintained at reasonable rates,

if at all. Nevertheless, the Representative has required the Company to maintain life insurance on the lives of Messrs. Frost and Hanna for a period of three years or until an earlier Business Combination is effected. The loss, incapacity or unavailability of any of Messrs. Frost and Hanna at the present time or in the foreseeable future, before a qualified replacement was obtained, could have a material adverse effect on the Company's operations. See "Risk Factors" and "Certain Transactions." This adverse effect would be enhanced if a death of either Messrs. Frost or Hanna occurs at a time when no life insurance on such person's life was being maintained.

CONFLICTS OF INTEREST

None of the Company's key personnel are required to commit their full

time to the affairs of the Company and, accordingly, such personnel may have conflicts of interest in allocating management time among various business activities. Certain of these key personnel may in the future become affiliated with entities, including other "blank check" companies, engaged in business activities similar to those intended to be conducted by the Company. Messrs. Frost and Hanna are each currently directors of Continucare. Mr. Rosenberg is an investor in numerous private enterprises, engaged in, among other things, real estate development and retail sales, which business interests may conflict with those of an Acquired Business. Mr. Baxter is the President of Baxter Financial Corporation, an investment advisory firm, and the President and Chairman of the Philadelphia Fund and Eagle Growth Shares, mutual funds registered under the Investment Company Act of 1940. Mr. Fernandez is currently the Chairman of the Board, President and Chief Executive Officer of Continucare. Certain activities which may be performed by such individuals in connection with their other business affiliations may be deemed competitive with the business of the Company.

In the course of their other business activities, including private investment activities, Messrs. Frost, Hanna, Baxter, Rosenberg and Fernandez may become aware of investment and business opportunities which may be appropriate for presentation to the Company as well as the other entities with which they are affiliated. Such persons may have conflicts of interest in determining to which entity a particular business opportunity should be presented. In general, officers and directors of corporations are required to present certain business opportunities to such corporations. Accordingly, as a result of multiple business affiliations, Messrs. Frost, Hanna, Baxter, Rosenberg and Fernandez may have similar legal obligations relating to presenting certain business opportunities to multiple entities. In addition, conflicts of interest may arise in connection with evaluations of a particular business opportunity by the Board of Directors with respect to the foregoing criteria. There can be no assurances that any of the foregoing conflicts will be resolved in favor of the Company. In order to minimize potential conflicts of interest which may arise from multiple corporate affiliations, each of Messrs. Frost, Hanna, Baxter, Rosenberg and Fernandez have agreed to present to the Company for its consideration, prior to presentation to any other entity, any prospective Acquired Business which is appropriate for the Company to consider and which prospective Acquired Business participates in an industry dissimilar to any of the industries to which such individuals have corporate affiliations. It should be further noted, that the Company shall not consider Business Combinations with entities owned or controlled by officers, directors, greater than 10% shareholders of the Company or any person who directly or indirectly controls, is controlled by or is under common control with the Company. The Company may consider Business Combinations with entities owned or controlled by persons other than those persons described above. There can be no assurances that any of the foregoing conflicts will be resolved in favor of the Company. See "Proposed Business--'Blank Check' Offering" and "-- Selection of an Acquired Business and Structuring of a Business Combination."

Pursuant to an agreement among each of Messrs. Frost, Hanna, Baxter, Rosenberg and Fernandez and the Company, such persons will not actively negotiate for or otherwise consent to the disposition of any portion of their Common Stock as a condition to or in connection with a Business Combination. Further, the Company shall not borrow funds to be used directly or indirectly to (i) purchase any shares of the Company's Common Stock owned by management of the Company; or (ii) make payments to the Company's promoters, management or their affiliates or associates.

In connection with a Business Combination, the Company shall not cause any securities of the Company to be sold by any officers, directors, greater than 10% shareholders or persons who may be deemed promoters

of the Company except as may otherwise be made in permitted market transactions without affording all shareholders of the Company a similar opportunity.

All members of the Company's current Board of Directors are significant shareholders of the Company and will own, in the aggregate, approximately 44% of the outstanding Common Stock following the Offering (41% if the over-allotment option is exercised). Additionally, following the Offering, the Representative will have the right to appoint one member to the Company's Board of Directors until a Business Combination is effectuated utilizing at least a majority of the proceeds of the Offering.

PRINCIPAL SHAREHOLDERS

The following table sets forth information as of the date hereof and as adjusted to reflect the sale of the Common Stock offered hereby, based on information obtained from the persons named below, with respect to the beneficial ownership of shares of Common Stock by (i) each person known by the Company to be the owner of more than 5% of the outstanding shares of Common Stock; (ii) each director; and (iii) all officers and directors as a group:

<TABLE>
<CAPTION>

	Amount and Nature of Beneficial Ownership (1)	Approximate Percentage of Outstanding Common Stock	
		Before Offering	After Offering (2)
<S>	<C>	<C>	<C>
Richard B. Frost 327 Plaza Real	362,000	23%	12%

Suite 319 Boca Raton, FL 33432			
Mark J. Hanna 327 Plaza Real Suite 319 Boca Raton, FL 33432	362,000	23%	12%
Marshal E. Rosenberg, Ph.D.(3) 2333 Ponce de Leon Blvd. Suite 314 Coral Gables, FL 33134	300,000	19%	10%
Donald H. Baxter 327 Plaza Real Suite 319 Boca Raton, FL 33432	100,000	6%	3%
Charles Fernandez 100 S.E. 2nd St. NationsBank Tower Miami, FL 33131-2100	150,000	10%	5%
All Officers and Directors as a Group (5 persons) </TABLE>	1,274,000	82%	44%

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(1) Unless otherwise noted, all persons named in the table have sole voting and investment power with respect to all shares of Common Stock beneficially owned by them. No persons named in the table are acting as nominees for any persons or are otherwise under the control of any person or group of persons.

(2) Assumes no exercise of the (i) over-allotment option; or (ii) Underwriter Options. See "Underwriting."

(3) Does not include 35,000 shares of Common Stock owned by Donald Rosenberg, Mr. Rosenberg's brother, of which Mr. Rosenberg disclaims beneficial ownership.

The shares of the Company's Common Stock owned as of the date hereof by all of the executive officers and directors of the Company will be placed in escrow with American Stock Transfer & Trust Company, as escrow agent, until the occurrence of a Business Combination. During such escrow period, such executive officers and directors will not be able to sell, or otherwise transfer, their respective shares of Common Stock, but will retain all other rights as shareholders of the Company, including, without limitation, the right to vote such shares of Common Stock.

Messrs. Frost, Hanna, Baxter, Rosenberg and Fernandez may be deemed to be "promoters" and "parents" of the Company, as such terms are defined under the federal securities laws.

CERTAIN TRANSACTIONS

As of the date of this Prospectus, the Company has issued an aggregate of 1,557,000 shares of Common Stock as follows: 362,000 shares to Richard B. Frost, the Company's Chief Executive Officer and Chairman of the Board of Directors; 362,000 shares to Mark J. Hanna, the Company's President and a member of the Board of Directors; 300,000 shares to Marshal E. Rosenberg, Ph.D., the Company's Vice President, Treasurer and a member of the Board of Directors; 100,000 shares to Donald H. Baxter, the Company's Vice President, Secretary and a member of the Board of Directors; 150,000 shares to Charles Fernandez, a member of the Board of Directors, for an aggregate purchase price of $75,112.40; and 283,000 shares to eleven other persons for an aggregate purchase price of $141,500 or $.50 per share.

The Company has obtained $1,000,000 "key man" policies insuring each of the lives of Messrs. Frost and Hanna. Such policies were purchased by the Company from The Marshal E. Rosenberg Organization, Inc. (the "Rosenberg Organization"), a firm in which Mr. Rosenberg is an officer, director and sole shareholder. In connection with the purchase by the Company of such policies, the Rosenberg Organization received payments of approximately $4,200 through March 31, 1997. No further commissions are contemplated to be earned in connection with the purchase of such key man life insurance policies.

The Company shall not make any loans to any officers or directors following this Offering. Further, the Company shall not borrow funds for the purpose of making payments to the Company's officers, directors, promoters, management or their affiliates or associates.

DESCRIPTION OF SECURITIES

GENERAL

The Company is authorized to issue 100,000,000 shares of Common Stock, par value $.0001 per share. Prior to this Offering, 1,557,000 shares of Common Stock were outstanding, held of record by 17 persons.

COMMON STOCK

The holders of Common Stock are entitled to one vote for each share held of record on all matters to be voted on by shareholders. There is no cumulative voting with respect to the election of directors, with the result that the holders of more than 50% of the shares voted for the election of directors can elect all of the directors. The holders of Common Stock are entitled to receive dividends when, as and if declared by the Board of Directors out of funds legally available therefor. In the event of liquidation, dissolution or winding up of the Company, the holders of Common Stock are entitled to share ratably in all assets remaining available for distribution to them after payment of liabilities and after provision has been made for each class of stock, if any, having preference over the Common Stock. Holders of shares of Common Stock, as such, have no conversion, preemptive or other subscription rights, and, except as noted herein, there are no redemption provisions applicable to the Common Stock. All of the outstanding shares of Common Stock are, and the shares

of Common Stock offered hereunder, when issued and paid for as set forth in this Prospectus, will be, fully paid and nonassessable.

DIVIDENDS

The Company has not paid any dividends on its Common Stock to date and does not presently intend to pay cash dividends prior to the consummation of a Business Combination. The payment of cash dividends in the future, if any, will be contingent upon the Company's revenues and earnings, if any, capital requirements and general financial condition subsequent to consummation of a Business Combination. The payment of any dividends subsequent to a Business Combination will be within the discretion of the Company's then Board of Directors. It is the present intention of the Board of Directors to retain all earnings, if any, for use in the Company's business operations and, accordingly, the Board does not anticipate paying any cash dividends in the foreseeable future.

UNDERWRITER WARRANTS

In connection with this Offering, the Company has agreed to sell to the Representative, at an aggregate price of $135, warrants to purchase up to 135,000 shares of Common Stock (the "Stock Purchase Option" or "Underwriter Options"). The Underwriter Options are exercisable at a price of $7.20 per share (120% of offering price) for a period commencing one year, and ending five years, after the date of this Prospectus. In addition, the holders of the Underwriter Options will have certain registration rights with respect to the shares of Common Stock underlying the Underwriter Options.

SECURITIES EXCHANGE ACT OF 1934

The Company has agreed, contemporaneous with the sale of the shares of Common Stock, that it will file an application with the Commission to register its Common Stock under the provisions of Section 12(g) of the Exchange Act, and that it will use it best efforts to continue to maintain such registration for a minimum of five years from the date of this Prospectus. Such registration will require the Company to comply with periodic reporting, proxy solicitations and certain other requirements of the Exchange Act. If the Company seeks shareholder approval of a Business Combination at such time as the Company's securities are registered pursuant to Section 12(g) of the Exchange Act, the Company's proxy solicitation materials required to be transmitted to shareholders may be subject to prior review by the Securities and Exchange Commission. Under the federal securities laws, public companies must furnish certain information about significant acquisitions, which information may require audited financial statements of an acquired company with respect to one or more fiscal years, depending upon the relative size of the acquisition. Consequently, if a prospective Acquired Business did not have available and was unable to reasonably obtain the requisite audited financial statements, the Company could, in the event of consummation of a Business Combination with such company, be precluded from (i) any public financing of its own securities for a period of as long as three years, as such financial statements would be required to undertake registration of such securities for sale to the public; and (ii) registration of its securities under the Exchange Act. Consequently, it is unlikely that the Company would seek to consummate a Business Combination with such an Acquired Business. See "Risk Factors."

CERTAIN PROVISIONS OF THE COMPANY'S ARTICLES OF INCORPORATION

The Company's Articles of Incorporation provide, among other things, that (i) officers and directors of the Company will be indemnified to the fullest extent permitted under Florida law; and (ii) the Company has elected not to be governed by the Anti-Takeover Sections, namely Sections 607.0901 and 607.0902 of the Florida Business Corporation Act and other laws relating thereto.

Because of the Company's election not to be governed by the Anti-Takeover Sections, the Company will not be subject to the provisions of Florida law which provide that certain transactions between the Company and an "interested shareholder" or any affiliate of the "interested shareholder" be approved by two-thirds of the

Company's outstanding shares. An "interested shareholder" as defined in Section

607.0901 of the Florida Business Corporation Act is any person who is the beneficial owner of more than 10% of the outstanding shares of the company who is entitled to vote generally in the election of directors. In addition, because of the Company's election not to be governed by the Anti-Takeover Sections, the Company will not have the alleged assistance against unfriendly take-over attempts purportedly provided by that statute.

TRANSFER AGENT

The transfer agent for the Company's Common Stock is American Stock Transfer & Trust Company, 40 Wall Street, New York, New York 10005.

SHARES ELIGIBLE FOR FUTURE SALE

Upon the consummation of this Offering, (without giving effect to the exercise of the over-allotment option or the Underwriter Options), the Company will have 2,907,000 shares of Common Stock outstanding. Of these shares, the 1,350,000 shares sold in this Offering will be freely tradeable without restriction or further registration under the Securities Act, except for any shares purchased by an "affiliate" of the Company (in general, a person who has a control relationship with the Company) which will be subject to limitations of Rule 144 promulgated by the Commission under the Securities Act. All of the remaining 1,557,000 shares are deemed to be "restricted securities," as that term is defined under Rule 144 promulgated under the Securities Act, in that such shares were issued in private transactions not involving a public offering. None of such shares will be eligible for sale under Rule 144, as currently in effect, prior to September 13, 1997. In addition, the shares of Common Stock owned as of the date hereof by Messrs. Frost, Hanna, Baxter, Rosenberg and Fernandez (an aggregate of approximately 82% of the outstanding Common Stock prior to this Offering) will be placed in escrow with American Stock Transfer & Trust Company, as escrow agent, until the occurrence of a Business Combination. During such escrow period, such persons will not be able to sell, or otherwise transfer, their respective shares of Common Stock, but will retain all other rights as shareholders of the Company, including, without limitation, the right to vote such shares of Common Stock.

In general, under Rule 144, as currently in effect, subject to the satisfaction of certain other conditions, a person, including an affiliate of the Company (or persons whose shares are aggregated), who has beneficially owned restricted shares of Common Stock for at least one year is entitled to sell, within any three-month period, a number of shares that does not exceed the greater of 1% of the total number of outstanding shares of the same class or, if the Common Stock is not quoted on NASDAQ, the average weekly trading volume during the four calendar weeks preceding the sale. A person who has not been an affiliate of the Company for at least the three months immediately preceding the sale and who has beneficially owned restricted shares of Common Stock for at least two years is entitled to sell such shares under Rule 144 without regard to any of the limitations described above.

Prior to this Offering, there has been no market for the Common Stock, and no prediction can be made as to the effect, if any, that market sales of restricted shares of Common Stock or the availability of such shares for sale will have on the market prices prevailing from time to time. Nevertheless, the possibility that substantial amounts of Common Stock may be sold in the public market may adversely affect the price for the sale of the Company's equity securities in any trading market which may develop.

UNDERWRITING

The Underwriters named below, represented by LH Ross & Company, Inc., have severally agreed, subject to the terms and conditions of the Underwriting Agreement, to purchase from the Company, and the Company has agreed to sell, the number of shares of Common Stock indicated below opposite their respective names at the initial public offering price less the underwriting discount set forth on the cover page of this Prospectus.

Underwriter	Number of Shares
LH Ross & Company, Inc.....	
Total.....	

The Underwriter's initially propose to offer the Common Stock offered hereby to the public at the public offering price set forth on the cover of this Prospectus, and the Underwriters may allow certain dealers, who are members of the National Association of Securities Dealers, Inc. ("NASD"), concessions of not in excess of $___ per share of Common Stock.

The Underwriters are committed on a "firm commitment" basis to purchase all 1,350,000 of Common Stock offered hereby, if any, are purchased. The Underwriters will not sell the shares of Common Stock to any accounts for which they exercise discretionary authority.

The Company has granted an option to the Underwriters, exercisable during the 45 day period after the date of this Prospectus, to purchase up to an aggregate of 202,500 additional shares of Common Stock at the public offering price, less the underwriting discounts and commissions. The Underwriters may purchase such shares of Common Stock only to cover over-allotments made in connection with the sale of the shares of Common Stock offered hereby.

The Underwriting Agreement provides for reciprocal indemnification

between the Company and the Underwriters against certain liabilities in connection with the Registration Statement, including liabilities under the Securities Act.

The Company has agreed to pay the Underwriters a non-accountable expense allowance of 3% of the aggregate offering price of the shares of Common Stock offered hereby (including any shares purchased pursuant to the Underwriters' over-allotment option), of which $40,000 has been paid to date.

The Company has also agreed to sell to the Underwriters or their designees, the Underwriters' Options to purchase 135,000 shares of Common Stock at a price of $.001 per option. The Underwriters' Options will be exercisable for a period of four years, commencing one year after the date this Offering is consummated. The exercise price of the Underwriters' Options is equal to 120% of the initial public offering price per share of Common Stock.

The Company has agreed that it will, on any one occasion during the four-year period commencing one year from the date hereof, register the Underwriters' Options and the underlying securities, at the Company's expense, at the request of holders of a majority of the shares of Common Stock issuable upon exercise of the shares of Common Stock underlying the Underwriters' Options. The Company has also agreed, during the six year period commencing one year from the date hereof, to certain "piggy-back" registration rights for holders of the Underwriters' Options and the underlying securities.

For the life of the Underwriters' Options, the holders are given, at nominal cost, the opportunity to profit upon exercise from a rise in the market price for the Common Stock of the Company without assuming the risk of ownership, with a resulting dilution in the interest of other security holders upon exercise of such options. As long as the Underwriters' Options remain outstanding and unexercised, the terms under which the Company could obtain additional capital may be adversely affected. Moreover, the holders of the Underwriters' Options might be expected to exercise them at a time when the Company would, in all likelihood, be able to obtain needed capital by a new offering of its securities on terms more favorable than those provided by the Underwriters' Options. Additionally, if the Underwriters should exercise their registration rights to effect a distribution of the Underwriters' Options or underlying securities, the Underwriters, prior to and during such distribution, may be unable to make a market in the Company's securities. If the Underwriters must cease

making a market in the Company's securities, the market and market price for the securities may be adversely affected and holders of the securities may be unable to sell the securities.

The Company has also agreed pursuant to the Underwriting Agreement that for a period of time from the date hereof until such time as the Company consummates a Business Combination, the Company shall use its best efforts to cause one individual selected by the Representative to be elected to the Board of Directors of the Company, provided that such person is reasonably acceptable to the Company. Alternatively, the Representative shall be entitled to designate a senior advisor to the Company who shall be invited to and be entitled to attend, all meetings of the Board of Directors.

The foregoing does not purport to be a complete statement of the terms and conditions of the Underwriting Agreement and related documents, copies of which are on file at the offices of the Underwriters, the Company and the Commission.

The public offering price of the Common Stock has been determined by arms' length negotiation between the Company and the Representative and is not necessarily related to the Company's value, net worth, or any other established criteria of value. Officers and directors of the Company may introduce the Representative to persons to consider this Offering either through the Representative, other Underwriters or through participating broker-dealers. In this connection, officers and directors will not receive any commissions or any other compensation.

The Representative was incorporated on November 3, 1994. Since its incorporation, the Representative has not participated in any initial public offerings of equity securities as an underwriter, lead manager or co-manager. Prospective purchasers of Common Stock should consider the lack of experience of the Representative in evaluating an investment in the Company.

See also, "Risk Factors--Limited Underwriting History."

LEGAL PROCEEDINGS

The Company is not a party to, nor is it aware of, any threatened litigation of a material nature.

LEGAL MATTERS

Stearns Weaver Miller Weissler Alhadeff & Sitterson, P.A., 150 West Flagler Street, Miami, Florida, 33130, has rendered an opinion (which is filed as an exhibit to the Registration Statement of which this Prospectus is a part) to the effect that the shares of Common Stock, when issued and paid for as described herein, will constitute legally issued securities of the Company, fully paid and non-assessable. Mintz & Fraade, P.C., 488 Madison Avenue, New York, New York, 10022, has acted as counsel to the Underwriters in connection with this Offering.

EXPERTS

The financial statements included in this Prospectus have been audited by Arthur Andersen LLP, independent certified public accountants, as indicated in their report with respect thereto, and are included herein in reliance upon the authority of said firm as experts in giving said report. Reference is made to said report which includes an explanatory paragraph that describes that the Company's ability to commence operations is contingent upon obtaining adequate financial resources through a contemplated public offering, or otherwise, which raises substantial doubt about the Company's ability to continue as a going concern. Further, the financial statements do not include any adjustments relating to the recoverability of asset carrying amounts or the amount and classification of liabilities that might result should the Company be unable to continue as a going concern.

ADDITIONAL INFORMATION

The Company has filed with the Commission a Registration Statement on Form SB-2 (the "Registration Statement") under the Securities Act with respect to the shares of Common Stock. This Prospectus does not contain all of the information set forth in the Registration Statement and the exhibits thereto. For further information with respect to the Company or such Common Stock, reference is made to such Registration Statement and the exhibits and schedules thereto, certain portions of which are omitted from this Prospectus as permitted by the rules and regulations of the Commission. Statements contained in this Prospectus regarding the contents of any contract or other document referred to herein or therein are not necessarily complete, and in each instance reference is made to the copy of such contract or other document filed as an exhibit to the Registration Statement or such other document, each such statement being qualified in all respects by such reference.

Upon completion of the Offering, the Company will be subject to the informational requirements of the Exchange Act, and, in accordance therewith, will file reports and other information with the Commission. Such reports and other information, as well as the Registration Statement and the exhibits and schedules thereto, may be inspected, without charge, at the public reference facility maintained by the Commission at Room 1024, Judiciary Plaza, 450 Fifth Street, N.W., Washington, D.C. 20549, and at the Commission's regional offices located at Seven World Trade Center, Suite 1300, New York, New York 10048 and Northwestern Atrium Center, 500 West Madison Street, Suite 1400, Chicago, Illinois 60661-2511. Copies of such material may also be obtained from the Public Reference Section of the Commission at 450 Fifth Street, N.W., Washington, D.C. 20549, at prescribed rates. Such information is also available on the internet at http:\\www.sec.gov.

The Company intends to furnish its shareholders with annual reports containing audited financial statements examined and reported upon, with an opinion expressed by independent certified public accountants, and quarterly reports containing unaudited financial information for the first three quarters of each year.

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

To Frost Hanna Capital Group, Inc.:

We have audited the accompanying balance sheet of Frost Hanna Capital Group, Inc. (a Florida corporation in the development stage) as of December 31, 1996 and the related statements of operations, stockholders' equity and cash flows for the period from inception (February 2, 1996) to December 31, 1996. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Frost Hanna Capital Group, Inc. as of December 31, 1996, and the results of its operations and its cash flows for the period from inception (February 2, 1996) to December 31, 1996, in conformity with generally accepted accounting principles.

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 1 to the financial statements, the Company's ability to commence operations is contingent upon obtaining adequate financial resources through a contemplated public offering, or otherwise, which raises substantial doubt about its ability to continue as a going concern. If unsuccessful, the Company may be unable to

continue in its present form. The financial statements do not include any adjustments relating to the recoverability and classification of asset carrying amounts or the amount and classification of liabilities that might result should the Company be unable to continue as a going concern.

ARTHUR ANDERSEN LLP

Miami, Florida,
March 14, 1997.

FROST HANNA CAPITAL GROUP, INC.

(A Development Stage Corporation)

BALANCE SHEETS

<TABLE>
<CAPTION>

ASSETS	December 31, 1996	March 31, 1997 (Unaudited)
<S>	<C>	<C>
CURRENT ASSETS:		
Cash and cash equivalents	$ 91,818	$ 13,222
Prepaid expenses and deposits	-	26,360
Total current assets	91,818	39,582
PROPERTY AND EQUIPMENT, net of accumulated depreciation of $212 and $667, as of December 31, 1996 and March 31, 1997, respectively	2,968	20,483
DEFERRED REGISTRATION COSTS	129,785	123,110
Total assets	$ 224,571	$ 183,175
LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)		
CURRENT LIABILITIES:		
Accrued expenses	$ 14,118	$ 33,061
Accrued registration costs	94,785	94,400
Accrued officers' salaries	44,000	88,000
Loans payable to officers	-	20,000
Total current liabilities	152,903	235,461
COMMITMENTS AND CONTINGENCIES (Note 7)		
STOCKHOLDERS' EQUITY (DEFICIT):		
Common stock, $.0001 par value, 100,000,000 shares authorized, 1,492,000 shares issued and outstanding	149	149
Additional paid-in capital	183,963	183,963
Deficit accumulated during development stage	(112,444)	(236,398)
Total stockholders' equity deficit	71,668	(52,286)
Total liabilities and stockholders' equity deficit	$ 224,571	$ 183,175

</TABLE>

The accompanying notes to financial statements are an integral part of these balance sheets.

FROST HANNA CAPITAL GROUP, INC.

(A Development Stage Corporation)

STATEMENTS OF OPERATIONS

<TABLE>
<CAPTION>

	For the Period From Inception (February 2, 1996) To December 31, 1996	For the Three Months Ended March 31, 1997	For the Period From Inception (February 2, 1996) To March 31, 1997
		(Unaudited)	(Unaudited)
<S>	<C>	<C>	<C>
REVENUES	$ -	$ -	$ -
EXPENSES:			
Officers' salaries	77,000	44,000	121,000
General and administrative	36,309	80,515	116,824
Total operating expenses	113,309	124,515	237,824
INTEREST INCOME	865	561	1,426
Net loss	$ (112,444)	$ (123,954)	$ (236,398)
NET LOSS PER COMMON SHARE	$ (0.08)	$ (0.08)	$ (0.16)
WEIGHTED AVERAGE NUMBER OF COMMON AND COMMON EQUIVALENT SHARES OUTSTANDING	1,492,000	1,492,000	1,492,000

</TABLE>

The accompanying notes to financial statements are an integral part of these statements.

FROST HANNA CAPITAL GROUP, INC.

(A Development Stage Corporation)

STATEMENT OF STOCKHOLDERS' EQUITY

FOR THE PERIOD FROM INCEPTION (FEBRUARY 2, 1996)

TO DECEMBER 31, 1996

<TABLE>
<CAPTION>

	Common Stock		Additional Paid-In Capital	Deficit Accumulated During Development Stage	Total
	Shares	Amount			
<S>	<C>	<C>	<C>	<C>	<C>
Sale of common stock to promoters	1,124,000	$ 112	$ -	$ -	$ 112
Sale of common stock	368,000	37	183,963	-	184,000
Net loss for the period from inception (February 2, 1996) to December 31, 1996	-	-	-	(112,444)	(112,444)
BALANCE, December 31, 1996	1,492,000	149	183,963	(112,444)	71,668
Net loss for the three months ended March 31, 1997 (unaudited)	-	-	-	(123,954)	123,954)
BALANCE, March 31, 1997 (unaudited)	1,492,000	$ 149	$ 183,963	$ (236,398)	$ (52,286)

</TABLE>

The accompanying notes to financial statements are an integral part of this statement.

FROST HANNA CAPITAL GROUP, INC.

(A Development Stage Corporation)

STATEMENTS OF CASH FLOWS

<TABLE>
<CAPTION>

	For the Period From Inception (February 2, 1996) To December 31, 1996	For the Three Months Ended March 31, 1997	For the Period From Inception (February 2, 1996) to March 31, 1997
		(Unaudited)	(Unaudited)
<S>	<C>	<C>	<C>
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net loss	$(112,444)	$(123,954)	$(236,398)
Adjustments to reconcile net loss to net cash used in operating activities-			
Depreciation	212	455	667
Write-off of deferred registration costs	--	35,000	35,000
Change in certain assets and liabilities-			
Increase in prepaid expenses and deposits	--	(26,360)	(26,360)
Increase in accrued expenses	14,118	18,943	33,061
Increase in accrued officers' salaries	44,000	44,000	88,000
Net cash used in operating activities	(54,114)	(51,916)	(106,030)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Capital expenditures	(3,180)	(17,970)	(21,150)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Proceeds from issuance of common stock	184,112	--	184,112
Proceeds from officer loans	--	20,000	20,000
Payment of deferred registration costs	(35,000)	(28,710)	(63,710)
Net cash provided by (used in) financing activities	149,112	(8,710)	140,402
Net increase (decrease) in cash	91,818	(78,596)	13,222
CASH AND CASH EQUIVALENTS, beginning of period	--	91,818	--
CASH AND CASH EQUIVALENTS, end of period	$ 91,818	$ 13,222	$ 13,222
SUPPLEMENTAL SCHEDULE OF NONCASH ACTIVITIES:			
Accrued deferred registration cost	$ 94,785	$ 24,400	$ 94,400

</TABLE>

The accompanying notes to financial statements are an integral part of these statements.

FROST HANNA CAPITAL GROUP, INC.

(A Development Stage Corporation)

NOTES TO FINANCIAL STATEMENTS

(1) GENERAL:

Frost Hanna Capital Group, Inc. (the "Company") was formed on February 2, 1996 to seek to effect a merger, exchange of capital stock, asset acquisition or similar business combination (a "Business Combination") with an operating or development stage business (an "Acquired Business"). The Company is currently in the development stage and is in the process of raising capital. All efforts of the Company to date have been limited to organizational activities.

The Company's ability to commence operations is contingent upon obtaining adequate financial resources through a contemplated public offering (the "Proposed Offering") or otherwise (see Note 3).

The Proposed Offering may be considered a "blank check" offering. Blank check offerings are characterized by an absence of substantive disclosures related to the use of the net proceeds of the offering. Although substantially all of the net proceeds of the Proposed Offering are intended to be utilized to effect a Business Combination, the net proceeds are not being designated for any more specific purpose. Moreover, since the Company has not yet identified an acquisition target, investors in the Proposed Offering will have virtually no substantive information available for advance consideration of any Business Combination. (See "Risk Factors" in the forepart of the SB-2 Registration Statement for additional information.)

Upon completion of the Proposed Offering, 80% of the net proceeds therefrom will be placed in an interest bearing escrow account (the "Escrow Fund"), subject to

release upon the earlier of (i) written notification by the Company of its need for all or substantially all of the Escrow Fund for the purpose of implementing a Business Combination, or (ii) the exercise by certain shareholders of the Redemption Offer (as hereinafter defined). Any interest earned on the Escrow Fund shall remain in escrow and be used by the Company either (i) following a Business Combination in connection with the operations of an Acquired Business or (ii) in connection with the distribution to the shareholders through the exercise of the Redemption Offer or the liquidation of the Company. In the event the Company requires in excess of 20% of the Net Proceeds for operations, Messrs. Richard B. Frost, Chief Executive Officer and Chairman of the Board of Directors; and Mark J. Hanna, President and Director, have undertaken to waive their salaries prospectively until the consummation by the Company of a Business Combination. Investors' funds may be escrowed for an indefinite period of time following the consummation of the Proposed Offering. Further, there can be no assurances that the Company will ever consummate a Business Combination. In the event of the exercise of the Redemption Offer, investors may only recoup a portion of their investment. The Company currently has no expectation with regard to the Company's plans in the event a Business Combination is not consummated by a certain date.

The Company, prior to the consummation of any Business Combination, will submit such transaction to the Company's shareholders for their approval. In the event, however, that the holders of 30% or more of the shares of the Company's common stock sold in the Proposed Offering which are outstanding vote against approval of any Business Combination, the Company will not consummate such Business Combination. The shares of common stock to be sold in the Proposed Offering may sometimes be referred to as the "Public Shares" and the holders (whether current or future) of the Public Shares are referred to as "Public Shareholders". All of the officers and directors of the Company, who own in the aggregate approximately 82% of the common stock outstanding as of the date hereof, have agreed to vote their respective shares of common stock in accordance with the vote of the majority of the Public Shares with respect to any such Business Combination.

At the time the Company seeks shareholder approval of any potential Business Combination, the Company will offer (the "Redemption Offer") to each of the Public Shareholders who vote against the proposed Business Combination and affirmatively request redemption, for a twenty (20) day period, to redeem all, but not a portion of, their Public Shares, at a per share price equal to the Company's liquidation value on the record date for determination of shareholders entitled to vote upon the proposal to approve such Business Combination (the "Record Date") divided by the number of Public Shares. The Company's liquidation value will be equal to the Company's book value, as determined by the Company, calculated as of the Record Date. In no event, however, will the Company's liquidation value be less than the Escrow Fund, inclusive of any net interest income thereon. If the holders of less than 30% of the Public Shares held by Public Shareholders elect to have their shares redeemed, the Company may, but will not be required to, proceed with such Business Combination. If the Company elects to so proceed, it will redeem Public Shares, based upon the Company's liquidation value, from those Public Shareholders who affirmatively requested such redemption and who voted against the Business Combination. However, if the holders of 30% or more of the Public Shares held by Public Shareholders vote against approval of any potential Business Combination, the Company will not proceed with such Business Combination and will not redeem such Public Shares. If the Company determines not to pursue a Business Combination, even if the Public Shareholders of less than 30% of the Public Shares vote against approval of the potential Business Combination, no Public Shares will be redeemed.

As a result of its limited resources, the Company will, in all likelihood, have the ability to effect only a single Business Combination. Accordingly, the prospects for the Company's success will be entirely dependent upon the future performance of a single business.

The Company is in the development stage, has had no revenues to date and is entirely dependent upon the proceeds of the Proposed Offering to commence operations relating to selection of a prospective Acquired Business. The Company will not receive any revenues, other than interest income, until, at the earliest, the consummation of a Business Combination. In the event that the proceeds of the Proposed Offering prove to be insufficient for purposes of effecting a Business Combination, the Company will be required to seek additional financing. In the event no Business Combination is identified, negotiations are incomplete or no Business Combination has been consummated, and all of the proceeds of the Proposed Offering other than the Escrow Fund have been expended, the Company currently has no plans or arrangements with respect to the possible acquisition of additional financing which may be required to continue the operations of the Company.

Furthermore, there is no assurance that the Company will be able to successfully effect a Business Combination.

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Interim Financial Statements-

In management's opinion, the accompanying unaudited interim financial statements of the Company contain all adjustments (consisting of only normal recurring adjustments) necessary to present fairly the financial position of the Company as of March 31, 1997, and the results of operations and cash flows for the three months ended March 31, 1997. The results of operations and cash flows for the three months ended March 31, 1997 are not necessarily indicative of the results

of operations or cash flows which may be reported for the remainder of 1997.

The accompanying unaudited interim financial statements have been prepared pursuant to the rules and regulations of the Securities and Exchange Commission for reporting on Form 10-QSB. Pursuant to such rules and regulations, certain information and footnote disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles have been condensed or omitted.

Accounting Estimates-

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents-

The Company considers all investments with an original maturity of three months or less as of the date of purchase to be cash equivalents.

Property and Equipment-

Property and equipment are carried at cost less accumulated depreciation. Depreciation is computed on the straight-line method over the estimated useful lives of the assets ranging from 3 to 5 years.

Income Taxes-

The Company is in a loss position for both financial reporting and tax purposes. The Company adopted Financial Accounting Standards Board Statement No. 109, "Accounting for Income Taxes", which requires, among other things, recognition of future tax benefits measured at enacted rates attributable to deductible temporary differences between financial statement and income tax bases of assets and liabilities and to tax net operating loss carryforwards to the extent that realization of said benefits is more likely than not. The only item giving rise to such a deferred tax asset or liability is the loss carryforward as a result of the operating loss incurred for the period from inception (February 2, 1996) to March 31, 1997. However, due to the uncertainty of the Company's ability to generate income in the future, the deferred tax asset has been fully reserved.

Earnings per Common Share-

Pursuant to the Securities and Exchange Commission Staff Accounting Bulletins, common shares issued at prices below the public offering price during the twelve month period prior to a proposed public offering are included in the calculation of earnings per share as if they were outstanding for all periods presented even though their effects are antidilutive. Primary and fully diluted earnings per share are the same.

(3) PROPOSED PUBLIC OFFERING OF SECURITIES (Unaudited):

The Proposed Offering calls for the Company to offer for public sale 1,350,000 shares of the Company's common stock, $.0001 par value at an estimated price of $6 per share.

In connection with the Proposed Offering, the Company entered into an agreement with an underwriter dated June 10, 1997 (the "Underwriting Agreement"). The Company agreed to sell to the underwriter (the "Underwriter"), at an aggregate price of $135, warrants (the "Underwriter Options") to purchase up to 135,000 shares of the Company's common stock. The Underwriter Options are exercisable at a price of 120% of the initial public offering price per share for a period commencing one year after, and ending five years after the effective date of the prospectus.

The Company has granted to the Underwriter a 45-day option to purchase up to 202,500 additional shares of common stock of the Company at an estimated price of $6 per share, solely to cover over-allotments, if any (the "Over-Allotment Option").

(4) DEFERRED REGISTRATION COSTS:

As of December 31, 1996, and March 31, 1997, the Company has recorded deferred registration costs of $129,785 and $123,110 (unaudited), respectively, relating to estimated accounting, legal, underwriting and printing and engraving expenses incurred to date in connection with the Proposed Offering. Upon consummation of the Proposed Offering, these costs will be charged to equity. Should the Proposed Offering prove to be unsuccessful, these costs, as well as any additional expenses incurred, will be charged to operations.

(5) COMMON STOCK:

The Company's Articles of Incorporation authorize the issuance of 100,000,000 shares of common stock. Upon completion of the Proposed Offering, there will be a minimum of 96,755,500 authorized but unissued shares of common stock available for issuance (after appropriate reserves for the issuance of common stock upon full exercise of the Over-Allotment Option and the Underwriter Options). The Company's Board of Directors has the power to issue any or all of the authorized but unissued common stock without stockholder approval. The Company currently has no commitments to issue any shares of common stock other than as described in the Proposed Offering; however, the Company will, in all likelihood, issue a

substantial number of additional shares in connection with a Business Combination. To the extent that additional shares of common stock are issued, dilution of the interests of the Company's shareholders participating in the Proposed Offering may occur.

(6) RELATED-PARTY TRANSACTIONS:

The Company has obtained $1,000,000 "key man" term policies insuring each of the lives of Messrs. Frost and Hanna. In connection with the purchase of such policies, The Marshal E. Rosenberg Organization, Inc., a firm affiliated with Dr. Rosenberg, a Vice President, Treasurer and Director of the Company received a payment of approximately $2,700 in 1996 and $1,488 (unaudited) for the three months ended March 31, 1997.

In March 1997, Messrs. Frost and Hanna each made unsecured, noninterest bearing loans of $10,000 to the Company for operating expenses. These loans are expected to be repaid from the proceeds of the Proposed Offering.

(7) COMMITMENTS AND CONTINGENCIES:

The Company entered into employment agreements with Messrs. Frost and Hanna commencing on September 15, 1996 and requiring monthly salaries of $10,000 each plus monthly nonaccountable expense allowances of $1,000 each. Messrs. Frost's and Hanna's salaries have been paid through October 1996. However, each has agreed to waive all unpaid salary and expense allowance through the date four months prior to the closing date of the Proposed Offering.

The Company shall reimburse its officers and directors for any accountable reasonable expenses incurred in connection with activities on behalf of the Company. There is no limit on the amount of such reimbursable expenses, and there will be no review of the reasonableness of such expenses by anyone other than the Board of Directors, all of the members of which are officers.

Commencing on January 15, 1997, the Company moved its executive offices to a new location pursuant to a three-year lease agreement at an approximate cost per month of $3,000.

(8) SUBSEQUENT EVENT (Unaudited):

In May 1997, the directors of the Company made unsecured, noninterest bearing loans of $55,000 to the Company for operating expenses. These loans are expected to be repaid from the proceeds of the Proposed Offering.

In June 1997, the Company entered into subscription agreements to issue 145,000 shares of common stock for proceeds of $72,500 in a private placement transaction. Also in June 1997, the Company redeemed 80,000 shares of common stock originally sold in a private placement transaction in December 1996 for $40,000.

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No dealer, salesperson or any other individual has been authorized to give any information or to make any representations not contained in this Prospectus in connection with the Offering covered by this Prospectus. If given or made, such information and representations must not be relied upon as having been authorized by the Company or the Underwriters. This Prospectus does not constitute an offer to sell or a solicitation of an offer to buy the Common Stock in any jurisdiction where, or to any person to whom, it is unlawful to make such an offer or solicitation. Neither the delivery of this Prospectus nor any sale made hereunder shall, under any circumstances, create any implication that there has not been any change in the affairs of the Company or the information set forth in this Prospectus since the date hereof.

TABLE OF CONTENTS

Until _____, 1997 (25 days after the date of this Prospectus), all dealers effecting transactions in the registered securities, whether or not participating in this distribution, may be required to deliver a Prospectus. This is in addition to the obligation of dealers to deliver a Prospectus when acting as Underwriters and with respect to their unsold allotments or subscriptions.

==========

1,350,000 SHARES

FROST HANNA CAPITAL GROUP, INC.

COMMON STOCK

PROSPECTUS

LH ROSS & COMPANY, INC.

_____, 1997

==========

PART II

INFORMATION NOT REQUIRED IN PROSPECTUS

ITEM 24. INDEMNIFICATION OF DIRECTORS AND OFFICERS

Section 607.0831 of the Florida Business Corporation Act (the "Florida Act") provides that a director is not personally liable for monetary damages to the corporation or any person for any statement, vote, decision or failure to act regarding corporate management or policy, by a director, unless: (a) the director breached or failed to perform his duties as a director; and (b) the director's breach of, or failure to perform, those duties constitutes: (i) a violation of criminal law unless the director had reasonable cause to believe his conduct was lawful or had no reasonable cause to believe his conduct was unlawful; (ii) a transaction from which the director derived an improper personal benefit, either directly or indirectly; (iii) a circumstance under which the director is liable for an improper distribution; (iv) in a proceeding by, or in the right of the corporation to procure a judgment in its favor or by or in the right of a shareholder, conscious disregard for the best interests of the corporation, or willful misconduct; or (v) in a proceeding by or in the right of someone other than the corporation or a shareholder, recklessness or an act or omission which was committed in bad faith or with malicious purpose or in a manner exhibiting wanton and willful disregard of human rights, safety or property.

Section 607.0850 of the Florida Act provides that a corporation shall have the power to indemnify any person who was or is a party to any proceeding (other than an action by, or in the right of, the corporation), by reason of the fact that he is or was a director, officer or employee or agent of the corporation against liability incurred in connection with such proceeding if he acted in good faith and in a manner he reasonably believed to be in, or not opposed to, the best interests of the corporation and, with respect to any

criminal action or proceeding, had no reasonable cause to believe his conduct was unlawful. Section 607.0850 also provides that a corporation shall have the power to indemnify any person, who was or is a party to any proceeding by, or in the right of, the corporation to procure a judgment in its favor by reason of the fact that he is or was a director, officer, employee or agent of the corporation, against expenses and amounts paid in settlement not exceeding, in the judgment of the board of directors, the estimated expense of litigating the proceeding to conclusion, actually and reasonably incurred in connection with the defense or settlement of such proceeding, including any appeal thereof. Under Section 607.0850, indemnification is authorized if such person acted in good faith and in a manner he reasonably believed to be in, or not opposed to, the best interests of the corporation, except that no indemnification may be made in respect of any claim, issue, or matter as to which such person is adjudged to be liable unless, and only to the extent that, the court in which such proceeding was brought, or any other court of competent jurisdiction, shall determine upon application that, despite the adjudication of liability, but in view of all circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses which such court deems proper. To the extent that a director, officer, employee or agent has been successful on the merits or otherwise in defense of any of the foregoing proceedings, or in defense of any claim, issue or matter therein Section 607.0850 provides that, he shall be indemnified against expenses actually and reasonably incurred by him in connection therewith. Under Section 607.0850, any indemnification, unless pursuant to a determination by a court, shall be made by the corporation only as authorized in the specific case upon a determination that the indemnification of the director, officer, employee or agent is

proper under the circumstances because he has met the applicable standard of conduct. Notwithstanding the failure of a corporation to provide indemnification, and despite any contrary determination by the corporation in a specific case, Section 607.0850 permits a director, officer, employee or agent of the corporation who is or was a party to a proceeding to apply for indemnification to the appropriate court and such court may order indemnification if it determines that such person is entitled to indemnification under the applicable standard.

Section 607.0850 also provides that a corporation has the power to purchase and maintain insurance on behalf of any person who is or was a director, officer, employee or agent of the corporation against any liability asserted against him and incurred by him in any such capacity or arising out of his status as such, whether or not the corporation would have the power to indemnify him against such liability under the provisions of Section 607.0850.

The Registrant's articles of incorporation provide that it shall indemnify its officers and directors and former officers and directors to the full extent permitted by law.

The Underwriting Agreement, filed as Exhibit 1.1 to this Registration Statement, provides for indemnification by the Underwriter of the Registrant's directors, officers and controlling persons against certain liabilities that may be incurred in connection with the offering, including liabilities under the Securities Act of 1933, as amended.

ITEM 25. OTHER EXPENSES OF ISSUANCE AND DISTRIBUTION

The following is a list of the estimated expenses (other than underwriting discounts and commissions and the Representative's non-accountable expense allowance) to be paid by the Registrant in connection with the issuance and distribution of the securities being registered herein.

<TABLE>

<S>	<C>
SEC Registration Fee	$3,117.27
NASD Filing Fee	1,500.00
NASDAQ National Market Quotation Fee	5,000.00
Legal Fees and Expenses*	75,000.00
Registrar and Transfer Agent Fees and Expenses*	5,000.00
Accounting Fees and Expenses*	35,000.00
Printing and Engraving Expenses*	15,000.00
Blue Sky Qualification Fees and Expenses	10,000.00
Miscellaneous	25,382.73
Total *	$175,000.00

</TABLE>

* Estimated

ITEM 26. RECENT SALES OF UNREGISTERED SECURITIES

The following sets forth information relating to all securities of the Registrant sold by it since February 2, 1996, the date of the Registrant's inception:

<TABLE>
<CAPTION>

NAME	DATE OF ISSUANCE	SHARES	CONSIDERATION PER SHARE

<S>	<C>	<C>	<C>
Plaza Street Corporation, Ltd.	October 6, 1996	80,000	$.50
Baxter, Donald H.	September 13, 1996	100,000	$.0001
Fernandez, Charles	October 6, 1996	20,000	$.50
Fernandez, Charles	June 25, 1997	130,000	$.50
Frost, Joel	October 6, 1996	4,000	$.50
Frost-Nevada, Limited Partnership	October 6, 1996	100,000	$.50
Frost, Richard	September 13, 1996	362,000	$.0001
Funk, Teresa	October 6, 1996	2,000	$.50
Grout, Dianna	October 6, 1996	1,500	$.50
Hanna, Mark J.	September 13, 1996	362,000	$.0001
Jomaric Inc.	October 6, 1996	5,000	$.50
Lu, Emily	October 6, 1996	9,000	$.50
NAFA Equities	October 6, 1996	5,000	$.50
Orchard Investments Inc.	October 6, 1996	10,000	$.50
Rosenberg, Ph.D., Marshall E.	September 13, 1996	300,000	$.0001
Rosenberg, Donald	October 6, 1996	20,000	$.50
Rosenberg, Donald	June 25, 1997	15,000	$.50
Topper, Linda	October 6, 1996	1,500	$.50
Wolf, Marie	October 6, 1996	30,000	$.50

</TABLE>

Exemption from registration under the Securities Act of 1933, as amended (the "Act"), is claimed for the sales of Common Stock referred to above in reliance upon the exemption afforded by Section 4(2) and 3(b) of the Act for transactions not involving a public offering. Each certificate evidencing such shares of Common Stock bears an appropriate restrictive legend and "stop transfer" orders are maintained on Registrant's stock transfer records thereagainst. None of these sales involved participation by an underwriter or a broker-dealer.

ITEM 27. EXHIBITS

The following is a list of Exhibits filed herewith as part of the Registration Statement:

Exhibits	Description
1.1	Form of Underwriting Agreement
3.1	Articles of Incorporation of the Registrant
3.2	Bylaws of the Registrant
4.1	Form of Common Stock Certificate

Exhibits	Description
4.2	Form of Warrant Agreement between Frost Hanna Capital Group, Inc. and the Representatives (including the form of Representatives' Warrant Certificate)
5.1	Form of Opinion of Stearns Weaver Miller Weissler Alhadeff & Sitterson, P.A.
10.1	Form of Escrow Agreement by and between the Registrant and Fiduciary Trust International of the South
10.2	Form of Escrow Agreement by and among Registrant, Richard B. Frost, Mark J. Hanna, Marshal E. Rosenberg, Ph.D., Donald H. Baxter, Charles Fernandez and American Stock Transfer & Trust Company
10.3	Form of Letter Agreement concerning conflicts of interests, finder's fees, negotiation for sale of management shares and relating to the vote by certain present shareholders of Registrant on a Business Combination
10.4	Form of Employment Agreement dated as of September 13, 1996, by and between Registrant and Richard B. Frost
10.5	Form of Employment Agreement dated as of September 13, 1996, by and between Registrant and Mark J. Hanna
10.6	Form of Letter Agreement relating to redemption rights and other issues by the present shareholders of Registrant
23.1	Consent of Stearns Weaver Miller Weissler Alhadeff & Sitterson, P.A. (included with Exhibit 5.1 to this Registration Statement)
23.2	Consent of Arthur Andersen LLP
24.1	Power of Attorney (included with signature page)

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ITEM 28. UNDERTAKINGS

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers and controlling persons of the Registrant pursuant to the foregoing provisions, or otherwise, the Registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the Registrant of expenses incurred or paid

by a director, officer or controlling person of the Registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the Registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act and will be governed by the final adjudication of such issue.

The undersigned Registrant hereby undertakes that:

(1) For purposes of determining any liability under the Securities Act, the information omitted from the form of prospectus filed as part of this Registration Statement in reliance upon Rule 430A and contained in a form of prospectus filed by the Registrant pursuant to Rule 424(b)(1) or (4) or 497(h) under the Securities Act shall be deemed to be part of this Registration Statement as of the time it was declared effective.

(2) For the purpose of determining any liability under the Securities Act, each post-effective amendment that contains a form of prospectus shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

The Registrant hereby undertakes to provide to the Underwriters at the closing specified in the Underwriting Agreement certificates in such denominations and registered in such name as required by the Underwriters to permit prompt delivery to each purchaser.

SIGNATURES

In accordance with the requirements of the Securities Act of 1933, the registrant certifies that it has reasonable grounds to believe that it meets all of the requirements of filing on Form SB-2 and authorizes this Registration Statement to be signed on its behalf by the undersigned in the city of Boca Raton, State of Florida, on July 9, 1997.

FROST HANNA CAPITAL GROUP, INC.

By: /s/ Mark J. Hanna

Mark J. Hanna, President

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that each person whose signature appears below constitutes and appoints Richard B. Frost and Mark J. Hanna and each of them acting alone, his true and lawful attorneys-in-fact and agents, each with full power of substitution and resubstitution, for him and in his name, place and stead, in any and all capacities, to sign any and all amendments, including post-effective amendments, to this Registration Statement, or any registration statement relating to this offering to be effective upon filing pursuant to Rule 462(b) under the Securities Act of 1933, and to file the same, with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done, as fully to all intents and purposes as he might or could do in person, hereby ratifying and confirming all that each said attorneys-in-fact and agents or any of them, or their or his substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

<TABLE>
<CAPTION>

SIGNATURE	TITLE	DATE
<S>	<C>	<C>
/s/ Richard B. Frost Richard B. Frost	Chief Executive Officer, Chairman of the Board	July 9, 1997
/s/ Mark J. Hanna Mark J. Hanna	President, Director	July 9, 1997
/s/ Marshal E. Rosenberg, Ph.D. Marshal E. Rosenberg, Ph.D.	Vice President, Treasurer Principal Financial Officer, Director	July 9, 1997
/s/ Donald H. Baxter Donald H. Baxter	Vice President, Secretary, Director	July 9, 1997
/s/ Charles Fernandez Charles Fernandez	Director	July 9, 1997

</TABLE>

Exhibit 1.1

1,350,000 Shares of Common Stock
of
FROST HANNA CAPITAL GROUP, INC.

UNDERWRITING AGREEMENT

New York, New York
, 1997

LH Ross & Company, Inc.
One Boca Place
2255 Glades Road, Suite 425W
Boca Raton, Florida 33431

Ladies and Gentlemen:

Frost Hanna Capital Group, Inc., a Florida corporation (the "Company"), confirms its agreement with LH Ross & Company ("LH Ross" or the "Underwriter"), with respect to the sale by the Company and the purchase by the Underwriter, of 1,350,000 shares (the "Shares") of the Company's common stock, par value $.0001 per share ("Common Stock") and with respect to the grant by the Company to the Underwriter, of the option described in Section 2(b) hereof to purchase all or any part of 202,500 additional Shares for the purpose of covering over-allotments, if any. The aforesaid 1,350,000 Shares (the "Firm Securities") and together with all or any part of the 202,500 additional Shares subject to the overallotment option described in Section 2(b) hereof (the "Overallotment Securities") are hereinafter collectively referred to as the "Securities." The Company also proposes to issue and sell to the Underwriter, an option (the "Underwriter's Purchase Option") pursuant to the Underwriter's Purchase Option Agreement (the "Underwriter's Purchase Option Agreement") for the purchase of an aggregate of 135,000 additional Shares (the "Underwriter's Option Shares"). The Securities, the Underwriter's Purchase Option Agreement and Underwriter's Option Shares are more fully described in the Registration Statement (as defined in Subsection 1(a) hereof) and the Prospectus (as defined in Subsection 1(a) hereof) referred to below. Unless the context otherwise requires, all references to the "Company" shall include all presently existing subsidiaries and any entities acquired by the Company on or prior to the Closing Date (defined in Subsection 2(c) hereof). All representations, warranties and opinions of counsel required hereunder shall cover any such subsidiaries and acquired entities.

1. REPRESENTATIONS AND WARRANTIES OF THE COMPANY. The Company represents and warrants to, and agrees with, the Underwriter as of the date hereof, and as of the Closing Date and any Overallotment Closing Date (as defined in Subsection 2(c) hereof), if any, as follows:

(a) The Company has filed with the Securities and Exchange

Commission (the "Commission") a registration statement, and an amendment or amendments thereto, on Form SB-2 (No. 333-) including any related preliminary prospectus (each a "Preliminary Prospectus"), for the registration of the Securities under the Securities Act of 1933, as amended (the "Act"), which registration statement and any amendment or amendments have been prepared by the Company in conformity with the requirements of the Act and the rules and regulations of the Commission under the Act. Following execution of this Agreement, the Company will promptly file (i) if the Registration Statement has been declared effective by the Commission, (A) a Term Sheet (as defined in the Rules and Regulations (as hereinafter defined)) pursuant to Rule 434 under the Act or (B) a Prospectus under Rules 430A and/or 424(b) under the Act, in either case in form satisfactory to the Underwriter or (ii) in the event the registration statement has not been declared effective, a further amendment to said registration statement in the form heretofore delivered to the Underwriter and will not, before the registration statement becomes effective, file any other amendment thereto unless the Underwriter shall have consented thereto after having been furnished with a copy thereof. Except as the context may otherwise require, such registration statement, as amended, on file with the Commission at the time the registration statement becomes effective (including the prospectus, financial statements, schedules, exhibits and all other documents filed as a part thereof and all information deemed to be a part thereof as of such time pursuant to paragraph (b) of Rule 430A of the Rules and Regulations)(as hereinafter defined), is hereinafter called the "Registration Statement" and the form of prospectus in the form first filed with the Commission pursuant to Rule 424(b) of the Rules and Regulations, is hereinafter called the "Prospectus." For purposes hereof, "Rules and Regulations" mean the rules and regulations adopted by the Commission under either the Act or the Securities Exchange Act of 1934, as amended (the "Exchange Act"), as applicable.

(b) Neither the Commission nor any state regulatory authority has issued any order preventing or suspending the use of any Preliminary Prospectus, the Registration Statement or Prospectus or any part thereof and no proceedings for a stop order have been instituted or are pending or, to the best knowledge of the Company, threatened. Each of the Preliminary Prospectus, the Registration Statement and the Prospectus at the time of filing thereof conformed in all material respects with the requirements of the Act and the Rules and Regulations, and neither the Preliminary Prospectus, the Registration Statement nor the Prospectus at the time of filing thereof contained an untrue statement of a material fact or omitted to state a material fact required to be stated therein and necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, except that this representation and warranty does not apply to statements made or statements omitted in reliance upon and in conformity with written information furnished to the Company with respect to the Underwriter by or on behalf of the Underwriter expressly for use in such Preliminary Prospectus, Registration Statement or Prospectus.

(c) When the Registration Statement becomes effective and at all times subsequent thereto up to the Closing Date and each Overallotment Closing Date (as hereinafter defined) and

during such longer period as the Prospectus may be required to be delivered in connection with sales by the Underwriter or a dealer, the Registration Statement and the Prospectus will contain all material statements which are required to be stated therein in compliance with the Act and the Rules and Regulations, and will in all material respects conform to the requirements of the Act and the Rules and Regulations; neither the Registration Statement, nor any amendment thereto, at the time the Registration Statement or such amendment is declared

effective under the Act, will contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, and the Prospectus at the time the Registration Statement becomes effective, at the Closing Date and at any Overallotment Closing Date, will not contain an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading; provided, however, that this representation and warranty does not apply to statements made or statements omitted in reliance upon and in conformity with information supplied to the Company in writing by or on behalf of the Underwriter expressly for use in the Registration Statement or Prospectus or any amendment thereof or supplement thereto.

(d) The Company has been duly organized and is now, and at the Closing Date and any Overallotment Closing Date will be, validly existing as a corporation in good standing under the laws of the State of Florida. The Company does not own, directly or indirectly, an interest in any corporation, partnership, trust, joint venture or other business entity; provided, that the foregoing shall not be applicable to the investment of the net proceeds from the sale of the Securities in short-term, low-risk investments as set forth under "Use of Proceeds" in the Prospectus except to the extent that any failure of the Company to comply with the foregoing does not have a material adverse effect on the Company. The Company is duly qualified to do business and is in good standing as a foreign corporation in each jurisdiction in which its ownership or leasing of its properties or the character of its operations require such qualification to do business, except where the failure to so qualify would not have a material adverse effect on the Company. The Company has all requisite power and authority (corporate and other), and has obtained any and all necessary applications, approvals, orders, licenses, certificates, franchises and permits of and from all governmental or regulatory officials and bodies (including, without limitation, those having jurisdiction over environmental or similar matters), to own or lease its properties and conduct its business as described in the Prospectus; the Company is and has been doing business in compliance with all such authorizations, approvals, orders, licenses, certificates, franchises and permits and all federal, state, local and foreign laws, rules and regulations except where the failure to comply would not have a material adverse effect upon the Company; and the Company has not received any notice of proceedings relating to the revocation or modification of any such authorization, approval, order, license, certificate, franchise, or permit which, singly or in the aggregate, if the subject of an unfavorable decision ruling or finding, would materially and adversely affect the condition, financial or otherwise, or the earnings, business affairs, position, prospects, value, operation, properties, business or results of operation of the Company. The disclosures, if any, in the Registration Statement concerning the effects of federal, state, local, and foreign laws, rules and regulations on the Company's business as currently conducted and as contemplated are correct in all material respects and do not omit to state a material fact necessary to

make the statements contained therein not misleading in light of the circumstances in which they were made.

(e) The Company has a duly authorized, issued and outstanding capitalization as set forth in the Prospectus under the caption "Capitalization" and will have the adjusted capitalization set forth therein on the Closing Date and the Overallotment Closing Date, if any, based upon the assumptions set forth therein, and the Company is not a party to or bound by any instrument, agreement

or other arrangement providing for the Company to issue any capital stock, rights, warrants, options or other securities, except for this Agreement and as otherwise described in the Prospectus. The Shares, the Underwriter's Purchase Option and the Underwriter's Option Shares and all other securities issued or issuable by the Company conform or, when issued and paid for, will conform in all respects to all statements with respect thereto contained in the Registration Statement and the Prospectus. All issued and outstanding securities of the Company have been duly authorized and validly issued and are fully paid and non-assessable; the holders thereof have no rights of rescission with respect thereto, and are not subject to personal liability by reason of being such holders; and none of such securities were issued in violation of the preemptive rights of any holders of any security of the Company, or similar contractual rights granted by the Company to subscribe for or purchase securities. The Securities, the Underwriter's Purchase Option and the Underwriter's Option Shares to be issued and sold by the Company hereunder, and upon payment therefor, are not and will not be subject to any preemptive or other similar rights of any stockholder to subscribe for or purchase securities, have been duly authorized and, when issued, paid for and delivered in accordance with the terms hereof and thereof, will be validly issued, fully paid and non-assessable and will conform in all material respects to the descriptions thereof contained in the Prospectus; the holders thereof will not be subject to any liability solely as such holders; all corporate action required to be taken for the authorization, issuance and sale of the Securities, the Underwriter's Purchase Option and the Underwriter's Option Shares has been duly and validly taken; and the certificates, if any, representing the Securities and the Underwriter's Option Shares will be in due and proper form. Upon the issuance and delivery pursuant to the terms hereof of the Securities to be sold to the Underwriter by the Company hereunder, the Underwriter will acquire good and marketable title to such Securities free and clear of any lien, charge, claim, encumbrance, pledge, security interest, defect or other restriction or equity of any kind whatsoever.

(f) The financial statements of the Company, together with the related notes and schedules thereto, included in the Registration Statement, the Preliminary Prospectus and the Prospectus fairly present the financial position and the results of operations of the Company at the respective dates and for the respective periods to which they apply; and such financial statements have been prepared in conformity with generally accepted accounting principles and the Rules and Regulations, consistently applied throughout the periods involved; except as otherwise described in the Prospectus. There has been no material adverse change or development involving a prospective change in the condition, financial or otherwise, or in the earnings, business affairs, position, prospects, value, operation, properties, business, or results of operation of the Company, whether or not arising in the ordinary course of business, since the dates of the financial statements included in the Registration Statement and the Prospectus and the outstanding debt, the property, both tangible and

intangible, and the business of the Company, conform in all material respects to the descriptions thereof contained in the Registration Statement and in the Prospectus.

(g) Arthur Andersen, LLP, whose report is filed with the Commission as a part of the Registration Statement, is an independent certified public accountant with respect to the Company as required by the Act and the Rules and Regulations.

(h) The Company (i) has paid all federal, state, local, and foreign taxes for which it is liable, including, but not limited to, withholding

taxes and taxes payable under Chapters 21 through 24 of the Internal Revenue Code of 1986 (the "Code"), (ii) has furnished all tax and information returns it is required to furnish pursuant to the Code, and has established adequate reserves for such taxes which are not due and payable, and (iii) does not have knowledge of any tax deficiency or claims outstanding, proposed or assessed against it.

(i) The Company maintains insurance, which is in full force and effect, of the types and in the amounts which it reasonably believes to be adequate for its business, including, but not limited to, personal injury and product liability insurance covering all personal and real property owned or leased by the Company against fire, theft, damage and all risks customarily issued against.

(j) Except as disclosed in the Prospectus, there is no action, suit, proceeding, inquiry, investigation, litigation or governmental proceeding (including, without limitation, those having jurisdiction over environmental or similar matters), domestic or foreign, pending or threatened against (or circumstances that may give rise to the same), or involving the properties or business of the Company which: (i) questions the validity of the capital stock of the Company or this Agreement or of any action taken or to be taken by the Company pursuant to or in connection with this Agreement; (ii) is required to be disclosed in the Registration Statement which is not so disclosed (and such proceedings as are summarized in the Registration Statement are accurately summarized in all respects); or (iii) might materially affect the condition, financial or otherwise, or the earnings, business affairs, position, prospects, value, operation, properties, business or results of operations of the Company.

(k) The Company has full legal right, power and authority to enter into this Agreement and the Underwriter's Purchase Option Agreement and to consummate the transactions provided for in such agreements; and this Agreement and the Underwriter's Purchase Option Agreement have each been duly authorized, executed and delivered by the Company. Each of this Agreement and the Underwriter's Purchase Option Agreement constitutes a legally valid and binding agreement of the Company, subject to due authorization, execution and delivery by the Underwriter or the Underwriter, enforceable against the Company in accordance with its terms (except as such enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or other laws of general application relating to or affecting enforcement of creditors' rights and the application of equitable principles in any action, legal or equitable, and except as rights to indemnity or contribution may be limited by applicable law). Neither the Company's execution nor delivery of this Agreement, or the Underwriter's Purchase Option Agreement, its performance hereunder and thereunder, its consummation of the transactions contemplated herein and therein, nor the conduct

of its business as described in the Registration Statement, the Prospectus, and any amendments or supplements thereto, conflicts with or will conflict with or results or will result in any breach or violation of any of the terms or provisions of, or constitutes or will constitute a default under, or result in the creation or imposition of any material lien, charge, claim, encumbrance, pledge, security interest defect or other restriction or equity of any kind whatsoever upon, any property or assets (tangible or intangible) of the Company pursuant to the terms of: (i) the Articles of Incorporation or Bylaws of the Company; (ii) any license, contract, indenture, mortgage, deed of trust, voting trust agreement, stockholders agreement, note, loan or credit agreement or any other agreement or instrument to which the Company is a party or by which the Company is bound or to which any of its properties or assets (tangible or

intangible) is or may be subject; or (iii) any statute, judgment, decree, order, rule or regulation applicable to the Company of any arbitrator, court, regulatory body or administrative agency or other governmental agency or body (including, without limitation, those having jurisdiction over environmental or similar matters), domestic or foreign, having jurisdiction over the Company or any of its activities or properties.

(l) No consent, approval, authorization or order of, and no filing with, any court, regulatory body, government agency or other body, domestic or foreign, is required for the issuance of the Securities pursuant to the Prospectus and the Registration Statement, the performance of this Agreement and the transactions contemplated hereby, except such as have been or may be obtained under the Act or the Bylaws and rules of the NASD or may be required under state securities or Blue Sky laws in connection with (i) the Underwriter's purchase and distribution of the Firm Securities and Overallotment Securities to be sold by the Company hereunder; or (ii) the issuance and delivery of the Underwriter's Purchase Option or the Underwriter's Option Shares.

(m) All executed agreements or copies of executed agreements (whether electronically scanned or otherwise) filed as exhibits to the Registration Statement to which the Company is a party or by which the Company may be bound or to which any of its assets, properties or businesses may be subject have been duly and validly authorized, executed and delivered by the Company, and constitute legally valid and binding agreements of the Company, enforceable against it in accordance with their respective terms, except to the extent there is no material adverse effect upon the Company. The descriptions contained in the Registration Statement of contracts and other documents are accurate in all material respects and fairly present the information required to be shown with respect thereto by the Rules and Regulations and there are no material contracts or other documents which are required by the Act or the Rules and Regulations to be described in the Registration Statement or filed as exhibits to the Registration Statement which are not described or filed as required, and the exhibits which have been filed are materially or substantially complete and correct copies of the documents of which they purport to be copies.

(n) Subsequent to the respective dates as of which information is set forth in the Registration Statement and Prospectus, and except as may otherwise be indicated or contemplated herein or therein, the Company has not: (i) issued any securities or incurred any liability or obligation, direct or contingent, for borrowed money in any material amount; (ii) entered into any transaction other than in the ordinary course of business; (iii) declared or paid any dividend or made any other distribution on or in respect of its capital stock; or (iv) made any changes in capital stock, material

changes in debt (long or short term) or liabilities other than in the ordinary course of business; or (v) made any material changes in or affecting the general affairs, management, financial operations, stockholders equity or results of operations of the Company.

(o) No default exists in the due performance and observance of any material term, covenant or condition of any license, contract, indenture, mortgage, installment sales agreement, lease, deed of trust, voting trust agreement, stockholders agreement, note, loan or credit agreement, or any other agreement or instrument evidencing an obligation for borrowed money, or any other agreement or instrument to which the Company is a party or by which any of the Company may be bound or to which any of its property or assets (tangible or intangible) of the Company is subject or affected except where such default does not, and will not, have a material adverse effect upon the Company.

(p) The Company has generally enjoyed a satisfactory employer-employee relationship with its employees and is in compliance in all material respects with all federal, state, local, and foreign laws and regulations respecting employment and employment practices, terms and conditions of employment and wages and hours.

(q) Since its inception, the Company has not incurred any liability arising under or as a result of the application of the provisions of the Act.

(r) Except as disclosed in the Prospectus, the Company does not presently maintain, sponsor or contribute to, and never has maintained, sponsored or contributed to, any program or arrangement that is an "employee pension benefit plan," an "employee welfare benefit plan " or a "multiemployer plan" as such terms are defined in Sections 3(2), 3(1) and 3(37) respectively of the Employee Retirement Income Security Act of 1974, as amended ("ERISA") ("ERISA Plans"). Except as disclosed in the Prospectus, the Company does not maintain or contribute, now or at any time previously, to a defined benefit plan, as defined in Section 3(35) of ERISA.

(s) The Company is not in violation in any material respect of any domestic or foreign laws, ordinances or governmental rules or regulations to which it is subject.

(t) No holders of any securities of the Company or of any options, warrants or other convertible or exchangeable securities of the Company exercisable for or convertible or exchangeable for securities of the Company have the right to include any securities issued by the Company in the Registration Statement or any registration statement to be filed by the Company or to require the Company to file a registration statement under the Act.

(u) Neither the Company, nor, to the Company's best knowledge after due inquiry, any of its employees, directors, stockholders or affiliates (within the meaning of the Rules and Regulations) has taken, directly or indirectly, any action designed to or which has constituted or which might reasonably be expected to cause or result in, under the Exchange Act, or otherwise, stabilization or manipulation of the price of any security of the Company to facilitate the sale or resale of the Securities or otherwise.

(v) Except as described in the Prospectus, to the best of the Company's knowledge after due inquiry, none of the patents, patent applications, trademarks, service marks, trade names and copyrights, or licenses and rights to the foregoing presently owned or held by the Company is in dispute or are in any conflict with the right of any other person or entity within the Company's current area of operations nor has the Company received notice of any of the foregoing. To the best of the Company's knowledge, the Company: (i) owns or has the right to use, free and clear of all liens, charges, claims, encumbrances, pledges, security interests, defects or other restrictions or equities of any kind whatsoever, all patents, trademarks, service marks, trade names and copyrights, technology and licenses and rights with respect to the foregoing, used in the conduct of its business as now conducted or proposed to be conducted without infringing upon or otherwise acting adversely to the right or claimed right of any person, corporation or other entity under or with respect to any of the foregoing; and (ii) except as set forth in the Prospectus, is not obligated or under any liability whatsoever to make any payments by way of royalties, fees

or otherwise to any owner or licensee of, or other claimant to, any patent, trademark, service mark trade name, copyright, know-how, technology or other intangible asset, with respect to the use thereof or in connection with the conduct of its business or otherwise.

(w) To the best of its knowledge, the Company owns and has the unrestricted right to use all material trade secrets, trade-marks, trade names, know-how (including all other unpatented and/or unpatentable proprietary or confidential information, systems or procedures), inventions, designs, processes, works of authorship, computer programs and technical data and information (collectively herein "Intellectual Property") required for or incident to the development, manufacture, operation and sale of all products and services sold or proposed to be sold by the Company, free and clear of and without violating any right, lien, or claim of others, including without limitation, former employers of its employees; provided, however, that the possibility exists that other persons or entities, completely independently of the Company, or employees or agents, could have developed trade secrets or items of technical information similar or identical to those of the Company.

(x) The Company has taken reasonable security measures to protect the secrecy, confidentiality and value of all the Intellectual Property material to its operations.

(y) The Company has good and marketable title to, or valid and enforceable leasehold estates in, all items of real and personal property owned or leased by it free and clear of all liens, charges, claims, encumbrances, pledges, security interests, defects, or other restrictions or equities of any kind whatsoever, other than liens for taxes or assessments not yet due and payable.

(z) The Company has obtained duly executed legally binding and enforceable agreements pursuant to which each of the Company's officers and directors and any person or entity owning 2% or more of the Company's securities has agreed not to, directly or indirectly, offer to sell, sell, grant any option for the sale of, assign, transfer, pledge, hypothecate or otherwise encumber any of their shares of Common Stock or other securities of the Company (either pursuant to Rule 144 of the Rules and Regulations or otherwise) or dispose of any beneficial interest therein for a period of not less than 13 months following the effective date of the Registration Statement or such earlier time

that a business combination is effected involving the issuance of at least a majority of the proceeds of the Offering, without the prior written consent of the Underwriter. The Company will cause the Transfer Agent, as defined below, to make an appropriate legend on the face of stock certificates representing all of such shares of Common Stock and other securities of the Company.

(aa) The Company has not incurred any liability and there are no arrangements or understandings for services in the nature of a finder's or origination fee with respect to the sale of the Securities or any other arrangements, agreements, understandings, payments or issuances with respect to the Company or any of its officers, directors, employees or affiliates that may adversely affect the Underwriter's compensation, as determined by the National Association of Securities Dealers, Inc. ("NASD").

(bb) Neither the Company nor any of its respective officers, employees, agents or any other person acting on behalf of the Company, has, directly or indirectly, given or agreed to give any money, gift or similar benefit (other than legal price concessions to customers in the ordinary course

of business) to any customer, supplier, employee or agent of a customer or supplier, or official or employee of any governmental agency (domestic or foreign) or instrumentality of any government (domestic or foreign) or any political party or candidate for office (domestic or foreign) or other person who was, is, or may be in a position to help or hinder the business of the Company (or assist the Company in connection with any actual or proposed transaction) which: (a) might subject the Company, or any other such person to any damage or penalty in any civil, criminal or governmental litigation or proceeding (domestic or foreign); (b) if not given in the past, might have had a materially adverse effect on the assets, business or operations of the Company; and (c) if not continued in the future, might adversely affect the assets, business, operations or prospects of the Company. The Company's internal accounting controls are sufficient to cause the Company to comply with the Foreign Corrupt Practices Act of 1977, as amended.

(cc) Except as set forth in the Prospectus, no officer, director or stockholder of the Company, or any "affiliate" or "associate" (as these terms are defined in Rule 405 promulgated under the Rules and Regulations) of any such person or entity or the Company, has or has had, either directly or indirectly, (i) an interest in any person or entity which (A) furnishes or sells services or products which are furnished or sold or are proposed to be furnished or sold by the Company, or (B) purchases from or sells or furnishes to the Company any goods or services, except with respect to the beneficial ownership of not more than 1% of the outstanding shares of capital stock of any publicly-held entity; or (ii) a beneficial interest in any contract or agreement to which the Company is a party or by which it may be bound or affected. Except as set forth in the Prospectus under "Certain Transactions", there are no existing agreements, arrangements, understandings or transactions, or proposed agreements, arrangements, understandings or transactions, between or among the Company, and any officer, director, or principal stockholder of the Company, or any affiliate or associate of any such person or entity.

(dd) Any certificate signed by any officer of the Company and delivered to the Underwriter or to the Underwriter's counsel shall be deemed a representation and warranty by the Company to the Underwriter as to the matters covered thereby.

(ee) The Company has entered into employment agreements with Richard B. Frost and Mark J. Hanna as materially described in the Prospectus. The Company has obtained a key-man life insurance policy in the amount of not less than $1,000,000 on the life of each of Messrs. Frost and Hanna, which policy is owned by the Company and names the Company as the sole beneficiary thereunder.

(ff) No securities of the Company have been sold by the Company since its inception, except as disclosed in Part II of the Registration Statement.

(gg) The minute books of the Company have been made available to Underwriter's Counsel and contain a complete summary of all meetings and actions of the Board of Directors and Stockholders of the Company since its inception.

(hh) Except as disclosed in writing to the Underwriter, no officer, or director or, to the Company's knowledge, stockholder of the Company has any affiliation or association with any member of the NASD.

2. PURCHASE, SALE AND DELIVERY OF THE SECURITIES AND AGREEMENT TO ISSUE UNDERWRITER'S PURCHASE OPTION.

(a) On the basis of the representations, warranties, covenants and agreements herein contained, but subject to the terms and conditions herein set forth, the Company agrees to sell to, the Underwriter, and the Underwriter agrees to purchase from the Company at the price per Security set forth below, the Firm Securities.

(b) In addition, on the basis of the representations, warranties, covenants and agreements, herein contained, but subject to the terms and conditions herein set forth, the Company hereby grants an option to the Underwriter to purchase up to an additional 202,500 Shares. The option granted hereby will expire 45 days after the date of this Agreement, and may be exercised in whole or in part at any time (but not more than once) only for the purpose of covering over-allotments which may be made in connection with the offering and distribution of the Firm Securities upon notice by the Underwriter to the Company setting forth the number of Overallotment Securities as to which the Underwriter is then exercising the option and the time and date of payment and delivery for such Overallotment Securities. Any such time and date of delivery shall be determined by the Underwriter, but shall not be later than seven full business days after the exercise of said option, nor in any event prior to the Closing Date, as defined in paragraph (c) below, unless otherwise agreed to between the Underwriter and the Company. Nothing herein contained shall obligate the Underwriter to make any over-allotments. No Overallotment Securities shall be delivered unless the Firm Securities shall be simultaneously delivered or shall theretofore have been delivered as herein provided.

(c) Payment of the purchase price for, and delivery of certificates for, the Firm Securities shall be made at the offices of the Underwriter, LH Ross & Company, Inc., One Boca

Place, 2255 Glades Road, Suite 425W, Boca Raton, Florida 33431 or at such other place as shall be designated by the Underwriter. Such delivery and payment shall be made at 10:00 a.m. (New York City time) on _____, 199_ or at such other time and date as shall be designated by the Underwriter but not less than three (3) nor more than five (5) business days after the effective date of the Registration Statement (such time and date of payment and delivery being hereafter called "Closing Date"). In addition, in the event that any or all of the Overallotment Securities are purchased by the Underwriter, payment of the purchase price for, and delivery of certificates for such Overallotment Securities shall be made at the above-mentioned office or at such other place and at such time (such time and date of payment and delivery being hereinafter called "Overallotment Closing Date") as shall be agreed upon by the Underwriter and the Company on each Overallotment Closing Date as specified in the notice from the Underwriter to the Company. Delivery of the certificates for the Firm Securities and the Overallotment Securities, if any, shall be made to the Underwriter against payment by the Underwriter of the purchase price for the Firm Securities and the Overallotment Securities, if any, to the order of the Company as the case may be by certified check in New York Clearing House funds, certificates for the Firm Securities and the Overallotment Securities, if any, shall be in definitive, fully registered form, shall bear no restrictive legends and shall be in such denominations and registered in such names as the Underwriter may request in writing at least two (2) business days prior to Closing Date or the relevant Overallotment Closing Date, as the case may be. The certificates for the Firm Securities and the Overallotment Securities, if any, shall be made available to the Underwriter at the above-mentioned office or such other place as the Underwriter may designate for inspection, checking and packaging no later than 9:30 a.m. on the last business day prior to Closing Date

or the relevant Overallotment Closing Date, as the case may be.

The purchase price of the Securities to be paid by the Underwriter, to the Company for the Securities purchased under Clauses (a) and (b) above will be $5.40 per Share (which price is net of the Underwriter's discount and commissions). The Company shall not be obligated to sell any Securities hereunder unless all Firm Securities to be sold by the Company are purchased hereunder. The Company agrees to issue and sell the Securities to the Underwriter in accordance herewith.

(d) On the Closing Date, the Company shall issue and sell to the Underwriter, the Underwriter's Purchase Option at a purchase price of $135.00 which Underwriter's Purchase Option shall entitle the holders thereof to purchase an aggregate of 135,000 Shares. The Underwriter's Purchase Option shall be exercisable for a period of four (4) years commencing one (1) year from the effective date of the Registration Statement at an initial exercise price equal to one hundred twenty percent (120%) of the initial public offering price of the Shares. The Underwriter's Purchase Option Agreement and form of Purchase Option Certificate shall be substantially in the form filed as an Exhibit to the Registration Statement. Payment for the Underwriter's Purchase Option shall be made on the Closing Date. The Company has reserved and shall continue to reserve a sufficient number of Shares for issuance upon exercise of the Underwriter's Purchase Option .

3. PUBLIC OFFERING OF THE SECURITIES. As soon after the Registration Statement becomes effective and as the Underwriter deem advisable, but in no event more than five (5) business days after such effective date, the Underwriter shall make a public offering of the Securities (other than to residents of or in any jurisdiction in which qualification of the Securities is required and has not

become effective) at the price and upon the other terms set forth in the Prospectus and otherwise in compliance with the Rules and Regulations. The Underwriter may allow such concessions and discounts upon sales to other dealers as set forth in the Prospectus. The Underwriter may from time to time increase or decrease the public offering price after distribution of the Securities has been completed to such extent as the Underwriter, in their sole discretion, deems advisable.

4. COVENANTS OF THE COMPANY. The Company covenants and agrees with the Underwriter as follows:

(a) The Company shall use its best efforts to cause the Registration Statement and any amendments thereto to become effective as promptly as practicable and will not at any time, whether before or after the effective date of the Registration Statement, file any amendment to the Registration Statement or supplement to the Prospectus or file any document under the Exchange Act: (i) before termination of the offering of the Securities by the Underwriter which the Underwriter shall not previously have been advised and furnished with a copy; or (ii) to which the Underwriter shall have objected; or (iii) which is not in compliance with the Act, the Exchange Act or the Rules and Regulations.

(b) As soon as the Company is advised or obtains knowledge thereof, the Company will, during the period when the Prospectus is required to be delivered under the Act or the Exchange Act, advise the Underwriter and confirm by notice in writing: (i) when the Registration Statement, as amended, becomes effective, if the provisions of Rule 430A promulgated under the Act will

be relied upon, when the Prospectus has been filed in accordance with said Rule 430A and when any post-effective amendment to the Registration Statement becomes effective; (ii) of the issuance by the Commission of any stop order or of the initiation, or the threatening of any proceeding, suspending the effectiveness of the Registration Statement or any order preventing or suspending the use of the Preliminary Prospectus or the Prospectus, or any amendment or supplement thereto, or the institution or proceeding for that purpose; (iii) of the issuance by any state securities commission of any proceedings for the suspension of the qualification of the Securities for offering or sale in any jurisdiction or of the initiation, or the threatening, of any proceeding for that purpose; (iv) of the receipt of any comments regarding the Registration Statement or the Company from the Commission; and (v) of any request by the Commission for any amendment to the Registration Statement or any amendment or supplement to the Prospectus or for additional information. If the Commission or any state securities commission or regulatory authority shall enter a stop order or suspend such qualification at any time, the Company will make every reasonable effort to obtain promptly the lifting of such order.

(c) The Company shall file the Prospectus (in form and substance satisfactory to the Underwriter) or transmit the Prospectus by a means reasonably calculated to result in filing with the Commission pursuant to Rule 424(b)(1) (or, if applicable and if consented to by the Underwriter pursuant to Rule 424(b)(4)) not later than the Commission's close of business on the earlier of (i) the second business day following the execution and delivery of this Agreement and (ii) the fifth business day after the effective date of the Registration Statement.

(d) The Company will give the Underwriter notice of its intention to file or prepare any amendment to the Registration Statement (including any post-effective amendment) or any amendment or supplement to the Prospectus (including any revised prospectus which the Company proposes for use by the Underwriter in connection with the offering of the Securities which differs from the corresponding prospectus on file at the Commission at the time the Registration Statement becomes effective, whether or not such revised prospectus is required to be filed pursuant to Rule 424(b) of the Rules and Regulations), will furnish the Underwriter with copies of any such amendment or supplement a reasonable amount of time prior to such proposed filing or use, as the case may be, and will not file any such prospectus to which the Underwriter or Mintz & Fraade, P.C. ("Underwriter's Counsel"), shall reasonably and in good faith object.

(e) The Company shall cooperate in good faith with the Underwriter, and Underwriter's Counsel, at or prior to the time the Registration Statement becomes effective, in endeavoring to qualify the Securities for offering and sale under the securities laws of such jurisdictions as the Underwriter may reasonably designate, and shall cooperate with the Underwriter and Underwriter's Counsel in the making of such applications, and filing such documents and shall furnish such information as may be required for such purpose; PROVIDED, HOWEVER, the Company shall not be required to qualify as a foreign corporation or file a general consent to service of process in any such jurisdiction. In each jurisdiction where such qualification shall be effected, the Company will, unless the Underwriter agree that such action is not at the time necessary or advisable, use all reasonable efforts to file and make such statements or reports at such times as are or may reasonably be required by the laws of such jurisdiction to continue such qualification.

(f) During the time when the Prospectus is required to be

delivered under the Act, the Company shall use all reasonable efforts to comply with all requirements imposed upon it by the Act and the Exchange Act, as now and hereafter amended and by the Rules and Regulations, as from time to time in force, so far as necessary to permit the continuance of sales of or dealings in the Securities in accordance with the provisions hereof and the Prospectus, or any amendments or supplements thereto. If at any time when the Prospectus relating to the Securities is required to be delivered under the Act, any event shall have occurred as a result of which, in the opinion of counsel for the Company or Underwriter's Counsel, the Prospectus, as then amended or supplemented, includes an untrue statement of a material fact or omits to state any material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, or if it is necessary at any time to amend the Prospectus to comply with the Act, the Company will notify the Underwriter promptly and prepare and file with the Commission an appropriate amendment or supplement in accordance with Section 10 of the Act, each such amendment or supplement to be reasonably satisfactory to Underwriter's Counsel, and the Company will furnish to the Underwriter a reasonable number of copies of such amendment or supplement.

(g) As soon as practicable, but in any event not later than 45 days after the end of the 12-month period commencing on the day after the end of the fiscal quarter of the Company during which the effective date of the Registration Statement occurs (90 days in the event that the end of such fiscal quarter is the end of the Company's fiscal year), the Company shall make generally available to its security holders, in the manner specified in Rule 158(b) of the Rules and Regulations,

and to the Underwriter, an earnings statement which will be in such form and detail required by, and will otherwise comply with, the provisions of Section 11(a) of the Act and Rule 158(a) of the Rules and Regulations, which statement need not be audited unless required by the Act, covering a period of at least 12 consecutive months after the effective date of the Registration Statement.

(h) During a period of five (5) years after the date hereof and provided that the Company is required to file reports with the Commission under Section 12 of the Exchange Act, the Company will furnish to its stockholders, as soon as practicable, annual reports (including financial statements audited by independent public accountants), and will deliver to the Underwriter:

(i) as soon as they are available, copies of all reports (financial or other) mailed to stockholders;

(ii) as soon as they are available, copies of all reports and financial statements furnished to or filed with the Commission, the NASD or any securities exchange;

(iii) every press release and every material news item or article of interest to the financial community in respect of the Company and any future subsidiaries or their affairs which was released or prepared by the Company;

(iv) any additional information of a public nature concerning the Company and any future subsidiaries or their respective businesses which the Underwriter may reasonably request;

(v) a copy of any Schedule 13D, 13G, 14D-1, 13E-3 or 13E-4 received or filed by the Company from time to time.

During such four-year period, if the Company has active subsidiaries, the foregoing financial statements will be on a consolidated basis to the extent that the accounts of the Company and its subsidiaries are consolidated, and will be accompanied by similar financial statements for any significant subsidiary which is not so consolidated.

(i) For as long as the Company is required to file reports with the Commission under Section 12 of the Exchange Act, the Company will maintain a Transfer Agent and, if necessary under the same jurisdiction of incorporation as the Company, as well as a Registrar (which may be the same entity as the Transfer Agent) for its Common Stock.

(j) The Company will furnish to the Underwriter or pursuant to the Underwriter's direction, without charge, at such place as the Underwriter may designate, copies of each Preliminary Prospectus, the Registration Statement and any pre-effective or post-effective amendments thereto (two of which copies will be signed and will include all financial statements and exhibits), the Prospectus, and all amendments and supplements thereto, including any prospectus prepared after the effective date of the Registration Statement, in each case as soon as available and in such quantities as the Underwriter may reasonably request.

(k) Neither the Company, nor its officers or directors, nor affiliates of any of them (within the meaning of the Rules and Regulations) will take, directly or indirectly, any action designed to, or which might in the future reasonably be expected to cause or result in, stabilization or manipulation of the price of any securities of the Company.

(l) The Company shall apply the net proceeds from the sale of the Securities in the manner, and subject to the provisions, set forth under the caption "Use of Proceeds" in the Prospectus. No portion of the net proceeds will be used directly or indirectly to acquire any securities issued by the Company.

(m) The Company shall timely file all such reports, forms or other documents as may be required from time to time, under the Act, the Exchange Act, and the Rules and Regulations, and all such reports, forms and documents filed will comply as to form and substance with the applicable requirements under the Act, the Exchange Act, and the Rules and Regulations.

(n) The Company shall furnish to the Underwriter as early as practicable prior to each of the date hereof, the Closing Date and each Overallotment Closing Date, if any, but no later than two (2) full business days prior thereto, a copy of the latest available unaudited consolidated interim financial statements of the Company (which in no event shall be as of a date more than forty-five (45) days prior to the date of the Registration Statement) which have been read by the Company's independent public accountants, as stated in their letters to be furnished pursuant to SECTION 6(k) hereof.

(o) For a period of five (5) years from the Closing Date, the Company shall furnish to the Underwriter at the Company's sole expense, (i) daily consolidated transfer sheets relating to the Securities upon the Underwriter's request; (ii) a list of holders of Securities upon the Underwriter's request; (iii) a list of, if any, the securities positions of participants in the Depository Trust Company upon the Underwriter's request.

(p) Until the Company completes an acquisition that results in it expending the majority of its funds, the Company shall use its best efforts to

cause one (1) individual selected by the Underwriter to be elected to the Board of Directors of the Company (the "Board"), if requested by the Underwriter and provided such individual is reasonably acceptable to and approved by the Company. Alternatively, the Underwriter shall be entitled to appoint an individual who shall be permitted to attend all meetings of the Board and to receive all notices and other correspondence and communications sent by the Company to members of the Board, and copies of all minutes thereof. The Company shall reimburse the Underwriter's designee for his or her out-of-pocket expenses reasonably incurred and authorized in advance by the Company in connection with his or her attendance of the Board meetings. To the extent permitted by law, the Company agrees to indemnify and hold the designee (as a director or observer) and the Underwriter harmless against any and all claims, actions, awards and judgements arising out of his or her service as a director or an observer. If the Company shall maintain a liability insurance policy affording coverage for the actions of its officers and directors, it shall include such designee and the Underwriter as an insured under such policy.

(q) For a period equal to the lesser of (i) five (5) years from the date hereof, or (ii) the sale to the public of the Underwriter's Option Shares, the Company will not take any action or actions that may prevent or disqualify the Company's use of Forms SB-1 or, if applicable, S-1 and S-3 (or other appropriate form) for the registration under the Act of the Underwriter's Option Shares.

(r) For a period of five (5) years from the date hereof, use its best efforts at its cost and expense to maintain the listing of the Securities on the Nasdaq Electronic Bulletin Board, SmallCap or National Market System.

(s) (i) As soon as practicable, but in no event more than 5 business days after the effective date of the Registration Statement, file a Form 8-A with the Commission providing for the registration under the Exchange Act of the Securities.

(t) Following the Effective Date of the Registration Statement and for a period of two (2) years thereafter, the Company shall, at its sole cost and expense, prepare and file such blue sky trading applications with such jurisdictions as the Underwriter may reasonably request after consultation with the Company, and on the Underwriter's request, furnish the Underwriter with a secondary trading survey prepared by securities counsel to the Company.

(u) The Company shall not amend or alter any term of any written employment agreement between the Company and any executive officer, during the term of such written employment agreement, in a manner more favorable to such employee, without the express written consent of the Underwriter.

(v) Until the completion of the distribution of the Securities, the Company shall not without the prior written consent of the Underwriter, which consent shall not be unreasonably withheld, issue, directly or indirectly, any press release or other communication or hold any press conference with respect to the Company or its activities or the offering contemplated hereby, other than trade releases issued in the ordinary course of the Company's business consistent with past practices with respect to the Company's operations.

(w) The Company will use its best efforts to maintain its registration under the Exchange Act in effect for a period of five (5) years from the Closing Date.

(x) For a period of the shorter of 24 months commencing on the Closing Date or until such time as the Company has consummated a Business Combination, except with the written consent of the Underwriter, which consent shall not be unreasonably withheld, the Company will not issue or sell, directly or indirectly, any shares of its capital stock, or sell or grant options, or warrants or rights to purchase any shares of its capital stock, except pursuant to (i) this Agreement, (ii) the Underwriter's Purchase Option, and (iii) the exercise of warrants and options of the Company heretofore issued and described in the Prospectus; except that, during such period, the Company may issue securities without the Underwriter's consent in connection with an acquisition, merger or similar transaction as described in the Prospectus. Except as discussed in the Prospectus, prior to the Closing

Date, the Company will not issue any options or warrants without the prior written consent of the Underwriter.

(y) Until a Business Combination is consummated, as described in the Prospectus, the Company will not file any registration statement relating to the offer or sale of any of the Company's securities, including any registration statement on Form S-8, during the 24 months following the Closing Date without the Underwriter's prior written consent.

(z) Subsequent to the dates as of which information is given in the Registration Statement and Prospectus and prior to the Closing Dates, except as disclosed in or contemplated by the Registration Statement and Prospectus, (i) the Company will not have incurred any liabilities or obligations, direct or contingent, or entered into any material transactions other than in the ordinary course of business; (ii) there shall not have been any change in the capital stock, funded debt (other than regular repayments of principal and interest on existing indebtedness) or other securities of the Company, any material adverse change in the condition (financial or other), business, operations, income, net worth or properties, including any material loss or damage to the properties of the Company (whether or not such loss is insured against), which could materially adversely affect the condition (financial or other), business, operations, income, net worth or properties of the Company; and (iii) the Company shall not pay or declare any dividend or other distribution on its Common Stock or its other securities or redeem or repurchase any of its Common Stock or other securities.

(aa) Except as disclosed in or contemplated by the Registration Statement and Prospectus (including any Business Combination contemplated therein), the Company, for a period of 18 months following the Closing Date, shall not redeem any of its securities, and shall not pay any dividends or make any other cash distribution in respect of its securities in excess of the amount of the Company's current or retained earnings derived after the Closing Date without obtaining the Underwriter's prior written consent, which consent shall not be unreasonably withheld. The Underwriter shall either approve or disapprove such contemplated redemption of securities or dividend payment or distribution within seven (7) business days from the date the Underwriter receives written notice of the Company's proposal with respect thereto; a failure of the Underwriter to respond within the seven (7) business day period shall be deemed approval of the transaction.

(bb) The Company maintains and will continue to maintain a system of internal accounting controls sufficient to provide reasonable assurance that: (i) transactions are executed in accordance with management's general or specific authorization; (ii) transactions are recorded as necessary in order to

permit preparation of financial statements in accordance with generally accepted accounting principles and to maintain accountability for assets; (iii) access to assets is permitted only in accordance with management's general or specific authorization; and (iv) the recorded accountability for assets is compared with existing assets at reasonable intervals and appropriate action is taken with respect to any differences.

(cc) Until the Company expends the majority of its funds as described in the Prospectus, the Company shall maintain a key-man life insurance policy in the amount of not less than

$1,000,000 on the lives of each of Messrs. Frost and Hanna, which policies are owned by the Company and name the Company as the sole beneficiary thereunder.

5. PAYMENT OF EXPENSES.

(a) The Company hereby agrees to pay on each of the Closing Date and the Overallotment Closing Date (to the extent not paid at the Closing Date) all its expenses and fees (other than fees of Underwriter's Counsel, except as provided in (iv) below) incident to the performance of the obligations of the Company under this Agreement, including, without limitation: (i) the fees and expenses of accountants and counsel for the Company; (ii) all costs and expenses incurred in connection with the preparation, duplication, mailing, printing and filing of the Registration Statement and the Prospectus and any amendments and supplements thereto and the printing, mailing and delivery of this Agreement, the Selected Dealer Agreements, Agreement Between Underwriter, and related documents, including the cost of all copies thereof and of the Preliminary Prospectuses and of the Prospectus and any amendments thereof or supplements thereto supplied to the Underwriter in quantities as hereinabove stated; (iii) the printing, engraving, issuance and delivery of the Securities and Underwriter's Option Shares including any transfer or other taxes payable thereon; (iv) disbursements and fees of Underwriter's Counsel in connection with the qualification of the Securities under state or foreign securities or "Blue Sky" laws and determination of the status of such securities under legal investment laws, including the costs of printing and mailing the "Preliminary Blue Sky Memorandum," the "Supplemental Blue Sky Memorandum" and "Legal Investments Survey," if any, which Underwriter's Counsel fees (exclusive of filing fees and disbursements) shall equal $_____, none of which has previously been paid; (v) advertising costs and expenses, including but not limited to costs and expenses in connection with one information meeting held in New York, New York, one tombstone advertisement (not to exceed $15,000 without Company consent), bound volumes and prospectus memorabilia; (vi) fees and expenses of the transfer agent; (vii) the fees payable to the NASD; and (viii) the fees and expenses incurred in connection with the listing of the Securities on the Nasdaq OTC Bulletin Board. All fees and expenses payable to the Underwriter hereunder shall be payable at the Closing Date or Overallotment Closing Date, as applicable; provided, however, the company shall pay such fees and costs in advance of the Closing Date if requested by the Underwriter. The Underwriter shall be responsible for all of its own costs of counsel.

(b) If this Agreement is terminated by the Underwriter in accordance with the provisions of SECTION 6, SECTION 10(a) or SECTION 11, the Company shall reimburse and indemnify the Underwriter for up to $100,000 out-of-pocket actual expenses reasonably incurred in connection with the transactions contemplated hereby including the fees and disbursements of counsel for the Underwriter of which the Underwriter acknowledges $40,000 has been paid prior to the date hereof.

(c) The Company further agrees that, in addition to the expenses payable pursuant to subsection (a) of this SECTION 5, it will pay to the Underwriter a non-accountable expense allowance equal to three percent (3%) of the gross proceeds received by the Company from the sale of the Firm Securities, $40,000 of which has been paid to date to the Underwriter. The Company will pay the remainder of the non-accountable expense allowance on the Closing Date by certified or bank

cashier's check or, at the election of the Underwriter, by deduction from the proceeds of the offering contemplated herein. In the event the Underwriter elect to exercise the over-allotment option described in Section 2(b) hereof, the Company further agrees to pay to the Underwriter on the Overallotment Closing Date (by certified or bank cashier's check or, at the Underwriter's election, by deduction from the proceeds of the offering) a non-accountable expense allowance equal to three percent (3%) of the gross proceeds received by the Company from the sale of the Overallotment Securities.

6. CONDITIONS OF THE UNDERWRITER'S OBLIGATIONS. The obligations of the Underwriter hereunder shall be subject to the continuing accuracy in all materials respects of the representations and warranties of the Company herein as of the Closing Date and each Overallotment Closing Date, if any, as if they had been made on and as of the Closing Date or each Overallotment Closing Date, as the case may be; the accuracy on and as of the Closing Date or Overallotment Closing Date, if any, of the statements of officers of the Company made pursuant to the provisions hereof; and the performance by the Company on and as of the Closing Date and each Overallotment Closing Date, if any, of each of its covenants and obligations hereunder and to the following further conditions:

(a) The Registration Statement shall have become effective not later than 5:00 P.M., New York time, on the date of this Agreement or such later date and time as shall be consented to in writing by the Underwriter, and, at Closing Date and each Overallotment Closing Date, if any, no stop order suspending the effectiveness of the Registration Statement shall have been issued and no proceedings for that purpose shall have been instituted or shall be pending or contemplated to the knowledge of the Company by the Commission and any request on the part of the Commission for additional information shall have been complied with to the reasonable satisfaction of Underwriter's Counsel. If the Company has elected to rely upon Rule 430A of the Rules and Regulations, the price of the Securities and any price-related information previously omitted from the effective Registration Statement pursuant to such Rule 430A shall have been transmitted to the Commission for filing pursuant to Rule 424(b) of the Rules and Regulations within the prescribed time period, and prior to Closing Date the Company shall have provided evidence satisfactory to the Underwriter of such timely filing, or a post-effective amendment providing such information shall have been promptly filed and declared effective in accordance with the requirements of Rule 430A of the Rules and Regulations.

(b) The Underwriter shall not have advised the Company that the Registration Statement, or any amendment thereto, contains an untrue statement of fact which, in the Underwriter's opinion, and the opinion of its counsel is material or omits to state a fact which, in the Underwriter's opinion, is material and is required to be stated therein or is necessary to make the statements therein not misleading, or that the Prospectus, or any supplement thereto, contains an untrue statement of fact which, in the Underwriter's reasonable opinion, or the opinion of its counsel is material, or omits to state a fact which, in the Underwriter's reasonable opinion, is material and is required to be stated therein or is necessary to make the statements therein, in

light of the circumstances under which they were made, not misleading.

(c) At the Closing Date and the Overallotment Closing Date, the Underwriter shall have received the favorable opinion of Stearns Weaver Miller Weissler Alhadeff & Sitterson, P.A., counsel to the Company, dated the Closing Date, or Overallotment Closing Date, as the case may be, addressed to the Underwriter and in form and substance satisfactory to Underwriter's Counsel, to the effect that:

(i) The Company: (A) has been duly incorporated and is validly existing as a corporation in good standing under the laws of the State of Florida with full corporate power and authority to own and operate its properties and to carry on its business as set forth in the Registration Statement and Prospectus; (B) the Company is duly licensed or qualified as a foreign corporation in all jurisdictions in which by reason of maintaining an office in such jurisdiction or by owning or leasing real property in such jurisdiction it is required to be so licensed or qualified except where failure to be so qualified or licensed would have no material adverse effect upon the Company; and (C) to the best of counsel's knowledge, the Company has not received any notice of proceedings relating to the revocation or modification of any such license or qualification which revocation or modification would have a material adverse effect upon the Company.

(ii) The Registration Statement, each Preliminary Prospectus that has been circulated and the Prospectus and any post-effective amendments or supplements thereto (other than the financial statements, schedules and other financial and statistical data included therein, as to which no opinion need be rendered) comply as to form in all material respects with the requirements of the Act and Regulations and the conditions for use of a registration statement on Form SB-2 have been satisfied by the Company.

(iii) To the best of such counsel's knowledge, except as described in the Prospectus, the Company does not own an interest of a character required to be disclosed in the Registration Statement in any corporation, partnership, joint venture, trust or other business entity;

(iv) To the best of such counsel's knowledge, the Company has a duly authorized, issued and outstanding capitalization as set forth in the Prospectus as of the date indicated therein, under the caption "Capitalization". The Shares, Underwriter's Purchase Option and the Underwriter's Option Shares conform or upon issuance will conform in all material respects to all statements with respect thereto contained in the Registration Statement and the Prospectus. All issued and outstanding securities of the Company have been duly authorized and validly issued and all shares of capital stock are fully paid and non-assessable; and none of such securities were issued in violation of any statutory tax, or to our knowledge, any other preemptive rights of any holder of any security of the Company. The Securities to be sold by the Company hereunder, the Underwriter's Purchase Option to be sold by the Company under the Underwriter's Purchase Option Agreement and Underwriter's Option Shares have been duly authorized and, when issued, paid for and delivered in accordance with the terms hereof, will be validly issued, fully paid and non-assessable and conform or upon issuance will conform in all material respects to the description thereof contained in the Prospectus; are not, subject to any statutory, or to our knowledge, any other preemptive or other similar rights of any stockholder of the Company; and that the certificates representing the Shares, Underwriter's Purchase Option and Underwriter's Option Shares are in due

and proper legal form.

Upon delivery of the Shares to the Underwriter against payment therefor as provided for in this Agreement, the Underwriter (assuming they are bona fide purchasers within the meaning of the Uniform Commercial Code) will acquire good title to the Shares, free and clear of all liens, encumbrances, equities, security interests and claims.

(v) The Registration Statement has been declared effective under the Act, and, if applicable, filing of all pricing information has been timely made in the appropriate form under Rule 430A, and, to the best of such counsel's knowledge, no stop order suspending the effectiveness of the Registration Statement has been issued and to the best of such counsel's knowledge, no proceedings for that purpose have been instituted or are pending or threatened or contemplated under the Act;

(vi) To the best of such counsel's knowledge, (A) there are no material contracts or other documents required to be described in the Registration Statement and the Prospectus and filed as exhibits to the Registration Statement other than those described in the Registration Statement and the Prospectus and filed as exhibits thereto, and (B) the descriptions in the Registration Statement and the Prospectus and any supplement or amendment thereto regarding such material contracts or other documents to which the Company is a party or by which it is bound, are accurate in all material respects and fairly represent the information required to be shown by Form SB-2 and the Rules and Regulations;

(vii) This Agreement and the Underwriter's Purchase Option Agreement have each been duly and validly authorized, executed and delivered by the Company, and assuming that each is a valid and binding agreement of the Underwriter, as the case may be, constitutes a legally valid and binding agreement of the Company, enforceable as against the Company in accordance with their respective terms (except as such enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or other laws of general application relating to or affecting enforcement of creditors rights and the application of equitable principles in any action, legal or equitable, and except as rights to indemnity or contribution may be limited by applicable law or pursuant to public policy). Notwithstanding any provision contained herein to the contrary, we express no opinion as to: (i) the enforceability of any provision which would in effect limit any person's right to compete; (ii) any provision that restricts or enlarges the survival of representations, warranties or other agreements; (iii) the enforceability of choice of law or venue provisions; (iv) restrictions on access to legal or equitable redress; (v) enforceability of arbitration provisions; and (vi) the limitation of granting of specified types of damages.

(viii) Neither the execution or delivery by the Company of this Agreement or the Underwriter's Purchase Option Agreement nor its performance hereunder or thereunder, nor its consummation of the transactions contemplated herein or therein, nor the conduct of its business as described in the Registration Statement, the Prospectus, and any amendments or supplements thereto, nor the issuance of the Securities pursuant to this Agreement, to our knowledge, conflicts with or will conflict with or results or will result in any material breach or violation of any of the terms or provisions of, or constitutes or will constitute a material default under, or result in the creation imposition of any material lien, charge, claim, encumbrance, pledge, security interest, defect or other

restriction or equity of any kind whatsoever upon, any property or assets (tangible or intangible) of the Company except to the extent such event will not have a material adverse effect upon the Company pursuant to the terms of, (A) the Articles of Incorporation or Bylaws of the Company, (B) to the best knowledge of such counsel, any indenture, mortgage, deed of trust, voting trust agreement, stockholders agreement, note, loan or credit agreement or any other agreement or instrument that is material to the Company to which the Company is a party or by which it is bound or to which its properties or assets (tangible or intangible) are subject, or any indebtedness, or (C) to the best knowledge of such counsel, and except to the extent it would not have a material adverse effect on the Company, any statute, judgment, decree, order, rule or regulation applicable to the Company or any arbitrator, court, regulatory body or administrative agency or other governmental agency or body, having jurisdiction over the Company or any of its respective activities or properties.

(ix) No consent, approval, authorization or order, and no filing with, any court, regulatory body, government agency or other body (other than such as may be required under state securities laws, as to which no opinion need be rendered) is required in connection with the issuance by the Company of the Securities pursuant to the Prospectus and the Registration Statement, the performance of this Agreement and the Underwriter's Purchase Option Agreement by the Company, and the taking of any action by the Company contemplated hereby or thereby, which has not been obtained;

(x) Except as described in the Prospectus, to the best knowledge of such counsel, the Company is not in breach of, or in default under, any material term or provision of any indenture, mortgage, installment sale agreement, deed of trust, lease, voting trust agreement, stockholders' agreement, note, loan or credit agreement or any other agreement or instrument evidencing an obligation for borrowed money, or any other agreement or instrument to which the Company is a party or by which the Company may be bound or to which any of the property or assets (tangible or intangible) of the Company is subject or affected; and the Company is not in violation of any material term or provision of its Articles of Incorporation or Bylaws or, to the best knowledge of such counsel, in violation of any material franchise, license, permit, or in violation of any judgment, decree, order, statute, rule or regulation material to the Company business;

(xi) The statements in the Prospectus under the captions "THE COMPANY," "BUSINESS," "MANAGEMENT," "PRINCIPAL STOCKHOLDERS," "CERTAIN TRANSACTIONS," "DESCRIPTION OF CAPITAL STOCK," and "SHARES ELIGIBLE FOR FUTURE SALE" have been reviewed by such counsel, and insofar as they refer to statements of law, descriptions of statutes, licenses, rules or regulations or legal conclusions, are correct in all material respects;

(xii) the Securities are eligible for quotation in the Nasdaq Bulletin Board System.

In addition, such counsel shall state that such counsel has participated in conferences with officers and other representatives of the Company, the independent public accountants for the Company and the Underwriter, at which the contents of the Registration Statement, the Prospectus

and related matters were discussed and, although such counsel is not passing upon and does not assume any responsibility for the accuracy, completeness or fairness of the statements contained in the Registration Statement and Prospectus and made no independent investigation or verification thereof, on the basis of the foregoing, no facts have come to the attention of such counsel which lead them to believe that either the Registration Statement or any amendment thereto at the time such Registration Statement or amendment became effective or the Prospectus as of the date of such opinion contained any untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary to make the statements therein in light of the circumstances under which they were made, not misleading (it being understood that such counsel need express no opinion with respect to the financial statements and schedules and other financial and statistical data included in the Registration Statement or Prospectus or with respect to statements or omissions made therein in reliance upon information furnished in writing to the Company on behalf of any Underwriter expressly for use in the Registration Statement or the Prospectus).

In rendering such opinion, such counsel may rely, (A) as to matters involving the application of laws other than the laws of the United States, the corporate laws of Delaware and Florida and jurisdictions in which they are admitted, to the extent such counsel deems proper and to the extent specified in such opinion, if at all, upon an opinion or opinions (in form and substance reasonably satisfactory to Underwriter's Counsel) of other counsel reasonably acceptable to Underwriter's Counsel, familiar with the applicable laws of such other jurisdictions, and (B) as to matters of fact, to the extent they deem proper, on certificates and written statements of responsible officers of the Company and certificates or other written statements of officers of departments of various jurisdictions having custody of documents respecting the corporate existence or good standing of the Company; provided, that copies of any such statements or certificates shall be delivered to Underwriter's Counsel if requested. The opinion of such counsel for the Company shall state that the opinion of any such other counsel is in form satisfactory to such counsel and, in their opinion, the Underwriter and they are justified in relying thereon.

(d) At each Overallotment Closing Date, if any, the Underwriter shall have received the favorable opinion of counsel to the Company, each dated the Overallotment Closing Date, addressed to the Underwriter and in form and substance satisfactory to Underwriter's Counsel confirming as of the Overallotment Closing Date the statements made by such firm, in their opinion, delivered on the Closing Date.

(e) On or prior to each of the Closing Date and the Overallotment Closing Date, Underwriter's Counsel shall have been furnished such documents, certificates and opinions as they may reasonably require and request for the purpose of enabling them to review or pass upon the matters referred to in subsection (c) of this SECTION 6, or in order to evidence the accuracy, completeness or satisfaction of any of the representations, warranties or conditions herein contained.

(f) Prior to the Closing Date and each Overallotment Closing Date, if any: (i) there shall have been no material adverse change nor development involving a prospective change in the condition, financial or otherwise, prospects or the business activities of the Company, whether or not in the ordinary course of business, from the latest dates as of which such condition is set forth

in the Registration Statement and Prospectus; (ii) there shall have been no transaction, not in the ordinary course of business, entered into by the Company, from the latest date as of which the financial condition of the Company is set forth in the Registration Statement and Prospectus which is materially adverse to the Company; (iii) the Company shall not be in material default under any provision of any instrument relating to any outstanding indebtedness for money borrowed, except as described in the Prospectus; (iv) no material amount of the assets of the Company shall have been pledged or mortgaged, except as set forth in the Registration Statement and Prospectus; (v) no action, suit or proceeding, at law or in equity, shall have been pending or to its knowledge threatened against the Company, or affecting any of its properties or businesses before or by any court or federal, state or foreign commission, board or other administrative agency wherein an unfavorable decision, ruling or finding may materially adversely affect the business, operations, prospects or financial condition or income of the Company, except as set forth in the Registration Statement and Prospectus; and (vi) no stop order shall have been issued under the Act and no proceedings therefor shall have been initiated, threatened or contemplated by the Commission.

(g) At the Closing Date and each Overallotment Closing Date, if any, the Underwriter shall have received a certificate of the Company signed by the principal executive officer and by the chief financial or chief accounting officer of the Company, dated the Closing Date or Overallotment Closing Date, as the case may be, to the effect that:

(i) The representations and warranties of the Company in this Agreement are, in all material respects, true and correct, as if made on and as of the Closing Date or the Overallotment Closing Date, as the case may be, and the Company has complied in all material respects with all agreements and covenants and materially satisfied all conditions contained in this Agreement on its part to be performed or satisfied at or prior to such Closing Date or Overallotment Closing Date, as the case may be;

(ii) To his knowledge, after due inquiry, no stop order suspending the effectiveness of the Registration Statement has been issued, and no proceedings for that purpose have been instituted or are pending or, to the best of each of such person's knowledge, are contemplated or threatened under the Act;

(iii) The Registration Statement and the Prospectus and, if any, each amendment and each supplement thereto, contain all statements and information required to be included therein, and none of the Registration Statement, the Prospectus nor any amendment or supplement thereto includes any untrue statement of a material fact or omits to state any material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading and neither the Preliminary Prospectus nor any supplement thereto included any untrue statement of a material fact or omitted to state any material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading except to the extent any such material fact may be corrected in the Final Prospectus; and

(iv) Subsequent to the respective dates as of which information is given in the Registration Statement and the Prospectus and except as otherwise contemplated therein: (A) the Company has not incurred up to and including the Closing Date or the Overallotment Closing Date, as the case may

be, other than in the ordinary course of its business, any material liabilities or obligations, direct or contingent; (B) the Company has not paid or declared any dividends or other distributions on its capital stock; (C) the Company has not entered into any material transactions not in the ordinary course of business; (D) there has not been any change in the capital stock or any increase in long-term debt or any increase in the short-term borrowings (other than any increase in the short-term borrowings in the ordinary course of business) of the Company; (E) the Company has not sustained any material loss or damage to its property or assets, whether or not insured; (F) there is no litigation which is pending or threatened against the Company which is required to be set forth in an amended or supplemented Prospectus which has not been set forth;

(v) Neither the Company nor any of its officers or affiliates shall have taken, and the Company, its officers and affiliates will not take, directly or indirectly, any action designed to, or which might reasonably be expected to, cause or result in the stabilization or manipulation of the price of the Company's securities to facilitate the sale or resale of the Shares.

References to the Registration Statement and the Prospectus in this Isubsection (h) are to such documents as amended and supplemented at the date of such certificate.

(h) By the Closing Date, the Underwriter shall have received clearance from NASD as to the amount of compensation allowable or payable to the Underwriter, as described in the Registration Statement.

(i) At the time this Agreement is executed, the Underwriter shall have received a letter, dated such date, addressed to the Underwriter in form and substance satisfactory in all respects (including the non-material nature of the changes or decreases, if any, referred to in clause (iii) below) to the Underwriter, from Arthur Andersen, LLP:

(i) confirming that they are independent public accountants with respect to the Company within the meaning of the Act and the applicable Rules and Regulations;

(ii) stating that it is their opinion that the financial statements and supporting schedules of the Company included in the Registration Statement comply as to form in all material respects with the applicable accounting requirements of the Act and the Rules and Regulations thereunder;

(iii) stating that, on the basis of a reading of the latest available minutes of the stockholders and board of directors and the various committees of the boards of directors of the Company, consultations with officers and other employees of the Company responsible for financial and accounting matters and other specified procedures and inquiries, nothing has come to their attention that would lead them to believe that at a specified date not more than five (5) days prior to the effective date of the Registration Statement, there has been any change in the capital stock or

long-term debt of the Company, or any decrease in the stockholders' equity or net current assets or net assets of the Company as compared with amounts shown in the financial statements included in the Registration Statement, other than as set forth in or contemplated by the Registration Statement, or, if there was any change or decrease, setting forth the amount of such change or decrease, and (C) during the period from December 31, 1996 to a specified date not more than five (5) days prior to the effective date of the Registration Statement, there

was any decrease in net revenues, net earnings or increase in net earnings per common share of the Company, in each case as compared with the corresponding period in the preceding year, other than as set forth in or contemplated by the Registration Statement, or, if there was any such decrease, setting forth the amount of such decrease;

(iv) setting forth, at a date not later than five (5) days prior to the effective date of the Registration Statement, the amount of liabilities of the Company (including a breakdown of commercial paper and notes payable to banks);

(v) stating that they have compared specific dollar amounts, numbers of Securities, percentages of revenues and earnings, statements and other financial information pertaining to the Company set forth in the Prospectus in each case to the extent that such amounts, numbers, percentages, statements and information may be derived from the general accounting records, including work sheets, of the Company and excluding any questions requiring an interpretation by legal counsel, with the results obtained from the application of specified readings, inquiries and other appropriate procedures (which procedures do not constitute an examination in accordance with generally accepted auditing standards) set forth in the letter and found them to be in agreement; and

(vi) stating that they have not during the immediately preceding five (5) year period brought to the attention of the Company's management any "weakness", as defined in Statement of Auditing Standard No. 60 "Communication of Internal Control Structure Related Matters Noted in an Audit, " in the Company's internal controls;

(vii) stating that they have in addition carried out certain specified procedures, not constituting an audit, with respect to certain pro forma financial information which is included in the Registration Statement and the Prospectus and that nothing has come to their attention as a result of such procedures that caused them to believe such unaudited pro forma financial information does not comply in form in all material respects with the applicable accounting requirements of Rule 11-02 of Regulation S-X or that the pro forma adjustments have not been properly applied to the historical amounts in the compilation of that information; and

(viii) statements as to such other matters incident to the transaction contemplated hereby as the Underwriter may reasonably request.

(j) At the Closing Date and each Overallotment Closing Date, the Underwriter shall have received from Arthur Andersen LLP, a letter, dated as of the Closing Date, or Overallotment Closing Date, as the case may be, to the effect that they reaffirm that statements made in the letter furnished pursuant to SUBSECTION (i) of this Section, except that the specified date referred to shall

be a date not more than five days prior to Closing Date and, if the Company has elected to rely on Rule 430A of the Rules and Regulations, to the further effect that they have carried out procedures as specified in clause (iii) of subsection (i) of this Section with respect to certain amounts, percentages and financial information as specified by the Underwriter and deemed to be a part of the Registration Statement pursuant to Rule 430A(b) and have found such amounts, percentages and financial information to be in agreement with the records specified in such clause (iii).

(k) On each of Closing Date and Overallotment Closing Date, if any, there shall have been duly tendered to the Underwriter for their accounts the appropriate number of Securities against payment therefore.

(l) No order suspending the sale of the Securities in any jurisdiction designated by the Underwriter pursuant to subsection (e) of SECTION 4 hereof shall have been issued on either the Closing Date or the Overallotment Closing Date, if any, and no proceedings for that purpose shall have been instituted or to its knowledge or that of the Company shall be contemplated.

(m) The Company shall enter into the following agreements on terms reasonably satisfactory to the Underwriter:

(i) Escrow Agreement for Common Shares owned by Messrs. Frost, Hanna, Rosenberg, Baxter and Fernandez;

(ii) Escrow Agreement for the proceeds of this Offering;

(iii) Agreement for the voting, negotiating and sale of Common Stock of management of the Company, finder's fees and conflicts of interest; and

(iv) Agreement waiving redemption rights for management of the Company.

If any condition to the Underwriter's obligations hereunder to be fulfilled prior to or at the Closing Date or the relevant Overallotment Closing Date, as the case may be, is not so fulfilled, the Underwriter may terminate this Agreement or, if the Underwriter so elects, it may waive any such conditions which have not been fulfilled or extend the time for their fulfillment.

7. INDEMNIFICATION.

(a) The Company agrees to indemnify and hold harmless the Underwriter and each person, if any, who controls the Underwriter ("controlling person") within the meaning of Section 15 of the Act or Section 20(a) of the Exchange Act, against any and all losses, claims, damages, expenses or liabilities, joint or several (and actions in respect thereof), whatsoever (including but not limited to any and all expenses whatsoever reasonably incurred in investigating, preparing or defending against any litigation, commenced or threatened, or any claim whatsoever), as such are incurred, to which such Underwriter or such controlling person may become subject under the Act,

the Exchange Act or any other statute or at common law or otherwise or under the laws of foreign countries arising out of or based upon any untrue statement or alleged untrue statement of a material fact contained (i) in any Preliminary Prospectus (except that the indemnification contained in this paragraph with respect to any preliminary prospectus shall not inure to the benefit of the Underwriter or to the benefit of any person controlling the Underwriter on account of any loss, claim, damage, liability or expense arising from the sale of the Firm Securities by the Underwriter to any person if a copy of the Prospectus, as amended or supplemented, shall not have been delivered or sent to such person within the time required by the Act, and the untrue statement or alleged untrue statement or omission or alleged omission of a material fact contained in such Preliminary Prospectus was corrected in the Prospectus, as amended and supplemented, and such correction would have eliminated the loss,

claim, damage, liability or expense), the Registration Statement or the Prospectus (as from time to time amended and supplemented); (ii) in any post-effective amendment or amendments or any new registration statement and prospectus in which is included Securities of the Company issued or issuable upon exercise of the Underwriter's Purchase Option; or (iii) in any application or other document or written communication (in this SECTION 7 collectively called "application") executed by the Company or based upon written information furnished by the Company in any jurisdiction in order to qualify the Securities under the securities laws thereof or filed with the Commission, any state securities commission or agency, Nasdaq Stock Market, Inc. or any other securities exchange; or the omission or alleged omission therefrom of a material fact required to be stated therein or necessary to make the statements therein not misleading (in the case of the Prospectus, in the light of the circumstances under which they were made), unless in any case above such statement or omission was made in reliance upon and in conformity with written information furnished to the Company with respect to any Underwriter by or on behalf of such Underwriter expressly for use in any Preliminary Prospectus, the Registration Statement or Prospectus, or any amendment thereof or supplement thereto, in any post-effective amendment, new registration statement or prospectus or in any application, as the case may be.

The indemnity agreement in this subsection (a) shall be in addition to any liability which the Company may have at common law or otherwise.

(b) The Underwriter agrees, to indemnify and hold harmless the Company, each of its directors, each of its officers who has signed the Registration Statement, and each other person, if any, who controls the Company within the meaning of the Act to the same extent as the foregoing indemnity from the Company to the Underwriter but only with respect to statements or omissions, if any, made in any Preliminary Prospectus, the Registration Statement or Prospectus or any amendment thereof or supplement thereto in any post-effective amendment, new registration statement or prospectus, or in any application made in reliance upon, and in strict conformity with, written information furnished to the Company with respect to the Underwriter by such Underwriter expressly for use in such Preliminary Prospectus, the Registration Statement or Prospectus or any amendment thereof or supplement thereto or in any post-effective amendment, new registration statement or prospectus, or in any such application, directly related to the transactions effected by the Underwriter in connection with this Offering; provided that such written information or omissions only pertain to disclosures in the Preliminary Prospectus, the Registration Statement or Prospectus or any amendment thereof or supplement thereto, in any post-effective amendment, new registration

statement or prospectus or in any such application, provided, further, that the liability of each Underwriter to the Company shall be limited to the product of the Underwriter's discount or commission for the Shares multiplied by the number of Shares sold by such Underwriter hereunder. The Company acknowledges that the statements with respect to the public offering of the Firm Securities set forth under the heading "Underwriting" and the stabilization legend and the last paragraph of the cover page in the Prospectus have been furnished by the Underwriter expressly for use therein and any information furnished by or on behalf of the Underwriter filed in any jurisdiction in order to qualify the Securities under State Securities laws or filed with the Commission, the NASD or any securities exchange constitute the only information furnished in writing by or on behalf of the Underwriter for inclusion in the Prospectus and the Underwriter hereby confirm that such statements and information are true and correct and shall be on each Closing Date and Overallotment Closing Date.

(c) Promptly after receipt by an indemnified party under this SECTION 7 of notice of the commencement of any action, suit or proceeding, such indemnified party shall, if a claim in respect thereof is to be made against one or more indemnifying parties under this SECTION 7, notify each party against whom indemnification is to be sought in writing of the commencement thereof (but the failure so to notify an indemnifying party shall not relieve it from any liability which it may have under this Section 7 except to the extent that it has been prejudiced in any material respect by such failure or from any liability which it may have otherwise). In case any such action is brought against any indemnified party, and it notifies an indemnifying party or parties of the commencement thereof, the indemnifying party or parties will be entitled to participate therein, and to the extent it may elect by written notice delivered to the indemnified party promptly after receiving the aforesaid notice from such indemnified party, the indemnifying party may assume the defense thereof with counsel reasonably satisfactory to such indemnified party. Notwithstanding the foregoing the indemnified party or parties shall have the right to employ its or their own counsel in any such case but the fees and expenses of such counsel shall be at the expense of such indemnified party or parties unless (i) the employment of such counsel shall have been authorized in writing by the indemnifying parties in connection with the defense of such action at the expense of the indemnifying party, (ii) the indemnifying parties shall not have employed counsel reasonably satisfactory to such indemnified party to have charge of the defense of such action within a reasonable time after notice of commencement of the action, or (iii) such indemnifying party or parties shall have reasonably concluded that there may be defenses available to it or them that are different from or additional to those available to one or all of the indemnifying parties (in which case the indemnifying parties shall not have the right to direct the defense of such action on behalf of the indemnified party or parties), in any of which events such fees and expenses of one additional counsel shall be borne by the indemnifying parties. In no event shall the indemnifying parties be liable for fees and expenses of more than one counsel (in addition to any local counsel) separate from their own counsel for all indemnified parties in connection with any one action or separate but similar or related actions in the same jurisdiction arising out of the same general allegations or circumstances. Anything in this Section 7 to the contrary notwithstanding, an indemnifying party shall not be liable for any settlement of any claim or action effected without its written consent; provided however, that such consent was not unreasonably withheld.

(d) In order to provide for just and equitable contribution in any case in which (i) an indemnified party makes claim for indemnification pursuant to this Section 7, but it is judicially determined (by the entry of a final judgment or decree by a court of competent jurisdiction and the expiration of time to appeal or the denial of the last right of appeal) that such indemnification may not be enforced in such case notwithstanding the fact that the express provisions of this Section 7 provide for indemnification in such case, or (ii) contribution under the Act may be required on the part of any indemnified party, then each indemnifying party shall contribute to the amount paid as a result of such losses, claims, damages, expenses or liabilities (or actions in respect thereof) (A) in such proportion as is appropriate to reflect the relative benefits received by each of the contributing parties, on the one hand, and the party to be indemnified on the other hand, from the offering of the Securities or (B) if the allocation provided by clause (A) above is not permitted by applicable law, in such proportion as is appropriate to reflect not only the relative benefits referred to in clause (i) above but also the relative fault of each of the contributing parties, on the one hand, and the party to be indemnified on the other hand in connection with the statements or omissions

that resulted in such losses, claims, damages, expenses or liabilities, as well as any other relevant equitable considerations. In any case where the Company is the contributing party and the Underwriter are the indemnified party the relative benefits received by the Company on the one hand, and the Underwriter, on the other, shall be deemed to be in the same proportion as the total net proceeds from the offering of the Securities (before deducting expenses) bear to the total underwriting discounts and commissions received by the Underwriter hereunder, in each case as set forth in the table on the Cover Page of the Prospectus. Relative fault shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by the Company or by the Underwriter and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such untrue statement or omission. The amount paid or payable by an indemnified party as a result of the losses, claims, damages, expenses or liabilities (or actions in respect thereof) referred to above in this subdivision (d) shall be deemed to include any legal or other expenses reasonably incurred by such indemnified party in connection with investigating or defending any such action or claim. Notwithstanding the provisions of this subsection (d), the Underwriter shall not be required to contribute any amount in excess of the amount by which the total price at which the Securities underwritten by it and distributed to the public were offered to the public exceeds the amount of any damages which such Underwriter has otherwise been required to pay by reason of such untrue or alleged untrue statement or omission or alleged omission. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation. For purposes of this SECTION 7, each person, if any, who controls the Company within the meaning of the Act, each officer of the Company who has signed the Registration Statement, and each director of the Company shall have the same rights to contribution as the Company, subject in each case to this subparagraph (d). Any party entitled to contribution will, promptly after receipt of notice of commencement of any action, suit or proceeding against such party in respect to which a claim for contribution may be made against another party or parties under this subparagraph (d), notify such party or parties from whom contribution may be sought, but the omission so to notify such party or parties shall not relieve the party or parties from whom contribution may be sought from any obligation it or they may have hereunder or otherwise than under this subparagraph (d), or to the extent that such party or parties were not adversely affected

by such omission. The contribution agreement set forth above shall be in addition to any liabilities which any indemnifying party may have at common law or otherwise.

8. REPRESENTATIONS AND AGREEMENTS TO SURVIVE DELIVERY. All representations, warranties and agreements contained in this Agreement or contained in certificates of officers of the Company submitted pursuant hereto, shall be deemed to be representations, warranties and agreements at the Closing Date and the Overallotment Closing Date, as the case may be, and such representations, warranties and agreements of the Company and the indemnity agreements contained in Section 7 hereof, shall remain operative and in full force and effect regardless of any investigation made by or on behalf of the Underwriter, the Company, or any controlling person, and shall survive termination of this Agreement or the issuance and delivery of the Securities to the Underwriter.

9. EFFECTIVE DATE.

This Agreement shall become effective at 9:30 a.m., New York City time, on the next full business day following the date hereof, or at such earlier time after the Registration Statement becomes effective as the Underwriter, in their discretion, shall release the Securities for the sale to the public, provided, however that the provisions of Sections 5, 7 and 10 of this Agreement shall at all times be effective. For purposes of this Section 9, the Securities to be purchased hereunder shall be deemed to have been so released upon the earlier of dispatch by the Underwriter of telegrams to securities dealers releasing such Securities for offering or the release by the Underwriter for publication of the first newspaper advertisement which is subsequently published relating to the Securities.

10. TERMINATION.

(a) The Underwriter shall have the right to terminate this Agreement: (i) if any calamitous domestic or international event or act or occurrence has materially disrupted, or in the Underwriter's opinion will in the immediate future materially disrupt general securities markets in the United States; or (ii) if trading on the New York Stock Exchange, the American Stock Exchange, or in the over-the-counter market shall have been suspended or minimum or maximum prices for trading shall have been fixed, or maximum ranges for prices for securities shall have been required on the over-the-counter market by the NASD or by order of the Commission or any other government authority having jurisdiction; or (iii) if the United States shall have become involved in a war or major hostilities; or (iv) if a banking moratorium has been declared by a New York State or federal authority; or (v) if a moratorium in foreign exchange trading has been declared; or if the Company shall have sustained a material loss, whether or not insured, by reason of fire, flood, accident or other calamity; or (vii) if there shall have been such material adverse change in the conditions or prospects of the Company, involving a change not contemplated by the Registration Statement, or (viii) if there shall have been such material adverse general market conditions as in the Underwriter's reasonable judgment would make it inadvisable to proceed with the offering, sale or delivery of the Securities.

(b) Notwithstanding any contrary provision contained in this Agreement, any election hereunder or any termination of this Agreement (including, without limitation, pursuant to Section 10 hereof), and whether or not this Agreement is otherwise carried out, the provisions of SECTION 5 shall not be in any way affected by such election or termination or failure to carry out the terms of this Agreement or any part hereof.

11. DEFAULT BY THE COMPANY. If the Company shall fail at the Closing Date or any Overallotment Closing Date, as applicable, to sell and deliver the number of Securities which it is obligated to sell hereunder on such date, then this Agreement shall terminate (or, if such default shall occur with respect to any Option Securities to be purchased on an Overallotment Closing Date, the Underwriter may at the Underwriter's option, by notice from the Underwriter to the Company, terminate the Underwriter's obligations to purchase Securities from the Company on such date) without any liability on the part of any non-defaulting party other than pursuant to SECTION 5 and SECTION 7 hereof. No action taken pursuant to this Section shall relieve the Company from liability, if any, in respect of such default.

12. NOTICES. All notices and communications hereunder, except as herein otherwise specifically provided, shall be in writing and shall be deemed

to have been duly given if mailed or transmitted by any standard form of telecommunication. Notices to the Underwriter shall be directed to the Underwriter at LH Ross & Company, One Boca Place, 2255 Glades Road, Suite 425W, Boca Raton, Florida 33431, Attention: Attn: Frank R. Michelin, with a copy to Mintz & Fraade, P.C., 488 Madison Avenue, New York, New York 10022, Attention: Alan P. Fraade, Esq. Notices to the Company shall be directed to the Company at 7700 West Camino Real, Suite 222, Boca Raton, Florida 33431, Attention: Richard B. Frost, with a copy to Stearns Weaver Miller Weissler Alhadeff & Sitterson, P.A., 150 West Flagler Street, Miami, Florida 33130, Attention: Teddy D. Klinghoffer, Esq.

13. PARTIES. This Agreement shall inure solely to the benefit of and shall be binding upon, the Underwriter, the Company and the controlling persons, directors and officers referred to in Section 7 hereof, and their respective successors, legal representatives, assigns, and their respective heirs and legal representatives and no other person shall have or be construed to have any legal or equitable right, remedy or claim under or in respect of or by virtue of this Agreement or any provisions herein contained. No purchaser of Securities from the Underwriter shall be deemed to be a successor by reason merely of such purchase.

14. CONSTRUCTION. This Agreement shall be governed by and construed and enforced in accordance with the laws of the State of New York without giving effect to the choice of law or conflict of laws principles.

15. COUNTERPARTS. This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original, and all of which taken together shall be deemed to be one and the same instrument.

16. WAIVER. The waiver by either party of the breach of any provision of this Agreement by the other party shall not operate or be construed as a waiver of any subsequent breach.

17. ASSIGNMENT. Except as otherwise provided within this Agreement, neither party hereto may transfer or assign this Agreement without prior written consent of the other party.

18. TITLES AND CAPTIONS. All article, section and paragraph titles or captions contained in this Agreement are for convenience only and shall not be deemed part of the context nor affect the interpretation of this Agreement.

19. PRONOUNS AND PLURALS. All pronouns and any variations thereof shall be deemed to refer to the masculine, feminine, neuter, singular or plural as the identity of the Person or Persons may require.

20. ENTIRE AGREEMENT. This Agreement contains the entire understanding between and among the parties and supersedes any prior understandings and agreements among them respecting the subject matter of this Agreement.

If the foregoing correctly sets forth the understanding between the Underwriter and the Company, please so indicate in the space provided below for that purpose, whereupon this letter shall constitute a binding agreement among us.

Very truly yours,

FROST HANNA CAPITAL GROUP, INC.

By:

Name: Richard B. Frost
Title: Chairman of the Board

Confirmed and accepted as of the date first above written.

LH ROSS & COMPANY, INC.
as Representative of the Several Underwriters

By:

Name: Franklyn R. Michelin
Title: President and Sole Director

EXHIBIT 3.1

ARTICLES OF INCORPORATION

OF

FROST HANNA INVESTMENTS GROUP, INC.

ARTICLE I - NAME

The name of this corporation is Frost Hanna Investments Group, Inc. (the "Corporation").

ARTICLE II - PURPOSE

The Corporation is organized for the purpose of transacting any and all lawful business for which corporations may be organized under the laws of the United States and the laws of the State of Florida.

ARTICLE III - CAPITAL STOCK

The Corporation is authorized to issue 100,000,000 shares of common stock, par value $.0001 per share. The Board of Directors may authorize the issuance of such stock to such persons upon such terms and for such consideration in cash, property or services as the Board of Directors may determine and as may be allowed by law. The just valuation of such property or services shall be fixed by the Board of Directors. All such stock when issued shall be fully paid and exempt from assessment.

ARTICLE IV - REGISTERED OFFICE AND AGENT

The name of the registered agent of the Corporation and the street address of the registered office of this Corporation is:

CT Corporation System
1200 South Pine Island Road
Plantation, Florida 33324

ARTICLE V - CORPORATE MAILING ADDRESS

The principal office and mailing address of the Corporation is:

7700 W. Camino Real
Suite 222
Boca Raton, Florida 33431

ARTICLE VI - INCORPORATOR

The name and address of the incorporator of the Corporation is as follows:

Name	Address
Tera S. Fewell	660 East Jefferson Street

ARTICLE VII - POWERS

The Corporation shall have all of the corporate powers enumerated under Florida law.

ARTICLE VIII - COMMENCEMENT

The Corporation shall commence on February 2, 1996.

ARTICLE IX - DIRECTOR - CONFLICTS OF INTEREST

No contract or other transaction between the Corporation and one or more of its directors, or between the Corporation and any other corporation, firm, association or other entity in which one or more of the directors are directors or officers, or are financially interested, shall be either void or voidable because of such relationship or interest or because such director or directors are present at the meeting of the Board of Directors or a committee thereof which authorizes, approves or ratifies such contract or transaction or because his or her votes are counted for such purpose, if:

(a) The fact of such relationship or interest is disclosed or known to the Board of Directors, or a duly empowered committee thereof, which authorizes, approves or ratifies the contract or transaction by a vote or consent sufficient for such purpose without counting the vote or votes of such interested director or directors; or

(b) The fact of such relationship or interest is disclosed or known to the shareholders entitled to vote and they authorize, approve or ratify such contract or transaction by vote or written consent; or

(c) The contract or transaction is fair and reasonable as to the Corporation at the time it is authorized by the Board, committee or the shareholders.

A director of the Corporation may transact business, borrow, lend, or otherwise deal or contract with the Corporation to the full extent and subject only to the limitations and provisions of the laws of the State of Florida and the laws of the United States.

Common or interested directors may be counted in determining the presence of a quorum at a meeting of the Board of Directors or a committee thereof which authorizes, approves or ratifies such contract or transaction.

ARTICLE X - NO ANTI-TAKEOVER LAW GOVERNANCE

The Corporation shall not be governed by Sections 607.0901 or 607.0902 of the Florida Business Corporation Act or any laws related thereto.

ARTICLE XI - INDEMNIFICATION

The Corporation shall indemnify and shall advance expenses on behalf of its officers and directors to the fullest extent permitted by law in existence either now or hereafter.

ARTICLE XII - FISCAL YEAR

The fiscal year of this Corporation shall be the calendar year, unless otherwise established by the Board of Directors.

ARTICLE XIII - DURATION

The duration of the Corporation is perpetual, unless sooner liquidated or dissolved in accordance with law.

The undersigned has executed these Articles of Incorporation this 2nd day of February, 1996.

/s/ Tera S. Fewell

Tera S. Fewell, Incorporator

ACCEPTANCE OF REGISTERED AGENT

Having been named to accept service of process for FROST HANNA INVESTMENTS GROUP, INC. at the place designated in the Articles of Incorporation, CT CORPORATION SYSTEMS agrees to act in this capacity, and agrees to comply with the provisions of Section 607.0505, Fla. Stat. (1991), relative to keeping open such office until such time as he shall notify the Corporation of his resignation.

Dated this 2nd day of February, 1996.

_____
CT Corporation Systems

ARTICLES OF AMENDMENT

TO

ARTICLES OF INCORPORATION

OF

FROST HANNA INVESTMENTS GROUP, INC.

Pursuant to the provisions of Sections 607.1003 of the Florida Business Corporation Act, the Articles of Incorporation of FROST HANNA INVESTMENTS GROUP, INC., a Florida corporation (the "Corporation"), are hereby amended as follows:

1. Article I shall be deleted in its entirety and amended to read as follows:

"ARTICLE I - Name

The name of this Corporation is "FROST HANNA CAPITAL GROUP, INC."

2. The foregoing amendment was duly adopted and approved by all of the shareholders and all of the directors of the Corporation by unanimous written consent in lieu of meeting on September 13, 1996. The number of votes cast for the amendment was sufficient for approval.

Dated: September 30, 1996

FROST HANNA INVESTMENTS GROUP, INC.

By: /s/ Mark J. Hanna

Mark J. Hanna, President

EXHIBIT 3.2

BYLAWS

OF

FROST HANNA CAPITAL GROUP, INC.
A FLORIDA CORPORATION

BYLAWS

OF

FROST HANNA CAPITAL GROUP, INC.
A FLORIDA CORPORATION

ARTICLE I

OFFICES

Section 1. The location of the registered office of the corporation shall be as stated in the Articles of Incorporation, which location may be changed from time to time by the board of directors.

Section 2. The corporation may also have offices or branches at such other places, both within and without the State of Florida, as the board of directors may from time to time determine or as the business of the corporation may require.

ARTICLE II

MEETINGS OF SHAREHOLDERS

Section 1. All meetings of the shareholders shall be held at the registered office of the corporation, or at such other place either within or without the State of Florida as shall be designated from time to time by the board of directors and stated in the notice of the meeting.

Section 2. Annual meetings of shareholders shall be during the third month of each fiscal year of the corporation, at such date as determined by the board of directors, or at such other date as the board of directors deems appropriate, and at such time and place as designated in the notice of the meeting. At the annual meeting, the shareholders shall elect a board of directors and transact such other business as may properly be brought before the meeting. If the annual meeting is not held on the date designated therefor, the board of directors shall cause the meeting to be held as soon thereafter as convenient.

Section 3. Special meetings of the shareholders, for any purpose or purposes, unless otherwise prescribed by statute or by the Articles of Incorporation, may be called by the chairman of the board or president, and shall be called by the chairman of the board or president at the request in writing of a majority of the board of directors or at the request in writing of the holders of not less than 10% of all the shares entitled to vote at a meeting. Such request shall state the purpose or purposes of the proposed meeting.

Section 4. The officer or agent who has charge of the stock

transfer book for shares of the corporation shall make and certify a complete list of the shareholders entitled to vote at a shareholders' meeting, or any adjournment thereof. Such list shall be arranged alphabetically and by voting group and shall show the address of each shareholder and the number of shares registered in the name of each shareholder. The list shall also be produced and kept at the time and place of the meeting during the whole time thereof, and may be inspected by any shareholder who is present.

Section 5. Except as may be provided by statute, written notice of an annual or special meeting of shareholders stating the place, date and hour of the meeting and the purpose or purposes for which the meeting is called, shall be delivered, either personally or by first-class mail, not less than 10 nor more than 60 days before the date of the meeting, to each shareholder of record entitled to vote at such meeting. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail addressed to the shareholder at his address as it appears on the stock transfer books of the corporation with postage thereon prepaid.

Section 6. The holders of a majority of the stock issued and outstanding and entitled to vote thereat, present in person or represented by proxy, shall constitute a quorum at all meetings of the shareholders for the transaction of business except as otherwise expressly required by statute or by the Articles of Incorporation. All shareholders present in person or represented by proxy at such meeting may continue to do business until adjournment, notwithstanding the withdrawal of enough shareholders to leave less than a quorum. If, however, such quorum shall not be initially present at any meeting of shareholders, a majority of the shareholders entitled to vote thereat shall nevertheless have power to adjourn the meeting from time to time and to another place, without notice other than announcement at the meeting, until a quorum shall be present or represented. At such adjourned meeting, at which a quorum shall be present or represented, any business may be transacted which might have been transacted at the meeting as originally called. If after the adjournment a new record date is fixed for the adjourned meeting, a notice of the adjourned meeting shall be given to each shareholder of record entitled to vote at the meeting. Once a share is represented for any purpose at a meeting, it is deemed presented for quorum purposes for the remainder of the meeting and for any adjournment of that meeting unless a new record date is or must be set for that adjourned meeting.

Section 7. When an action other than the election of directors is to be taken by vote of the shareholders, it shall be authorized if the votes cast favoring the action exceed the votes cast against the action, except as otherwise expressly required by the statutes or of the Articles of Incorporation, in which case

such express provision shall govern and control the decision of such question. "Shares represented at the meeting" shall be determined as of the time the existence of the quorum is determined. Except as otherwise expressly required by the Articles of Incorporation, directors shall be elected by a plurality of the votes cast at an election.

Section 8. Except as otherwise provided by law, each shareholder shall at every meeting of the shareholders be entitled to one vote in person or by proxy for each share of the capital stock having voting power held by such shareholder except as otherwise expressly required in the Articles of Incorporation. A vote may be cast either orally or in writing. Each proxy shall be in writing and signed by the shareholder or his authorized agent or representative. A proxy is not valid after the expiration of 11 months after

its date unless the person executing it specifies therein the length of time for which it is to continue in force. Unless prohibited by law, a proxy otherwise validly granted by telegram shall be deemed to have been signed by the granting shareholder. All questions regarding the qualification of voters, the validity of proxies and the acceptance or rejection of votes shall be decided by the presiding officer of the meeting.

Section 9. Attendance of a person at a meeting of shareholders in person or by proxy constitutes a waiver of notice of the meeting except where the shareholder, at the beginning of the meeting, objects to holding the meeting or transacting business at the meeting.

Section 10. Unless otherwise provided by the Articles of Incorporation, any action required to be taken at any annual or special meeting of the shareholders, or any other action which may be taken at any annual or special meeting of the shareholders may be taken without a meeting, without prior notice, and without a vote if a consent in writing, setting forth the action so taken, shall be signed by holders of outstanding stock having not less than the minimum number of votes that would be necessary to authorize such action at a meeting at which all shares entitled to vote thereon were present and voted. Within 10 days after obtaining such authorization by written consent, notice shall be given to those shareholders who have not consented in writing. The notice shall fairly summarize the material features of the authorized action and, if the action is of a type for which dissenters' rights are provided for by statute, the notice shall contain a clear statement of the right of shareholders dissenting therefrom to be paid the fair value of their shares upon compliance with further provisions of such statute regarding the rights of dissenting shareholders.

ARTICLE III

DIRECTORS

Section 1. The business and affairs of the corporation shall be managed by or under the direction of its board of directors which may exercise all such powers of the corporation and do all such lawful acts and things as are not by statute or by the Articles of Incorporation or by these Bylaws directed or required to be exercised or done by the shareholders.

Section 2. The number of directors which shall constitute the whole board shall be not less than one nor more than seven. The number of directors shall be determined from time to time by resolution of the board of directors. In the absence of an express determination by the board, the number of directors, until changed by the board, shall be that number of directors elected at the most recently held annual meeting of shareholders or, if no such meeting has been held, the number elected by the incorporator in the initially filed Articles of Incorporation. The directors shall be elected at the annual meeting of the shareholders, except as provided in Section 3 of this article, and each director elected shall hold office until his successor is duly elected and qualified or until his death, resignation or removal. Directors need not be shareholders or officers of the corporation.

Section 3. Vacancies and newly created directorships resulting from any increase in the authorized number of directors may be filled by the affirmative vote of a majority of the directors then in office, though less than a quorum, or by a sole remaining director, or by the shareholders,

and the directors so chosen shall hold office until the next annual election of directors by the shareholders and until their successors are duly elected and qualified or until their death, resignation or removal. Any director may be removed, with or without cause, by the shareholders at a meeting of the shareholders called expressly for that purpose.

Section 4. The board of directors of the corporation may hold meetings, both regular and special, either within or without the State of Florida. Unless otherwise restricted by the Articles of Incorporation, members of the board of directors, or any committee designated by the board, may participate in a meeting of the board or committee by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other, and participation in a meeting pursuant to this section shall constitute presence in person at such meeting.

Section 5. Regular meetings of the board of directors may be held at such time and at such place as shall from time to time be determined by the board of directors or by the chairman of

the board or president. Any notice given of a regular meeting need not specify the business to be transacted or the purpose of the meeting.

Section 6. Special meetings of the board may be called by the chairman of the board or president on four days' notice to each director by mail or 24 hours' notice either personally or by telephone, telegram or facsimile transmission; special meetings shall be called by the chairman of the board or president in like manner and on like notice on the written request of two directors. The notice need not specify the business to be transacted or the purpose of the special meetings. The notice shall specify the place of the special meeting.

Section 7. At all meetings of the board, a majority of the number of directors then serving shall constitute a quorum for the transaction of business. At all meetings of a committee of the board a majority of the directors then members of the committee in office shall constitute a quorum for the transaction of business. The act of a majority of the members present at any meeting at which there is a quorum shall be the act of the board of directors or the committee, unless the vote of a larger number is specifically required by statute, by the Articles of Incorporation, or by these Bylaws. If a quorum shall not be present at any meeting of the board of directors or a committee, the members present thereat may adjourn the meeting from time to time and to another place without notice other than announcement at the meeting, until a quorum shall be present.

Section 8. Unless otherwise provided by the Articles of Incorporation, any action required or permitted to be taken at any meeting of the board of directors or of any committee thereof may be taken without a meeting, if, before or after the action, all members of the board or committee consent thereto in writing. The written consents shall be filed with the minutes of proceedings of the board or committee. Such consents shall have the same effect as a vote of the board or committee for all purposes.

Section 9. A majority of the full board of directors may, by resolution, designate one or more committees, each committee to consist of one or more of the directors of the corporation. The board may designate one or more directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of the committee. Any such

committee, to the extent provided in the resolution of the board, shall have and may exercise the powers of the board of directors in the management of the business and affairs of the corporation; provided, however, such a committee shall not have the power or authority to:

(a) approve or recommend to shareholders actions or proposals required by statute to be approved by the shareholders,

(b) fill vacancies on the board of directors or any committee thereof,

(c) adopt, amend or repeal the Bylaws of the corporation,

(d) authorize or approve the reacquisition of shares unless pursuant to a general formula or method specified by the board of directors, or

(e) authorize or approve the issuance or sale or contract for the sale of shares, or determine the designation and relative rights, preferences and limitations of a voting group, except that the board of directors may authorize a committee (or a senior executive officer of the corporation) to do so within limits specifically prescribed by the board of directors.

Such committee or committees shall have such name or names as may be determined from time to time by resolution adopted by the board of directors. A committee, and each member thereof, shall serve at the pleasure of the board.

Section 10. Each committee shall keep regular minutes of its meetings and report the same to the board of directors when required.

Section 11. By resolution of the board of directors and irrespective of any personal interest of any director, the board may establish reasonable compensation of directors for services to the corporation as directors, officers or members of a committee. No such payment shall preclude any director from serving the corporation in any other capacity and receiving compensation therefor.

Section 12. A director may resign by written notice to the corporation. The resignation is effective upon its delivery to the corporation or a subsequent time as set forth in the notice of resignation.

Section 13. Attendance of a director at a meeting constitutes a waiver of notice of the meeting except where a director states, at the beginning of the meeting or promptly upon arrival at the meeting, any objection to the transaction of business because the meeting is not lawfully called or convened.

ARTICLE IV

NOTICES

Section 1. Whenever, under the provisions of the statutes or of the Articles of Incorporation or of these Bylaws,

written notice is required to be given to any director, committee member or shareholder, such notice may be (but is not required to be) given in writing by mail (registered, certified or other first class mail) addressed to such director, shareholder or committee member at his address as it appears on the records of the corporation, with postage thereon prepaid. Such notice shall be deemed to be given at the time when the same shall be deposited in a post office or official depository under the exclusive care and custody of the United States postal service.

Section 2. Whenever any notice is required to be given under the provision of the statutes or of the Articles of Incorporation or of these Bylaws, a waiver thereof in writing, signed by the person or persons entitled to said notice, whether before or after the time stated therein, shall be deemed equivalent thereto. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the shareholders, directors or a committee, need be specified in any written waiver of notice.

ARTICLE V

OFFICERS

Section 1. The officers of the corporation shall be chosen by the board of directors at its first meeting after each annual meeting of shareholders. There shall be a president, a secretary and a treasurer. The board of directors may also create and fill the offices of chairman of the board and vice-chairman of the board, and may choose one or more vice-presidents, one or more assistant secretaries, and one or more assistant treasurers. Any number of offices may be held by the same person, but the board by resolution may require that at least two persons shall be officers for purposes of compliance with Article VI, Section 1, hereof.

Section 2. The board of directors may from time to time appoint such other officers and agents as it shall deem necessary who shall hold their offices for such terms and shall exercise such powers and perform such duties as shall be determined from time to time by the board.

Section 3. The salaries of all officers of the corporation shall be fixed by the board of directors.

Section 4. The officers of the corporation shall hold office at the pleasure of the board of directors. Any officer elected or appointed by the board of directors may be removed at any time by the board of directors with or without cause whenever, in its judgment, the best interests of the corporation will be served thereby. Any vacancy occurring in any office of the corporation by death, resignation, removal or otherwise shall be filled by the board of directors. An officer may resign by written

notice to the corporation. The resignation is effective upon its delivery to the corporation or at a subsequent time specified in the notice of resignation.

Section 5. Unless otherwise provided by resolution of the board of directors, the president shall be the chief executive officer of the

corporation, shall, in the absence or non-election of a chairman or vice chairman of the board of directors, preside at all meetings of the shareholders and the board of directors (if he shall be a member of the board), shall have general and active management of the business and affairs of the corporation and shall see that all orders and resolutions of the board of directors are carried into effect. He shall execute on behalf of the corporation, and may affix or cause the corporate seal (if adopted by the board of directors) to be affixed to, all instruments requiring such execution except to the extent the signing and execution thereof shall be expressly delegated by the board of directors to some other officer or agent of the corporation, and he shall have the authority to vote any shares of stock owned by the corporation.

Section 6. The vice-presidents shall act under the direction of the president and in the absence or disability of the president shall perform the duties and exercise the powers of the president. They shall perform such other duties and have such other powers as the president or the board of directors may from time to time prescribe. The board of directors may designate one or more executive vice-presidents or may otherwise specify the order of seniority of the vice-presidents. The duties and powers of the president shall descend to the vice-presidents in such specified order of seniority.

Section 7. The secretary shall act under the direction of the president. Subject to the direction of the president he shall attend all meetings of the board of directors and all meetings of the shareholders and record the proceedings. He shall perform like duties for the standing committees when required. He shall give, or cause to be given, notice of all meetings of the shareholders and special meetings of the board of directors, and shall perform such other duties as may be prescribed by the president or the board of directors. He shall keep in safe custody the seal of the corporation, if a corporate seal is adopted by the board of directors. When authorized by the president or the board of directors, he shall cause the seal of the corporation to be affixed to any instrument requiring it. He shall be responsible for maintaining the stock transfer book and minute book of the corporation and shall be responsible for their updating.

Section 8. The assistant secretaries shall act under the direction of the president. In the order of their seniority in office, unless otherwise determined by the president or the board of directors, they shall, in the absence or disability of the

secretary, perform the duties and exercise the powers of the secretary. They shall perform such other duties and have such other powers as the president or the board of directors may from time to time prescribe.

Section 9. The treasurer shall act under the direction of the president. Subject to the direction of the president he shall have custody of the corporate funds and securities and shall keep full and accurate accounts of receipts and disbursements in books belonging to the corporation and shall deposit all moneys and other valuable effects in the name and to the credit of the corporation in such depositories as may be designated by the board of directors. He shall disburse the funds of the corporation as may be ordered by the president or the board of directors, taking proper vouchers for such disbursements, and shall render to the president and the board of directors, at its regular meetings, or when the board of directors so requires, an account of all his transactions as treasurer and of the financial condition of the corporation. He may affix or cause to be affixed the seal of the corporation

to documents so requiring the seal, if a corporate seal is adopted by the board of directors.

Section 10. The assistant treasurers in the order of their seniority of office, unless otherwise determined by the president or the board of directors shall, in the absence or disability of the treasurer, perform the duties and exercise the powers of the treasurer. They shall perform such other duties and have such other powers as the president or the board of directors may from time to time prescribe.

Section 11. To the extent the powers and duties of the several officers are not provided from time to time by resolution or other directive of the board of directors or by the president (with respect to other officers), the officers shall have all powers and shall discharge the duties customarily and usually held and performed by like officers of the corporations similar in organization and business purposes to this corporation.

ARTICLE VI

CERTIFICATES OF STOCK AND SHAREHOLDERS OF RECORD

Section 1. The shares of stock of the corporation shall be represented by certificates signed by, or in the name of the corporation by, the president or a vice-president and by the secretary or an assistant secretary of the corporation. Each holder of stock in the corporation shall be entitled to have such a certificate certifying the number of shares owned by him in the corporation.

Section 2. Any of or all the signatures on the certificate may be a facsimile if the certificate is countersigned by a transfer agent or registered by a registrar other than the corporation itself or its employee. In case any officer who has signed or whose facsimile signature has been placed upon a certificate shall have ceased to be such officer before such certificate is issued, it may be issued by the corporation with the same effect as if he were such officer at the date of issue. The seal of the corporation or a facsimile thereof may, but need not, be affixed to the certificates of stock.

Section 3. The board of directors may direct a new certificate for shares to be issued in place of any certificate theretofore issued by the corporation alleged to have been lost or destroyed, upon the making of an affidavit of that fact by the person claiming the certificate of stock to be lost or destroyed. When authorizing such issue of a new certificate, the board of directors may, in its discretion and as a condition precedent to the issuance thereof, require the owner of such lost or destroyed certificate, or his legal representative, to give the corporation a bond in such sum as it may direct as indemnity against any claim that may be made against the corporation with respect to the certificate alleged to have been lost or destroyed.

Section 4. Upon surrender to the corporation or the transfer agent of the corporation of a certificate for shares duly endorsed or accompanied by proper evidence of succession, assignment or authority to transfer, it shall be the duty of the corporation to issue a new certificate to the person entitled thereto, cancel the old certificate and record the transaction upon its stock transfer book for shares of the corporation.

Section 5. In order that the corporation may determine the shareholders entitled to notice of, or to vote at, any meeting of shareholders or any adjournment thereof, or entitled to receive payment of any dividend or other distribution or allotment of any rights, or for the purpose of any other action, the board of directors may fix, in advance, a date as a record date, which shall not be more than 70 nor less than 10 days before the date of such meeting, nor more than 70 days prior to any other action. The stock transfer books of the corporation shall not be closed.

If no record date is fixed:

(a) The record date for determining the shareholders of record entitled to notice of, or to vote at, a meeting of shareholders shall be at the close of business on the day on which notice is given, or, if no notice is given, at the close of business on the day next preceding the day on which the meeting is held; and

(b) the record date for determining shareholders for any other purpose shall be at the close of business on the day on which the board of directors adopts the resolution relating thereto.

A determination of shareholders of record entitled to notice or to vote at a meeting of shareholders shall apply to any adjournment of the meeting; provided, however, that the board of directors may fix a new record date for the adjourned meeting.

Section 6. The corporation shall be entitled to recognize the exclusive right of a person registered upon its stock transfer book for shares of the corporation as the owner of shares for all purposes, including voting and dividends, and shall not be bound to recognize any equitable or other claim to interest in such share or shares on the part of any other person, whether or not it shall have express or other notice thereof, except as otherwise provided by the laws of Florida.

ARTICLE VII

INDEMNIFICATION

Section 1. The corporation, to the fullest extent authorized or permitted by the provisions at 607.0850 Fl.Stat. (other than 607.0850(7)), Florida Business Corporation Act, as amended (or any amendment or successor provision thereof or any other statutory provision authorizing or permitting such indemnification or advancement of expenses which is adopted after the date this Article VII is adopted), shall indemnify against liability, and advance expenses to, any person, and his heirs, executors, administrators and legal representatives, who is or was a party to any proceeding by reason of the fact that such person is or was a director, officer, employee or agent of the corporation or is or was serving as a director, officer, employee, or agent of another corporation, partnership, joint venture, trust or other enterprise at the request of the corporation. Officers and directors who are so entitled to be indemnified shall be paid their expenses in advance of a final disposition of the proceeding to the maximum extent authorized or permitted by the provisions of 607.0850(6) Fl.Stat. or any amended or successor section.

Section 2. Article VII, Section 1 of these Bylaws shall not be construed to mean that indemnification and advancement of expenses by the

corporation pursuant to 607.0850(7) Fl.Stat. is not permitted. The corporation may indemnify and advance expenses to any person pursuant to Section 607.0850(7) Fl.Stat., or any amended or successor section, to the extent and in the manner desired by the corporation and permitted by law.

Section 3. Terms used in this Article VII shall have the meanings ascribed to them in 607.0850(11) Fl.Stat. or any amended or successor section.

ARTICLE VIII

GENERAL PROVISIONS

Section 1. All checks, drafts or demands for money and notes of the corporation shall be signed by such officer or officers or such other person or persons as the board of directors may from time to time designate. All funds of the corporation not otherwise employed shall be deposited from time to time to the credit of the corporation in such banks, trust companies or other depositories as the board of directors may from time to time designate.

Section 2. The fiscal year of the corporation shall be fixed from time to time by resolution of the board of directors, but shall end on December 31st of each year if not otherwise fixed by the board.

Section 3. The board of directors may adopt a corporate seal for the corporation. The corporate seal shall have inscribed thereon the name of the corporation and the words "Corporate Seal, Florida." The seal may be used by causing it or a facsimile thereof to be impressed or affixed or reproduced or otherwise. Except as otherwise provided by law, the failure to affix the seal of the corporation to a document shall not affect the validity thereof.

Section 4. The corporation shall keep within or without the State of Florida books and records of account and minutes of the proceedings of its shareholders, board of directors and executive committee, if any. The corporation shall keep at its registered office or at the office of its transfer agent within or without the State of Florida a stock transfer book for shares of the corporation containing the names and addresses of all shareholders, the number, class and series of shares held by each and the dates when they respectively became holders of record thereof. Any of such stock transfer book, books, records or minutes may be in written form or in any other form capable of being converted into written form within a reasonable time.

Section 5. These Bylaws shall govern the internal affairs of the corporation, but only to the extent they are consistent with law and the Articles of Incorporation. Nothing contained in the Bylaws shall, however, prevent the imposition by contract of greater voting, notice or other requirements than those set forth in these Bylaws.

ARTICLE IX

AMENDMENTS

Section 1. The Bylaws may be amended or repealed, or new Bylaws may be adopted, by action of either the shareholders or the board of directors. The shareholders may from time to time specify particular provisions of the Bylaws which may not be altered or repealed by the board of directors.

EXHIBIT 4.1

FROST HANNA CAPITAL GROUP, INC.
INCORPORATED UNDER THE LAWS OF THE STATE OF FLORIDA

COMMON STOCK CUSIP 359250 10 7
SEE REVERSE FOR CERTAIN DEFINITIONS

THIS IS TO CERTIFY that

is the owner of

FULLY PAID AND NON-ASSESSABLE SHARES OF THE COMMON STOCK, $.0001 PAR VALUE, OF

Frost Hanna Capital Group, Inc. (hereinafter called the "Corporation"), transferable on the books of the Corporation by the holder hereof in person or by duly authorized attorney, upon surrender of this certificate properly endorsed. This certificate and the shares represented hereby are issued and shall be held subject to all of the provisions of the Articles of Incorporation and the By-Laws of the Corporation, to all of which the holder of this certificate by acceptance hereof assents. This certificate and the shares represented hereby may only be transferred between parties resident in either Colorado, Delaware, the District of Columbia, Florida, Georgia, Illinois, Maryland, New York, Oregon, Rhode Island, South Carolina, Utah or such other jurisdiction in which an applicable exemption is available or a blue sky application has been filed and accepted.

This certificate is not valid unless countersigned and registered by the Transfer Agent and Registrant.

WITNESS the signatures of its duly authorized officers.

Dated:

FROST HANNA CAPITAL GROUP, INC. CORPORATE SEAL

Secretary President

Exhibit 4.2

- ---

FROST HANNA CAPITAL GROUP, INC.

AND

LH ROSS & COMPANY, INC.

UNDERWRITER'S WARRANT AGREEMENT FOR SHARES

DATED AS OF _____, 1997

- ---

UNDERWRITER'S WARRANT AGREEMENT dated as of April 16, 1997 between FROST HANNA CAPITAL GROUP, INC., a Florida corporation (the "Company") and LH ROSS & COMPANY, INC., a Representative of the several Underwriters, a New York corporation (hereinafter referred to variously as the "Holder" or the "Underwriter").

W I T N E S S E T H :

WHEREAS, the Company proposes to issue to the Underwriter warrants ("Underwriter's Warrants") to purchase up to an aggregate of 135,000 fully paid non-assessable shares (the "Shares") of the Company's common stock, $.0001 par value (the "Common Stock") at an exercise price of $7.20 per share (120% of the public offering price); and

WHEREAS, the Underwriter has agreed pursuant to the underwriting agreement (the "Underwriting Agreement") dated as of the date hereof between the Underwriter and the Company, to underwrite the Company's proposed public offering of 1,350,000 shares of Common Stock at a public offering price of $6.00 per Share (the "Public Offering"); and

WHEREAS, the Underwriter's Warrants to be issued pursuant to this Agreement will be issued on the Closing Date (as such term is defined in the Underwriting Agreement) by the Company to the Underwriter in consideration for, and as part of the compensation in connection with the Public Offering;

NOW, THEREFORE, in consideration of the premises, the payment by the Underwriter to the Company of an aggregate of One Hundred Thirty-Five ($135.00) Dollars, the agreements herein set forth and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. GRANT. The Holder is hereby granted the right to purchase, at any time from _____, 1998 until 5:30 P.M., New York time, on _____, 2002, up to an aggregate of 135,000 Shares at an initial exercise price (subject to adjustment as provided in SECTION 8 hereof) of $7.20 per Share (the "Exercise Price"), subject to the terms and conditions of this Agreement. Except as set forth herein, the Shares issuable upon exercise of the Underwriter's Warrants are in all respects identical to the shares of Common Stock being purchased by the Underwriter for resale to the public pursuant to the terms and provisions of the Underwriting Agreement.

2. UNDERWRITER'S WARRANT CERTIFICATES. The Underwriter's warrant certificates (the "Underwriter's Warrant Certificates") delivered and to be delivered pursuant to this Agreement shall be in the form set forth in Exhibit A, attached hereto and made a part hereof, with such appropriate insertions, omissions, substitutions, and other variations as required or permitted by this Agreement.

3. EXERCISE OF UNDERWRITER'S WARRANTS.

ss. 3.1 EXERCISE. The Underwriter's Warrants initially are exercisable at an aggregate initial exercise price (subject to adjustment as provided in SECTION 8 hereof) per share, as set forth in SECTION 6 hereof payable by certified or official bank check in New

York Clearing House funds, subject to adjustment as provided in SECTION 8 hereof. Upon surrender at the Company's principal offices in Florida (currently located at 327 Plaza Real, Boca Raton, Florida 33432), of an Underwriter's Warrant Certificate with the annexed Form of Election to Purchase duly executed, together with payment of the Purchase Price (as hereinafter defined) for the Shares purchased, the registered holder of an Underwriter's Warrant Certificate ("Holder" or "Holders") shall be entitled to receive a certificate or certificates for the Shares so purchased. The purchase rights represented by each Underwriter's Warrant Certificate are exercisable at the option of the Holder thereof, in whole or in part (but not as to fractional shares of Common Stock underlying the Underwriter's Warrants). In the case of the purchase of less than all the Shares purchasable under any Underwriter's Warrant Certificate, the Company shall cancel the Underwriter's Warrant Certificate upon the surrender thereof and shall execute and deliver a new Underwriter's Warrant Certificate of like tenor for the balance of the Shares purchasable thereunder.

ss. 3.2 CASHLESS EXERCISE. At any time during the Warrant Exercise Term, the Holder may, at its option, exchange the Warrants represented by such Holder's Warrant certificate, in whole or in part (a "Warrant Exchange), into the number of fully paid and non-assessable Shares determined in accordance with this Section 3.2, by surrendering such Warrant certificate at the principal office of the Company or at the office of its transfer agent, accompanied by a notice stating such Holder's intent to effect such exchange, the number of Shares to be exchanged and the date on which the Holder requests that such Warrant Exchange occur (the "Notice of Exchange"). The Warrant Exchange shall take

place on the date specified in the Notice of Exchange, or, if later, the date the Notice of Exchange is received by the Company (the "Exchange Date"). Certificates for the Shares issuable upon such Warrant Exchange and, if applicable, a new Warrant of like tenor evidencing the balance of the Shares remaining subject to the Holder's Warrant certificate, shall be issued as of the Exchange Date and delivered to the Holder within three (3) days following the Exchange Date. In connection with any Warrant Exchange, the Holder's Warrant certificate shall represent the right to subscribe for and acquire (i) the number of Shares (rounded to the next highest integer) equal to (A) the number of Shares specified by the Holder in its Notice of Exchange (the "Total Share Number") less (B) the number of Shares equal to the quotient obtained by dividing (i) the product of the Total Share Number and the existing Exercise Price (as hereinafter defined) per Share by (ii) the Market Price (as defined in Section 3.3 hereof) of a share of Common Stock.

ss.3.3 MARKET PRICE. For the purpose of this Agreement, the phrase "Market Price" at any date shall be deemed to be the (i) last reported sale price on the last trading day or, in case no such reported sale takes place on such day, the average last reported sale price for the last three (3) trading days, in either case as officially reported by the principal securities exchange on which the Common Stock is listed or admitted to trading, or, (ii) if the Common Stock is not listed or admitted to trading on any national securities exchange but is listed or quoted upon the Nasdaq National Market or SmallCap Market (referred to hereinafter as "NASDAQ"), the closing bid price on the last trading day, or, in case no such reported bid takes place on such day, the average closing bid price for the last three (3) trading days, as furnished by NASDAQ or similar organization if NASDAQ is no longer

reporting such information, or (iii) if the Common Stock is not listed upon a principal exchange or quoted on NASDAQ, but quotes for the Common Stock are available in the OTC Bulletin Board or "pink sheets" the closing bid price on the last trading day, or, in case no such bid takes place on such day, the average closing bid price for the last three (3) trading days as furnished on the OTC Bulletin Board or (iv) in the event the Common Stock is not traded upon a principal exchange and not listed on NASDAQ and quotes are not available on the OTC Bulletin Board, as determined in good faith by resolution of the Board of Directors of the Company, based on the best information available to it.

4. ISSUANCE OF CERTIFICATES. Upon the exercise of the Underwriter's Warrants, the issuance of certificates for the Shares or other securities,

properties or rights underlying such Underwriter's Warrants, shall be made forthwith (and in any event within five (5) business days thereafter) without charge to the Holder thereof including, without limitation, any tax which may be payable in respect of the issuance thereof, and such certificates shall (subject to the provisions of SECTIONS 5 and 7 hereof) be issued in the name of, or in such names as may be directed by, the Holder thereof; provided, however, that the Company shall not be required to pay any tax which may be payable in respect of any transfer involved in the issuance and delivery of any such certificates in a name other than that of the Underwriter and the Company shall not be required to issue or deliver such certificates unless or until the person or persons requesting the issuance thereof shall have paid to the Company the amount of such tax or shall have established to the satisfaction of the Company that such tax has been paid.

The Underwriter's Warrant Certificates and the certificates representing the Shares issuable upon exercise of the Underwriter's Warrants shall be executed on behalf of the Company by the manual or facsimile signature of the then Chairman or Vice Chairman of the Board of Directors or President or Vice President of the Company under its corporate seal reproduced thereon, attested to by the manual or facsimile signature of the then present Secretary or Assistant Secretary of the Company. The Underwriter's Warrant Certificates shall be dated the date of the execution by the Company upon initial issuance, division, exchange, substitution or transfer. The certificates representing the Shares issuable upon exercise of the Underwriter's Warrant shall be identical in form to those issued in connection with the Public Offering.

5. RESTRICTION ON TRANSFER OF UNDERWRITER'S WARRANTS. The Holder of a Underwriter's Warrant Certificate, by its acceptance thereof, covenants and agrees that the Underwriter's Warrants are not being acquired with a view to the distribution thereof; and that the Underwriter's Warrants may not be sold, transferred, assigned, hypothecated or otherwise disposed of, in whole or in part, for a period of one (1) year from the date hereof, except to officers of the Underwriter or members of the Selling Group.

6. EXERCISE PRICE.

ss.6.1 INITIAL AND ADJUSTED EXERCISE PRICE. Except as otherwise provided in SECTION 8 hereof, the initial exercise price of each Underwriter's Warrant shall be $7.20 per Share. The exercise price shall be adjusted from time to time in accordance with the provisions of SECTION 8 hereof.

ss.6.2 EXERCISE PRICE. The term "Exercise Price" herein shall mean the initial exercise prices or the adjusted exercise price, depending upon the context of the Underwriter's Warrants.

7. REGISTRATION RIGHTS.

ss.7.1 REGISTRATION UNDER THE SECURITIES ACT OF 1933. The Underwriter's Warrants and the Shares issuable upon exercise of the Underwriter's Warrants, have been registered (the "Registration Statement") under the Securities Act of 1933, as amended (the "Act").

ss.7.2 PIGGYBACK REGISTRATION. If, at any time commencing after _____, 1998 (one (1) year from the Effective Date), through and including _____, 2002 (five (5) years from the Effective Date), the Company proposes to register any of its securities under the Act (other than in connection with a merger or pursuant to Form S-8 or similar form) it will give written notice by registered or certified mail, at least thirty (30) days prior to the filing of each such registration statement, to the Underwriter and to all other Holders of the Underwriter's Warrants and Shares underlying the Underwriter's Warrants, of its intention to do so. If any of the Underwriter or other Holders of the Underwriter's Warrants and/or the Shares underlying the Underwriter's Warrants, notify the Company within twenty (20) days after receipt of any such notice of its or their desire to include any such securities in such proposed registration statement, the Company shall afford each of the Underwriter and such Holders of the Underwriter's Warrants and/or Shares underlying the Underwriter's Warrants, the opportunity to have any of such securities registered under such registration statement; provided, however, that in the event the underwriters advise the Company that in their opinion the number of securities requested to be included in

such registration pursuant to this Agreement and pursuant to any other rights granted by the Company to holders of its securities exceeds the number of securities that can be sold in the offering without adversely affecting the offering price of the Company's securities, the Company may first include in such registration all securities the Company proposes to sell (without including the holders of other rights granted by the Company), and each Holder shall accept a pro rata reduction in the number of shares to be included in such registration statement.

Notwithstanding the provisions of this SECTION 7.2, the Company shall have the right at any time after it shall have given written notice pursuant to this SECTION 7.2 (irrespective of whether a written request for inclusion of any such securities shall have been made) to elect not to file any such proposed registration statement, or to withdraw the same after the filing but prior to the effective date thereof.

ss.7.3 DEMAND REGISTRATION.

(a) At any time commencing after _____, 1998 (one (1) year from the Effective Date) through and including _____, 2002 (five (5) years from the effective date), the Holders of the Underwriter's Warrants and Shares underlying the Underwriter's Warrants, representing a "Majority" of the shares of Common Stock issuable upon the exercise of the Underwriter's Warrants (assuming the exercise of all of the Underwriter's Warrants) shall have the right (which right is in addition to the registration rights under SECTION 7.2 hereof), exercisable by written notice to the Company, to have the Company prepare and file with the Commission, at on one occasion, a registration statement and such other documents, including a prospectus, as may be necessary in the opinion of both counsel for the

Company and counsel for the Underwriter and Holders, in order to comply with the provisions of the Act, so as to permit a public offering and sale of their

respective Underwriter's Warrants and Shares for nine (9) consecutive months by such Holders and any other Holders of the Underwriter's Warrants and the Shares who shall notify the Company within ten (10) days after receiving notice from the Company of such request. Such registration and all costs incident thereof shall be at the expense of the Company, as provided in Section 7.4(b).

(b) The Company covenants and agrees to give written notice of any registration request under this SECTION 7.3 by any Holder or Holders to all other registered Holders of the Underwriter's Warrants and Shares within ten (10) days from the date of the receipt of any such registration request.

(c) In addition to the registration rights under SECTION 7.2 and subsection (a) of this SECTION 7.3, at any time within the time period specified in Section 7.4(a) hereof, through and including , 2002 (five (5) years from the Effective Date), any Holder of the Underwriter's Warrants and/or Shares, representing a "Majority" (as hereinafter defined) of the shares of Common Stock issuable upon the exercise of the Underwriter's Warrants (assuming the exercise of all of the Underwriter's Warrants) shall have the right, exercisable by written request to the Company, to have the Company prepare and file, on one occasion, with the Commission a registration statement so as to permit a public offering and sale for nine (9) consecutive months by any such Holder of its shares, provided, however, that the provisions of SECTION 7.4(b) hereof shall not apply to any such

registration request and registration and all costs incident thereto shall be at the expense of the Holder or Holders making such request.

(d) The Company and the Holders agree that the Holders of Underwriters Warrants and Shares (the "Securities") will suffer damages if the Company fails to fulfill its obligations under this Section 7.3 and that ascertaining the extent of such damages with precision would not be feasible. Accordingly, the Company agrees to pay liquidated damages with respect to the Securities held by each Holder ("Liquidated Damages"), if:

(i) any Registration Statement required to be filed pursuant to this Section 7.3 is not filed with the SEC on or prior to the date specified in Section 7.4(a) for such filing in this Agreement;

(ii) any such Registration Statement has not been declared effective by the SEC on or prior to the earliest possible time but in no event later than 90 days after such filing (the "Effectiveness Target Date"); or

(iii) any Registration Statement required to be filed pursuant to this Section 7.3 is filed and declared effective but shall thereafter cease to be effective or fail to be usable for its intended purpose without being succeeded immediately by a post effective amendment to such Registration Statement that cures such failures and that is itself immediately declared effective; (each such event in clauses (i) through (iii) above being referred to herein as a "Registration Default"). The additional interest comprising Liquidated Damages shall be an amount equal to (A) with respect to the first 90-day period immediately following the occurrence of a Registration Default, 10% of the number of Securities held by such Holder

(pro-rated weekly), PLUS (B) an additional 10% of the number of Securities held by such Holder with respect to each 30-day period after the first 90 day period, until all Registration Defaults have been cured, up to 100% of the number of Securities held by such Holder. The Company shall notify the Holders within one Business Day after each and every date on which a Registration Default occurs. All accrued and unpaid Liquidated Damages shall be paid immediately by the Company on the expiration of each 90-day and 30-day period by mailing certificates for such securities to Holders of record of the Securities at such address as is set forth on the stock record books of the Company. Each obligation to pay Liquidated Damages shall be deemed to accrue beginning on the day of the applicable Registration Default (other than as set forth above). Following the cure of all Registration Defaults, the accrual of Liquidated Damages will cease until the next Registration Default, if any.

ss.7.4 COVENANTS OF THE COMPANY WITH RESPECT TO REGISTRATION. In connection with any registration under SECTION 7.2 or 7.3 hereof, the Company covenants and agrees as follows:

(a) The Company shall use its best efforts to file a registration statement within forty-five (45) days of receipt of any demand therefor in accordance with Section 7.3(a), shall use its best efforts to have any registration statement declared effective at the earliest possible time, and shall furnish each Holder desiring to sell the Shares underlying the Underwriter's Warrants such number of prospectuses as shall reasonably be requested. Notwithstanding the foregoing sentence, the Company shall be entitled to

postpone the filing of any registration statement otherwise required to be prepared and filed by it pursuant to this Section 7.4(a) if the Company is publicly committed to a self-tender or exchange offer and the filing of a registration statement would cause a violation of Regulation M under the Securities Exchange Act of 1934 as amended (the "Exchange Act"). In the event of such postponement, the Company shall be required to file the registration statement pursuant to this Section 7.4(a) upon the earlier of (i) the consummation or termination, as applicable, of the event requiring such postponement or (ii) 90 days after the receipt of the initial demand for such registration. Additionally, notwithstanding anything to the contrary contained herein, during any period that a registration statement filed pursuant to Section 7.3 hereof is effective, the Company shall have the right to prohibit the sale of any shares thereunder upon notice to the Holder(s) (A) if in the opinion of counsel for the Company, the Company would thereby be required to disclose information not otherwise then required by law to be publicly disclosed where it is significant to the operations or well being of the Company that such information remain undisclosed, provided that the Company shall use its best efforts to minimize the period of time in which it shall prohibit the sale of any of such shares pursuant to this clause (A), (B) for periods of up to 30 days if the Company reasonably believes that such sale might reasonably be expected to have an adverse effect on any significant proposal or plan of the Company to engage in an acquisition of assets or any merger, consolidation, tender offer, financing, corporate reorganization or similar transaction; (C) during the period starting with the date 10 days prior to the Company's estimate of the date of filing of, and ending on a date 90 days after

the effective date of, a Company initiated registration in which the Holders are entitled to and may in fact participate in accordance with Section 7.2 hereof, but in no event longer than 180 days; or (D) upon the happening of any event, as a result of which the prospectus under the registration statement includes an untrue statement of a material fact or omits to state any material fact required to be stated therein or necessary to make the statements therein not misleading in light of the circumstances then existing (in which case, the Company shall within a reasonable period provide the Holder with revised or supplemental prospectuses and the Holders shall promptly take action to cease making any offers of such shares until receipt and distribution of such revised or supplemental prospectuses.

(b) The Company shall pay all costs (excluding fees and expenses of Holder(s) counsel and any underwriting or selling commissions), fees and expenses in connection with all registration statements filed pursuant to SECTIONS 7.2 and 7.3(a) hereof including, without limitation, the Company's legal and accounting fees, printing expenses, and blue sky fees and expenses. The Holder(s) will pay all costs, fees and expenses in connection with any registration statement filed pursuant to SECTION 7.3(c).

(c) The Company will take all necessary action which may be required in qualifying or registering the Underwriter's Warrants and Shares underlying the Underwriter's Warrants included in a registration statement for offering and sale under the securities or blue sky laws of such states as reasonably are requested by the Holder(s), provided that the Company shall not be obligated to execute or file any general consent to service of

process or to qualify as a foreign corporation to do business under the laws of any such jurisdiction.

(d) The Company shall indemnify the Holder(s) of the Underwriter's Warrants and Shares to be sold pursuant to any registration statement and each person, if any, who controls such Holders within the meaning of Section 15 of the Act or Section 20(a) of the Exchange Act, against all loss, claim, damage, expense or liability (including all expenses reasonably incurred in investigating, preparing or defending against any claim whatsoever) to which any of them may become subject under the Act, the Exchange Act or otherwise, arising from such registration statement but only to the same extent and with the same effect as the provisions pursuant to which the Company has agreed to indemnify the Underwriter contained in SECTION 7 of the Underwriting Agreement.

(e) The Holder(s) of the Underwriter's Warrants and Shares underlying the Underwriter's Warrants to be sold pursuant to a registration statement, and their successors and assigns, shall severally, and not jointly, indemnify the Company, its officers and directors and each person, if any, who controls the Company within the meaning of SECTION 15 of the Act or SECTION 20(a) of the Exchange Act, against all loss, claim, damage or expense or liability (including all expenses reasonably incurred in investigating, preparing or defending against any claim whatsoever) to which they may become subject under the Act, the Exchange Act or otherwise, arising from information furnished by or on behalf of such Holders, or their successors or assigns, for specific inclusion in such registration statement to the same extent and with the same effect as the

provisions contained in SECTION 7 of the Underwriting Agreement pursuant to which the Underwriter has agreed to indemnify the Company.

(f) Nothing contained in this Agreement shall be construed as requiring the Holder(s) to exercise their Underwriter's Warrants prior to the initial filing of any registration statement or the effectiveness thereof.

(g) The Company shall not permit the inclusion of any securities other than the Shares underlying the Underwriter's Warrants and Underwriter's Warrants to be included in any registration statement filed pursuant to SECTION 7.3 hereof, or permit any other registration statement (other than in connection with a merger or on Form S-8) to become effective within 120 days of a registration statement filed pursuant to SECTION 7.3 hereof, without the prior written consent of the Holders of the Underwriter's Warrants and Shares underlying the Underwriter's Warrants representing a majority of the shares of Common Stock issuable upon the exercise of such Underwriter's Warrants.

(h) If the Shares underlying the Shares underlying the Underwriter's warrants are to be sold in an underwritten public offering, the Company shall use its best efforts to furnish to each Holder participating in the offering and to each such underwriter, a signed counterpart, addressed to such underwriter, of (i) an opinion of counsel to the Company dated the date of the closing under the underwriting agreement, and (ii) a "cold comfort" letter dated the date of the closing under the underwriting agreement signed by the independent public accountants who have issued a report on the Company's financial statements included in such registration statement, in each case covering substantially the same matters with respect to such registration statement (and the prospectus included

therein) and, in the case of such accountants' letter, with respect to events subsequent to the date of such financial statements, as are customarily covered in opinions of issuer's counsel and in accountants' letters delivered to underwriters in underwritten public offerings of securities.

(i) The Company shall as soon as practicable after the effective date of the registration statement, and in any event within 15 months thereafter, have made "generally available to its security holders" (within the meaning of Rule 158 under the Act) an earnings statement (which need not be audited) complying with SECTION 11(a) of the Act and covering a period of at least 12 consecutive months beginning after the effective date of the registration statement.

(j) The Company shall deliver promptly to each Holder participating in the offering requesting the correspondence and memoranda described below, and the managing underwriters, copies of all correspondence between the Commission and the Company, its counsel or auditors and all memoranda relating to discussions with the Commission or its staff with respect to the registration statement and permit each Holder and underwriter to do such investigation, upon reasonable advance notice, with respect to information contained in or omitted from the registration statement as it deems reasonably necessary to comply with applicable securities laws or rules of the National Association of Securities Dealers, Inc. ("NASD"). Such investigation shall include access to books,

records and properties and opportunities to discuss the business of the Company with its officers and independent auditors, all to such reasonable extent and at such reasonable times and as often as any such Holder shall reasonably request.

(k) The Company shall enter into an underwriting agreement with the managing underwriter(s) selected for such underwriting, if any, by Holders holding a Majority of the Underwriter's Warrants and Shares underlying the Underwriter's Warrants requested to be included in such underwriting. Such underwriting agreement shall be satisfactory in form and substance to the Company, each Holder and such managing underwriters, and shall contain such representations, warranties and covenants by the Company and such other terms as are customarily contained in agreements of that type used by the managing underwriter(s).

The Holders shall be parties to any underwriting agreement relating to an underwritten sale of their Underwriter's Warrants and the Shares underlying the Underwriter's Warrants and may, at their option, require that any or all the representations, warranties and covenants of the Company to or for the benefit of such underwriter(s) shall also be made to and for the benefit of such Holders. Such Holders shall not be required to make any representations or warranties to or agreements with the Company or the underwriter(s) except as they may relate to such Holders, their intended methods of distribution, and except for matters related to disclosures with respect to such Holders, contained or required to be contained, in such registration statement under the Act and the rules and regulations thereunder.

(l) For purposes of this Agreement, the term "Majority" in reference to the Holders of Underwriter's Warrants and Shares, shall mean in excess of fifty percent (50%) of the then outstanding Shares, assuming the full exercise of all Underwriter's Warrants that (i) are not held by the Company, an affiliate, officer, creditor, employee or agent thereof or

any of their respective affiliates, members of their families, persons acting as nominees or in conjunction therewith or (ii) have not been resold to the public pursuant to Rule 144 under the Act or a registration statement filed with the Commission under the Act.

8. ADJUSTMENTS TO EXERCISE PRICE AND NUMBER OF SECURITIES.

ss.8.1 SUBDIVISION AND COMBINATION. In case the Company shall at any time subdivide or combine the outstanding shares of Common Stock, the Exercise Price of the Underwriter's Warrants shall forthwith be proportionately decreased in the case of subdivision or increased in the case of combination.

ss.8.2 ADJUSTMENT IN NUMBER OF SECURITIES. Upon each adjustment of the Exercise Price of the Underwriter's Warrants, pursuant to the provisions of this SECTION 8, the number of shares issuable upon the exercise of the Underwriter's Warrants, shall be adjusted to the nearest full amount by multiplying a number equal to the exercise price in effect immediately prior to such adjustment by the number of shares of Common Stock issuable upon exercise of the Underwriter's Warrants immediately prior to such adjustment and dividing the product so obtained by the adjusted Exercise Prices.

ss.8.3 DEFINITION OF COMMON STOCK. For the purpose of this Agreement, the term "Common Stock" shall mean (i) the class of stock designated as Common Stock in the Articles of Incorporation of the Company as amended as of the date hereof, or (ii) any other class of stock resulting from successive changes or reclassifications of such Common Stock, consisting solely of changes in par value, or from par value to no par value, or from no par value to par value. In the event that the Company shall after the date hereof issue common securities with greater or superior voting rights than the shares of

Common Stock outstanding as of the date hereof, the Holder, at its option, may receive upon exercise of any Underwriter's Warrant, either shares of Common Stock or a like number of such securities with greater or superior voting rights.

ss.8.4 MERGER OR CONSOLIDATION. In case of any consolidation of the Company with, or merger of the Company with, or merger of the Company into, another corporation (other than a consolidation or merger which does not result in any reclassification or change of the outstanding Common Stock), the corporation formed by such consolidation or merger shall execute and deliver to the Holder a supplemental warrant agreement providing that the Holder shall have the right thereafter (until the expiration of such warrant) to receive, upon exercise of such warrant, the kind and amount of shares of stock and other securities and property receivable upon such consolidation or merger, by a holder of the number of shares of Common Stock of the Company for which such warrant might have been exercised immediately prior to such consolidation, merger, sale or transfer. Such supplemental warrant agreement shall provide for adjustments which shall be identical to the adjustments provided in SECTION 8. The above provision of this subsection shall similarly apply to successive consolidations or mergers.

ss.8.5 NO ADJUSTMENT OF EXERCISES PRICE IN CERTAIN CASES. No adjustment of the Exercise Price of the Underwriter's Warrants shall be made:

(a) Upon the issuance or sale of the Underwriter's Warrants or Shares issuable upon the exercise of the Underwriter's Warrants or the exercise of options and warrants outstanding on the date hereof and described in the prospectus relating to the Public Offering; or

(b) If the amount of such adjustment shall be less than two cents ($.02) per share of Common Stock, provided, however, that in such case any adjustment that would otherwise be required then to be made shall be carried forward and shall be made at the time of and together with the next subsequent adjustment which, together with any adjustment so carried forward, shall amount to at least two cents ($.02) per share of Common Stock.

9. EXCHANGE AND REPLACEMENT OF UNDERWRITER'S WARRANT CERTIFICATES. Each Underwriter's Warrant Certificate is exchangeable without expense, upon the surrender thereof by the registered Holder at the principal executive office of the Company, for a new Underwriter's Warrant Certificate of like tenor and date

representing in the aggregate the right to purchase the same number of Shares as provided in the original Underwriter's Warrants in such denominations as shall be designated by the Holder thereof at the time of such surrender.

Upon receipt by the Company of evidence reasonably satisfactory to it of the loss, theft, destruction or mutilation of any Underwriter's Warrant Certificate, and, in case of loss, theft or destruction, of indemnity or security reasonably satisfactory to it, and reimbursement to the Company of all reasonable expenses incidental thereto, and upon surrender and cancellation of the Underwriter's Warrants, if mutilated, the Company will make and deliver a new Underwriter's Warrant Certificate of like tenor, in lieu thereof.

10. ELIMINATION OF FRACTIONAL INTERESTS. The Company shall not be required to issue certificates representing fractions of shares of Common Stock upon the exercise of the Underwriter's Warrants, nor shall it be required to issue scrip or pay cash in lieu of

fractional interests, it being the intent of the parties that all fractional interests shall be eliminated by rounding any fraction up to the nearest whole number of shares of Common Stock or other securities, properties or rights.

11. RESERVATION AND LISTING OF SECURITIES. The Company shall at all times reserve and keep available out of its authorized shares of Common Stock, solely for the purpose of issuance upon the exercise of the Underwriter's Warrants, such number of shares of Common Stock or other securities, properties or rights as shall be issuable upon the exercise thereof. The Company covenants and agrees that, upon exercise of the Underwriter's Warrants and payment of the Exercise Price therefor, all shares of Common Stock and other securities issuable upon such exercise shall be duly and validly issued, fully paid, non-assessable and not subject to the preemptive rights of any stockholder. As long as the Underwriter's Warrants shall be outstanding, the Company shall use its best efforts to cause all shares of Common Stock issuable upon the exercise of the Underwriter's Warrants to be listed (subject to official notice of issuance) on all securities exchanges on which the Common Stock issued to the public in connection herewith may then be listed and/or quoted on NASDAQ.

12. NOTICES TO UNDERWRITER'S WARRANT HOLDERS. Nothing contained in this Agreement shall be construed as conferring upon the Holders the right to vote or to consent or to receive notice as a stockholder in respect of any meetings of stockholders for the election of directors or any other matter, or as having any rights whatsoever as a stockholder of the Company. If, however, at any time prior to the expiration of the Underwriter's Warrants and their exercise, any of the following events shall occur:

(a) the Company shall take a record of the holders of its shares of Common Stock for the purpose of entitling them to receive a dividend or distribution payable otherwise than in cash, or a cash dividend or distribution payable otherwise than out of current or retained earnings, as indicated by the accounting treatment of such dividend or distribution on the books of the Company; or

(b) the Company shall offer to all the holders of its Common

Stock any additional shares of capital stock of the Company or securities convertible into or exchangeable for shares of capital stock of the Company, or any option, right or warrant to subscribe therefor; or

(c) a dissolution, liquidation or winding up of the Company (other than in connection with a consolidation or merger) or a sale of all or substantially all of its property assets and business as an entirety shall be proposed;

then, in any one or more of such events the Company shall give written notice to the Holders of such event at least fifteen (15) days prior to the date fixed as a record date or the date of closing the transfer books for the determination of the stockholders entitled to such dividend, distribution, convertible or exchangeable securities or subscription rights, or entitled to vote on such proposed dissolution, liquidation, winding up or sale. Such notice shall specify such record date or the date of closing the transfer books, as the case may be. Failure to give such notice or any defect therein shall not affect the validity of any action taken in connection with the declaration or payment of any such dividend, or the issuance of any convertible or exchangeable securities, or subscription rights, options or warrants, or any proposed dissolution, liquidation, winding up or sale.

13. NOTICES.

All notices requests, consents and other communications hereunder shall be in writing and shall be deemed to have been duly made when delivered, or mailed by registered or certified mail, return receipt requested:

(a) If to the registered Holder of the Underwriter's Warrants, to the address of such Holder as shown on the books of the Company; or

(b) If to the Company, to the address set forth in SECTION 3 hereof or to such other address as the Company may designate by notice to the Holders.

14. SUPPLEMENTS AND AMENDMENTS. The Company and the Underwriter may from time to time supplement or amend this Agreement without the approval of any holders of Underwriter's Warrant Certificates (other than the Underwriter) in order to cure any ambiguity, to correct or supplement any provision contained herein which may be defective or inconsistent with any provisions herein or to make any other provisions in regard to matters or questions arising hereunder which the Company and the Underwriter may deem necessary or desirable and which the Company and the Underwriter deem shall not adversely affect the interests of the Holders of Underwriter's Warrant Certificates.

15. SUCCESSORS. All the covenants and provisions of this Agreement shall be binding upon and inure to the benefit of the Company, the Holders and their respective successors and assigns hereunder.

16. TERMINATION. This Agreement shall terminate at the close of business on _____, 2002. Notwithstanding the foregoing, the indemnification provisions of SECTION 7 shall survive such termination until the close of business on _____, 2012.

17. GOVERNING LAW: SUBMISSION TO JURISDICTION. This Agreement and each Underwriter's Warrant Certificate issued hereunder shall be deemed to be a contract made under the laws of the State of New York and for all purposes shall be construed in accordance with the laws of such State without giving effect to the rules of said State governing the conflicts of laws.

The Company, the Underwriter and the Holders hereby agree that any action, proceeding or claim against it arising out of, or relating in any way to, this Agreement shall be brought and enforced in the courts of the State of New York or of the United States of America for the Southern District of New York, and irrevocably submits to such jurisdiction, which jurisdiction shall be exclusive. The Company, the Underwriter and the Holders hereby irrevocably waive any objection to such exclusive jurisdiction or inconvenient forum. Any such process or summons to be served upon any of the Company, the Underwriter and the Holders (at the option of the party bringing such action, proceeding or claim) may be served by transmitting a copy thereof, by registered or certified mail, return receipt requested, postage prepaid, addressed to it at the address set forth in SECTION 13 hereof. Such mailing shall be deemed personal service and shall be legal and binding upon the party so served in any action, proceeding or claim. The Company, the Underwriter and the Holders agree that the prevailing party(ies) in any such action or proceeding shall be entitled to recover from the other party(ies) all of its/their reasonable legal costs and expenses relating to such action or proceeding and/or incurred in connection with the preparation therefor.

18. ENTIRE AGREEMENT: MODIFICATION. This Agreement (including the Underwriting Agreement to the extent portions thereof are referred to herein) contains the entire understanding between the parties hereto with respect to the subject matter hereof and, except as provided in Section 14 hereof, may not be modified or amended except by a writing duly signed by the party against whom enforcement of the modification or amendment is sought.

19. SEVERABILITY. If any provision of this Agreement shall be held to be invalid or unenforceable, such invalidity or unenforceability shall not affect any other provision of this Agreement.

20. CAPTIONS. The caption headings of the Sections of this Agreement are for convenience of reference only and are not intended, nor should they be construed as, a part of this Agreement and shall be given no substantive effect.

21. BENEFITS OR THIS AGREEMENT. Nothing in this Agreement shall be construed to give to any person or corporation other than the Company and the Underwriter and any other registered Holder(s) of the Underwriter's Warrant Certificates or Shares underlying the Underwriter's Warrants any legal or equitable right, remedy or claim under this Agreement; and this Agreement shall be for the sole and exclusive benefit of the Company and the Underwriter and any other Holder(s) of the Underwriter's Warrant Certificates or Shares.

22. COUNTERPARTS. This Agreement may be executed in any number of counterparts and each of such counterparts shall for all purposes be deemed to be an original, and such counterparts shall together constitute but one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed, as of the day and year first above written.

[SEAL] FROST HANNA CAPITAL GROUP, INC.

By

Name:
Title:

Attest:

- ---
Secretary

LH ROSS & COMPANY, INC.

By

Name:
Title:

EXHIBIT A

[FORM OF UNDERWRITER'S WARRANT CERTIFICATE]

THE UNDERWRITER'S WARRANTS REPRESENTED BY THIS CERTIFICATE AND THE OTHER SECURITIES ISSUABLE UPON EXERCISE THEREOF MAY NOT BE OFFERED OR SOLD EXCEPT PURSUANT TO (i) AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933, (ii) TO THE EXTENT APPLICABLE, RULE 144 UNDER SUCH ACT (OR ANY SIMILAR RULE UNDER SUCH ACT RELATING TO THE DISPOSITION OF SECURITIES), OR (iii) AN OPINION OF COUNSEL, IF SUCH OPINION SHALL BE REASONABLY SATISFACTORY TO COUNSEL FOR THE ISSUER, THAT AN EXEMPTION FROM REGISTRATION UNDER SUCH ACT IS AVAILABLE.

THE TRANSFER OR EXCHANGE OF THE UNDERWRITER'S WARRANTS REPRESENTED BY THIS CERTIFICATE IS RESTRICTED IN ACCORDANCE WITH THE UNDERWRITER'S WARRANT AGREEMENT REFERRED TO HEREIN.

EXERCISABLE ON OR BEFORE
5:30 P.M., NEW YORK TIME, _____, 2002

No. W-1 135,000 Underwriter's Warrants

Underwriter's Warrant Certificate

This Underwriter's Warrant Certificate certifies that LH Ross & Company, Inc., or registered assigns, is the registered holder of 135,000 Underwriter's Warrants to purchase initially, at any time from _____, 1998 [one year from the consummation of the offering] until 5:30 p.m. New York time on _____, 2002 [five years from the consummation of the offering] ("Expiration Date"), up to 135,000 fully-paid and non-assessable shares of Common Stock, par value $.0001 per share (the "Warrants") of Frost Hanna Capital Group, Inc., a Florida corporation (the "Company"), at an initial exercise price, subject to adjustment in certain events (the "Exercise Price"), of $7.20 per Share upon surrender of this Underwriter's Warrant Certificate and payment of the Exercise Price at an office or agency of the Company, but subject to the conditions set forth herein and in the warrant agreement dated as of _____, 1997 between the Company and LH Ross & Company, Inc. (the "Underwriter's Warrant Agreement"). Payment of the Exercise Price shall be made by certified or official bank check in New York Clearing House funds payable to the order of the Company.

No Underwriter's Warrant may be exercised after 5:30 p.m., New York time, on the Expiration Date, at which time all Underwriter's Warrants evidenced hereby, unless exercised prior thereto, shall thereafter be void.

The Underwriter's Warrants evidenced by this Underwriter's Warrant Certificate are part of a duly authorized issue of warrants pursuant to the Underwriter's Warrant Agreement, which Underwriter's Warrant Agreement is hereby incorporated by reference in and made a part of this instrument and is hereby referred to for a description of the rights, limitation of rights, obligations, duties and immunities thereunder of the Company and the holders (the words "holders" or "holder" meaning the registered holders or registered holder) of the Underwriter's Warrants.

The Underwriter's Warrant Agreement provides that upon the occurrence of certain events the exercise price and/or number of the Company's securities issuable thereupon may, subject to certain conditions, be adjusted. In such event, the Company will, at the request of the holder, issue a new Underwriter's Warrant Certificate evidencing the adjustment in the exercise price and the number and/or type of securities issuable upon the exercise of the Underwriter's Warrants; provided, however, that the failure of the Company to issue such new Underwriter's Warrant Certificates shall not in any way change, alter or otherwise impair, the rights of the holder as set forth in the Underwriter's Warrant Agreement.

Upon due presentment for registration of transfer of this Underwriter's Warrant Certificate at an office or agency of the Company, a new Underwriter's Warrant Certificate or Underwriter's Warrant Certificates of like tenor and evidencing in the aggregate a like number of Underwriter's Warrants shall be issued to the transferee(s) in exchange for this Underwriter's Warrant Certificate, subject to the limitations provided herein and in the Underwriter's Warrant Agreement, without any charge except for any tax or other governmental charge imposed in connection with such transfer.

Upon the exercise of less than all of the Underwriter's Warrants

evidenced by this Certificate, the Company shall forthwith issue to the holder hereof a new Underwriter's Warrant Certificate representing such number of unexercised Underwriter's Warrants.

The Company may deem and treat the registered holder(s) hereof as the absolute owner(s) of this Underwriter's Warrant Certificate (notwithstanding any notation of ownership or other writing hereon made by anyone), for the purpose of any exercise hereof, and of any distribution to the holder(s) hereof, and for all other purposes, and the Company shall not be affected by any notice to the contrary.

All terms used in this Underwriter's Warrant Certificate which are defined in the Underwriter's Warrant Agreement shall have the meanings assigned to them in the Underwriter's Warrant Agreement.

IN WITNESS WHEREOF, the Company has caused this Underwriter's Warrant Certificate to be duly executed under its corporate seal.

Dated as of _____, 1997

FROST HANNA CAPITAL GROUP, INC.

[SEAL]

By

Name:
Title:

Attest:

- ---
Secretary

[FORM OF ELECTION TO PURCHASE]

The undersigned hereby irrevocably elects to exercise the right, represented by this Underwriter's Warrant Certificate, to purchase _____ shares of Common Stock and herewith tenders in payment for such securities a certified or official bank check payable in New York Clearing House Funds to the order of Frost Hanna Capital Group, Inc. in the amount of $_____, all in accordance with the terms hereof. The undersigned requests that a certificate for such securities be registered in the name of _____ whose address is _____ and that such Certificate be delivered to _____ whose address is _____.

Dated:

Signature

(Signature must conform in all respects to name of holder as specified on the face of the Underwriter's Warrant Certificate.)

(Insert Social Security or Other Identifying Number of Holder)

EXHIBIT 5.1

FORM OF LEGAL OPINION

July __, 1997

Mr. Richard B. Frost
Chief Executive Officer and
Chairman of Board of Directors
Frost Hanna Capital Group, Inc.
327 Plaza Real, Suite 319
Boca Raton, Florida 33432

Re: Frost Hanna Capital Group, Inc.
Offering of Shares of Common Stock

Dear Mr. Frost:

As counsel to Frost Hanna Capital Group, Inc. (the "Corporation"), we have examined the Articles of Incorporation and Bylaws of the Corporation as well as such other documents and proceedings as we have considered necessary for the purposes of this opinion. We have also examined and are familiar with the proceedings taken by the Corporation to authorize the issuance of 1,552,500 shares of Common Stock of the Corporation, par value $.0001 per share (the "Common Stock"). In addition, we have examined a copy of the Prospectus dated July ___, 1997 (the "Prospectus") included in the Corporation's Registration Statement on Form SB-2, File No. 333-_____ (the "Registration Statement"), which is incorporated by reference into the Registration Statement.

In rendering this opinion, we have assumed, without independent investigation: (i) the authenticity of all documents submitted to us as originals; (ii) the conformity to original documents of all documents submitted to us as certified or photostatic copies; and (iii) the genuineness of all signatures. In addition, as to questions of fact material to the opinions expressed herein, we have relied upon such certificates of public officials, corporate agents and officers of the Corporation and such other certificates as we deemed relevant.

Based upon the foregoing, and having regard to legal considerations which we deem relevant, we are of the opinion that following the issuance and delivery of the Common Stock against payment of adequate consideration therefore in accordance with the terms of such Prospectus, the Common Stock will be validly issued, fully paid and non-assessable.

This opinion is intended solely for the Corporation's use in connection with the registration of the shares and may not be relied upon for

any other purpose or by any other person. This opinion may not be quoted in whole or in part or otherwise referred to or furnished to any other person except in response to a valid subpoena. This opinion is limited to the matters expressly stated herein, and no opinion is implied or may be inferred beyond the matters expressly stated herein. This opinion is rendered as of the date hereof and we assume no obligation to update or supplement such opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in facts or law that may hereafter occur. We hereby consent to the inclusion of this opinion letter as an exhibit to the Registration Statement.

Very truly yours,

STEARNS WEAVER MILLER WEISSLER
ALHADEFF & SITTERSON, P.A.

EXHIBIT 10.1

ESCROW AGREEMENT dated as of the ___ day of _____, 1997 (the "Agreement") by and between FROST HANNA CAPITAL GROUP, INC., a Florida corporation (the "Company"), and FIDUCIARY TRUST INTERNATIONAL OF THE SOUTH (the "Escrow Agent").

ESCROW AGREEMENT

The Company has entered into an Underwriting Agreement dated _____, 1997 (the "Underwriting Agreement") with LH ROSS & COMPANY, INC., as representative to the underwriters named therein and the underwriters named therein (the "Underwriter") wherein the Company has agreed to sell through licensed dealers 1,350,000 shares of Common Stock, par value $.0001 per share (the "Shares"),with an over-allotment option covering up to 202,500 shares, as more fully described in the Company's definitive Prospectus dated _____, 1997 (the "Prospectus") comprising part of the Company's Registration Statement on Form SB-2 under the Securities Act of 1933, as amended (File No. 333-_____), declared effective on _____ __, 1997 (the "Registration Statement").

The Company desires that the Escrow Agent accept eighty percent (80%) of the Net Proceeds (as defined in the Prospectus) to be derived by the Company from the sale of the Shares (the "Offering Proceeds"), to be held in escrow and disbursed as hereinafter provided.

NOW, THEREFORE, in consideration of the premises and mutual covenants hereinafter set forth, the parties hereto agree as follows:

1. Appointment of Escrow Agent. The Company hereby appoints the Escrow Agent to act in accordance with and subject to the terms of this Agreement, and the Escrow Agent hereby accepts such appointment and agrees to act in accordance with and subject to such terms.

2. Establishment of Escrow Account. The Escrow Agent shall open an interest bearing escrow account (the "Escrow Account") for the deposit of the Offering Proceeds, subject to the terms and conditions of this Agreement.

3. Deposit of Offering Proceeds. Upon the closing of the sale of the Shares as contemplated by the Underwriting Agreement, the Company shall deliver to the Escrow Agent a certified or bank check in the amount of the Offering Proceeds drawn to the order of the Escrow Agent or, alternatively, drawn to the order of the Company but endorsed by the Company for collection by the Escrow Agent and credit to the Escrow Account.

4. Disbursement of the Escrow Account. Upon the earlier of (i) written notification by the Company to the Escrow Agent of its need for all, or substantially all, of the Offering Proceeds for the purpose of implementing, or facilitating the implementation of, a Business Combination (as such term is defined in the Prospectus); or (ii) the exercise by certain shareholders of the Redemption Offer (as such term is defined in the Prospectus); or (iii) written notification from the Company to the Escrow Agent to deliver the Offering

Proceeds to another escrow agent in accordance with Paragraph 5.7, then, in such event, the Escrow Agent shall disburse the Escrow Account (inclusive of any interest thereon) to the Company or its designees, whereupon the Escrow Agent shall be released from further liability hereunder. In no event may the funds in the Escrow Account, including any interest earned thereon, be used for expenses associated with the evaluation and structuring of a contemplated Business Combination.

5. Escrow Agent.

5.1 The Escrow Agent may act in reliance upon any writing or instrument or signature which it, in good faith, believes to be genuine; may assume the validity and accuracy of any statements or assertions contained in such writing or instrument; and may assume that any person purporting to give any writing, notice, advice or instruction in connection with the provisions hereof has been duly authorized to do so. The Escrow Agent shall not be liable in any manner for the sufficiency or correctness as to form, manner of execution, or validity of any written instructions delivered to it; nor as to the identity, authority, or rights of any person executing the same. The duties of the Escrow Agent shall be limited to the safekeeping of the Escrow Account and to disbursements of same in accordance with the provisions hereof. The Escrow Agent undertakes to perform only such duties as are expressly set forth herein, and no implied duties or obligations of the Escrow Agent shall be implied by virtue of this Agreement.

5.2 The Escrow Agent may consult with counsel of its own choice and shall have full and complete authorization and protection for any action taken or suffered by it hereunder in good faith and in accordance with the opinion of such counsel. The Escrow Agent shall not be liable for any mistakes of fact or error of judgment, or for any acts or omissions of any kind unless caused by its willful misconduct or gross negligence.

5.3 The Escrow Agent shall be indemnified and held harmless by the Company from and against any reasonable expenses, including counsel fees and disbursements, or loss suffered by the Escrow Agent in connection with any third party action, suit or other proceeding involving any claim, or in connection with any claim or demand, which in any way directly or indirectly arises out of or relates to this Agreement, the services of the Escrow Agent hereunder, the monies or other property held by it hereunder or any

such expense or loss. Promptly after the receipt by the Escrow Agent of notice of any demand or claim or the commencement of any action, suit or proceeding, the Escrow Agent shall, if a claim in respect thereof shall be made against the other parties hereto, notify such parties thereof in writing; but the failure by the Escrow Agent to give such notice shall not relieve any party from any liability which such party may have to the Escrow Agent hereunder. In the event of the receipt of such notice, the Escrow Agent, in its sole discretion, may commence an action in the nature of interpleader in an appropriate court to determine ownership or disposition of the Escrow Account or it may deposit the Escrow Account with the clerk of any appropriate court or it may retain the Escrow Account pending receipt of a final, non-appealable order of a court having jurisdiction over all of the parties hereto directing to whom and under what circumstances the Escrow Account is to be disbursed and delivered.

5.4 During the term hereof, the Escrow Agent shall maintain the Offering Proceeds in an interest bearing account and any interest earned on the Escrow Account shall remain in escrow and shall be for the benefit of the Company and shall be used by the Company either (i) following a Business Combination in connection with the operation of an Acquired Business (as such

term is defined in the Prospectus) or (ii) in connection with the distribution to the shareholders through the exercise of the Redemption Offer or the liquidation of the Company.

5.5 The Escrow Agent shall be entitled to reasonable compensation from the Company for all services rendered by it hereunder, not to exceed $_____.

5.6 From time to time on and after the date hereof, the Company shall deliver or cause to be delivered to the Escrow Agent such further documents and instruments and shall do or cause to be done such further acts as the Escrow Agent shall reasonably request (it being understood that the Escrow Agent shall have no obligation to make such request) to carry out more effectively the provisions and purposes of this Agreement, to evidence compliance herewith or to assure itself that it is protected in acting hereunder.

5.7 The Escrow Agent may resign at any time and be discharged from its duties as Escrow Agent hereunder by its giving the other parties hereto at least thirty (30) days prior written notice thereof. As soon as practicable after its resignation, the Escrow Agent shall turn over to a successor escrow agent appointed by the other parties hereto, jointly, all monies and property held hereunder upon presentation of the document appointing the new escrow agent and its acceptance thereof. If no new escrow agent is so appointed within the sixty (60) day period following the giving of such notice of resignation, the Escrow Agent may deposit the Escrow Account with any court it deems appropriate.

5.8 The Escrow Agent shall resign and be discharged from its duties as Escrow Agent hereunder if so requested in writing at anytime by the Company, provided, however, that such resignation shall become effective only upon acceptance of appointment by a successor escrow agent as provided in paragraph 5.7.

5.9 Notwithstanding anything herein to the contrary, the Escrow Agent shall not be relieved from liability hereunder for its own gross negligence or its own willful misconduct.

6. Miscellaneous.

6.1 This Agreement shall for all purposes be deemed to be made under and shall be construed in accordance with the laws of the State of Florida. This Agreement shall be subject to the exclusive jurisdiction of the courts of Dade County, Florida. The parties to this Agreement agree that any breach of any term or condition of this Agreement shall be deemed to be a breach occurring in the State of Florida by virtue of a failure to perform an act required to be performed in the State of Florida and irrevocably and expressly agree to submit to the jurisdiction of the courts of the State of Florida for the purpose of resolving any disputes among the parties relating to this Agreement or the transactions contemplated hereby. The parties irrevocably waive, to the fullest extent permitted by law, any objection which they may now or hereafter have to the laying of venue of any suit, action or proceeding arising out of or relating to this Agreement, or any judgment entered by any court in respect hereof brought in the State of Florida, and further irrevocably waive any claim that any suit, action or proceeding brought in Dade County, Florida has been brought in an inconvenient forum.

6.2 This Agreement contains the entire agreement of the

parties hereto with respect to the subject matter hereof and, except as expressly provided herein, may not be changed or modified except by an instrument in writing signed by the party to be charged.

6.3 The headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation thereof.

6.4 This Agreement shall be binding upon and inure to the benefit of the respective parties hereto and their legal representatives, successors and assigns.

6.5 Any notice or other communication required or which may be given hereunder shall be in writing and either be delivered personally or be mailed, certified or registered mail, return receipt requested, postage prepaid, and shall be deemed given when so delivered personally or, if mailed, two (2) days after the date of mailing, as follows:

If to the Company, to:

Frost Hanna Capital Group, Inc.
327 Plaza Real, Suite 319
Boca Raton, Florida 33432
Attention: Mark J. Hanna, President

With a copy to:

Stearns Weaver Miller Weissler
Alhadeff & Sitterson, P.A.
150 West Flagler Street, Suite 2200
Miami, Florida 33130
Attention: Richard E. Schatz, Esq.

and if to the Escrow Agent, to:

Fiduciary Trust International
of the South
100 S.E. 2nd Street, Suite 2300
Miami, Florida 33131
Attention: Mario Rivera, Chief Financial Officer

The parties may change the persons and addresses to which the notices or other communications are to be sent by giving written notice of any such change in the manner provided herein for giving notice.

6.6 This Agreement may be executed in any number of counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument.

6.7 Nothing contained in this Agreement is intended or shall be construed to give any person, corporation or other entity, other than the parties hereto and their respective successors and permitted assigns, any legal, equitable right, remedy or claim under or in respect to this Agreement or any provision herein contained, this Agreement being intended to be and being for the sole and exclusive benefit of the parties hereto and their respective successors and permitted assigns.

WITNESS the execution of this Agreement as of the date first above written.

FROST HANNA CAPITAL GROUP, INC.

By: _____
Mark J. Hanna, President

Attest:
_____
Donald H. Baxter, Secretary

This Escrow Agreement is accepted as of the ___ day of _____, 1997.

FIDUCIARY TRUST INTERNATIONAL
OF THE SOUTH

By: _____
Authorized Representative

EXHIBIT 10.2

ESCROW AGREEMENT dated as of the ___ day of _____, 1997 (The "Agreement") by and among FROST HANNA CAPITAL GROUP, INC., a Florida corporation (the "Company"), RICHARD B. FROST, MARK J. HANNA, MARSHAL E. ROSENBERG, Ph.D., DONALD H. BAXTER and CHARLES FERNANDEZ (collectively, the "Company Principals") and AMERICAN STOCK TRANSFER & TRUST COMPANY, a New York limited purpose trust company (the "Escrow Agent")

ESCROW AGREEMENT

The Company has entered into an Underwriting Agreement dated _____, 1997 (the "Underwriting Agreement") with LH ROSS & COMPANY, INC., as representative to the underwriters named therein and the underwriters named therein (the "Underwriter") whereby the Underwriter has agreed to sell through licensed dealers 1,350,000 shares of Common Stock, par value $.0001 per share (the "Shares"), with an over-allotment option covering up to 202,500 shares, as more fully described in the Company's definitive Prospectus dated _____, 1997 (the "Prospectus") comprising part of the Company's Registration Statement on Form SB-2 under the Securities Act of 1933, as amended (File No. 333-_____), declared effective on _____ __, 1997 (the "Registration Statement").

The Company Principals have agreed, as a condition of the consummation of the sale of the Shares, to deposit their shares of Common Stock of the Company, as set forth opposite their respective names in Exhibit A attached hereto (collectively, the Escrow Shares"), in escrow as hereinafter provided.

The Company and the Company Principals desire that the Escrow Agent accept the Escrow Shares, in escrow, to be held and disbursed as hereinafter provided.

NOW, THEREFORE, in consideration of the premises and mutual covenants hereinafter set forth, the parties hereto agree as follows:

1. Appointment of Escrow Agent. The Company and the Company Principals hereby appoint the Escrow Agent to act in accordance with and subject to the terms of this Agreement, and the Escrow Agent hereby accepts such appointment and agrees to act in accordance with and subject to such terms.

2. Deposit of Escrow Shares. On or before the closing date of the sale of the Shares, each of the Company Principals shall deliver to the Escrow Agent certificates, either endorsed in blank or accompanied by stock powers endorsed in blank, in either instance with signatures guaranteed by a commercial bank or a

member of the New York Stock Exchange, Inc. representing his respective Escrow Shares, to be held and disbursed subject to the terms and conditions of this Agreement.

3. Disbursement of the Escrow Account. Upon written notification from the Company to the Escrow Agent of consummation of the Company's first Business Combination (as such term is defined in the Prospectus), the Escrow Agent shall

disburse the Escrow Shares to the Company Principals in accordance with their respective interests therein as set forth upon the aforementioned Exhibit A, whereupon the Escrow Agent shall be released from further liability hereunder.

4. Rights of Company Principals in Escrow Shares. The Company Principals shall retain all of their rights as shareholders of the Company during such period as the Escrow Shares shall be retained by the Escrow Agent pursuant to this Agreement including, without limitation, the right to vote such shares and to receive cash dividends payable thereon, if any. No sale, transfer or other disposition may be made of any or all of such shares.

5. Escrow Agent.

5.1 The Escrow Agent may act in reliance upon any writing or instrument or signature which it, in good faith, believes to be genuine; may assume the validity and accuracy of any statements or assertions contained in such writing or instrument; and may assume that any person purporting to give any writing, notice, advice or instruction in connection with the provisions hereof has been duly authorized to do so. The Escrow Agent shall not be liable in any manner for the sufficiency or correctness as to form, manner of execution, or validity of any written instructions delivered to it; nor as to the identity, authority, or rights of any person executing the same. The duties of the Escrow Agent shall be limited to the safekeeping of the Escrow Shares and to disbursements of same in accordance with the provisions hereof. The Escrow Agent undertakes to perform only such duties as are expressly set forth herein, and no implied duties or obligations of the Escrow Agent shall be implied by virtue of this Agreement.

5.2 The Escrow Agent may consult with counsel of its own choice and shall have full and complete authorization and protection for any action taken or suffered by it hereunder in good faith and in accordance with the opinion of such counsel. The Escrow Agent shall not be liable for any mistakes of fact or error of judgment, or for any acts or omissions of any kind unless caused by its willful misconduct or gross negligence.

5.3 The Escrow Agent shall be indemnified and held harmless by the Company and the Company Principals, jointly and severally, from and against any reasonable expenses, including counsel fees and disbursements, or loss suffered by the Escrow

Agent in connection with any third party action, suit or other proceeding involving any claim, or in connection with any claim or demand, which in any way directly or indirectly, arises out of or relates to this Agreement, the services of the Escrow Agent hereunder, the monies or other property held by it hereunder or any such expenses or loss. Promptly after the receipt by the Escrow Agent of notice of any demand or claim or the commencement of any action, suit or proceeding, the Escrow Agent shall, if a claim in respect thereof shall be made against the other parties hereto, notify such parties thereof, in writing; but the failure by the Escrow Agent to give such notice shall not relieve any party from any liability which such party may have to the Escrow Agent hereunder. In the event of the receipt of such notice, the Escrow Agent, in its sole discretion, may commence an action in the nature of interpleader in an appropriate court to determine ownership or disposition of the Escrow Shares or it may deposit the Escrow Shares with the clerk of any appropriate court or it may retain the Escrow Shares pending receipt of a final, non-appealable order of a court having jurisdiction over all of the parties hereto directing to whom and under what circumstances the Escrow Shares are to be disbursed and delivered.

5.4 The Escrow Agent shall be entitled to reasonable

compensation from the Company for all services rendered by it hereunder, not to exceed $_____. The Escrow Agent shall also be entitled to reimbursement from the Company for all reasonable expenses paid or incurred by it in the administration of its duties hereunder including, but not limited to, all counsel, advisors' and agents' fees and disbursement and all taxes or other governmental charges.

5.5 From time to time on and after the date hereof, the Company and the Company Principals shall deliver or cause to be delivered to the Escrow Agent such further documents and instruments and shall do or cause to be done such further acts as the Escrow Agent shall reasonably request (it being understood that the Escrow Agent shall have no obligations to make such request) to carry out more effectively the provisions and purposes of this Agreement, to evidence compliance herewith or to assure itself that it is protected in acting hereunder.

5.6 The Escrow Agent may resign at any time and be discharged from its duties as Escrow Agent hereunder by its giving the other parties hereto at least thirty (30) days prior written notice thereof. As soon as practicable after its resignation, the Escrow Agent shall turn over to a successor escrow agent appointed by the other parties hereto, jointly, all monies and property held hereunder upon presentation of the document appointing the new escrow agent and its acceptance thereof. If no new Escrow Agent is appointed within the six (6) day period following the giving of such notices of resignation, the Escrow Agent may deposit the Escrow Shares with any court it deems appropriate.

5.7 The Escrow Agent shall resign and be discharged from its duties as Escrow Agent hereunder if so requested in writing at any time by the other parties hereof, jointly, provided, however, that such resignation shall become effective only upon acceptance of appointment by a successor escrow agent as provided in paragraph 5.6.

5.8 Notwithstanding anything herein to the contrary, the Escrow Agent shall not be relieved from liability hereunder for its own gross negligence or its own willful misconduct.

6. Miscellaneous.

6.1 This Agreement shall for all purposes be deemed to be made under and shall be construed in accordance with the laws of the State of Florida. This Agreement shall be subject to the exclusive jurisdiction of the courts of Dade County, Florida. The parties to this Agreement agree that any breach of any term or condition of this Agreement shall be deemed to be a breach occurring in the State of Florida by virtue of a failure to perform an act required to be performed in the State of Florida and irrevocably and expressly agree to submit to the jurisdiction of the courts of the State of Florida for the purpose of resolving any disputes among the parties relating to this Agreement or the transactions contemplated hereby. The parties irrevocably waive, to the fullest extent permitted by law, any objection which they may now or hereafter have to the laying of venue of any suit, action or proceeding arising out of or relating to this Agreement, or any judgment entered by any court in respect hereof brought in the State of Florida, and further irrevocably waive any claim that any suit, action or proceeding brought in Dade County, Florida has been brought in an inconvenient forum.

6.2 This Agreement contains the entire agreement of the parties hereto with respect to the subject matter hereof and, except as

expressly provided herein, may not be changed or modified except by an instrument in writing signed by the party to the charged.

6.3 The headings contained in this Agreement are for reference purposes only and shall not effect in any way the meaning or interpretation thereof.

6.4 This Agreement shall be binding upon and inure to the benefit of the respective parties hereto and their legal representatives, successors and assigns.

6.5 Any notice or other communication required or which may be given hereunder shall be in writing and either be delivered personally or be mailed, certified or registered mail, return receipt requested, postage prepaid, and shall be deemed given when

so delivered personally or if mailed, two (2) days after the date of mailing, as follows:

If to the Company, to:

Frost Hanna Capital Group, Inc.
327 Plaza Real, Suite 319
Boca Raton, Florida 33432
Attn: Donald H. Baxter, Secretary

With a copy to:

Stearns Weaver Miller Weissler
Alhadeff & Sitterson, P.A.
150 West Flagler Street, Suite 2200
Miami, Florida 33130
Attention: Richard E. Schatz, Esq.

If to the Company Principals, to each as follows:

(i) Richard B. Frost
327 Plaza Real, Suite 319
Boca Raton, Florida 33432

(ii) Mark J. Hanna
327 Plaza Real, Suite 319
Boca Raton, Florida 33432

(iii) Marshal E. Rosenberg, Ph.D.
2333 Ponce de Leon Boulevard
Suite 314
Coral Gables, Florida 33134

(iv) Donald H. Baxter
327 Plaza Real, Suite 319
Boca Raton, Florida 33432

(v) Charles Fernandez
100 S.E. 2nd Street
NationsBank Tower
Miami, FL 33131-2100

and if to Escrow Agent, to:

American Stock Transfer & Trust Company
40 Wall Street
New York, New York 10005
Attention: President

The parties may change the persons and addresses to which the notices or other communications are to be sent by giving written notice of any such change in the manner provided herein for giving notice.

6.6 This Agreement may be executed in any number of counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument.

6.7 Nothing contained in this Agreement is intended or shall be construed to give any person, corporation or other entity, other than the parties hereto and their respective successors and permitted assigns, any legal, equitable right, remedy or claim under or in respect to this Agreement or any provision herein contained, this Agreement being intended to be and being for the sole and exclusive benefit of the parties hereto and their respective successors and permitted assigns.

WITNESS the execution of this Agreement as of the date first above written.

FROST HANNA CAPITAL GROUP, INC.

By:

Mark J. Hanna, President

Attest:

Donald H. Baxter

Richard B. Frost

Mark J. Hanna

Marshall E. Rosenberg, Ph.D.

Donald H. Baxter

Charles Fernandez

AMERICAN STOCK TRANSFER & TRUST COMPANY

By: _____
Authorized Representative

EXHIBIT A

<TABLE>
<CAPTION>

Name	Number of Shares of Common Stock
<S>	<C>
Richard B. Frost	362,000
Mark J. Hanna	362,000
Marshal B. Rosenberg, Ph.D	300,000
Donald H. Baxter	100,000
Charles Fernandez	120,000

</TABLE>

EXHIBIT 10.3

FROST HANNA CAPITAL GROUP, INC.
327 Plaza Real, Suite 319
Boca Raton, Florida 33432

_____, 1997

Richard B. Frost
327 Plaza Real, Suite 319
Boca Raton, Florida 33432

Marshal E. Rosenberg, Ph.D.
2333 Ponce de Leon Boulevard
Suite 314
Coral Gables, Florida 33134

Donald H. Baxter
327 Plaza Real, Suite 319
Boca Raton, Florida 33432

Mark J. Hanna
327 Plaza Real, Suite 319
Boca Raton, Florida 33432

Charles Fernandez
100 S.E. 2nd Street
NationsBank Tower
Miami, FL 33131-2100

Re: VOTING, NEGOTIATION FOR SALE OF MANAGEMENT SHARES
FINDER'S FEES AND CONFLICTS OF INTEREST

Gentlemen:

Frost Hanna Capital Group, Inc., a Florida corporation (the "Company"), has filed with the United States Securities and Exchange Commission (the "SEC") a Registration Statement on Form SB-2 (File No. 333-_____) (the "Registration Statement"), covering, among other securities, 1,350,000 shares of Common Stock, par value $.0001 per share, of the Company (the "Shares"). The Company currently has 1,557,000 shares issued and outstanding held by 19 shareholders (the "Existing Shareholders"). The purchasers of the Shares are herein referred to as the "Public Shareholders."

As a condition precedent to the execution of the Underwriting Agreement to be entered into in connection with the above-referenced Registration Statement, all officers and directors of the Company, whom are each also Existing Shareholders, are required to execute a copy of this letter.

A. Voting.

In connection with a future shareholder vote relating to the approval of any Business Combination (as defined in the Registration Statement), each of the undersigned hereby agree with respect to the shares of Common Stock now held by each of them, or their successors and assigns, to vote their respective shares of Common Stock of the Company in accordance with the majority of Shares held by the Public Shareholders and any additional shareholders, who are not affiliates of the Company, with respect to such Business Combination.

B. Negotiation for Sale of Management's Shares.

Each of the undersigned hereby agree that they shall not actively negotiate for or otherwise consent to the disposition of any portion of their Common Stock as a condition to or in connection with a Business Combination or cause the Company to borrow funds to be used directly or indirectly to (i) purchase any shares of the Company's Common Stock owned by any of the undersigned or (ii) make payments to the Company's promoters, management or their affiliates or associates.

C. Finder's Fee.

Each of the undersigned hereby agree that neither they nor any entity with which they are affiliated will be entitled to receive a finder's fee in the event they originate a Business Combination.

D. Conflicts of Interest.

Each of the undersigned hereby agree to present to the Company for its consideration, prior to presentation to any other entity, any prospective Acquired Business (as defined in the Registration Statement) which is appropriate for the Company to consider and which prospective Acquired Business participates in an industry dissimilar to any of the industries to which the undersigned individuals have corporate affiliations.

If the foregoing is acceptable to the undersigned, please countersign this letter in the space provided below, whereupon it shall become a binding agreement between the undersigned and the Company as of the date first above written. By your signature below you acknowledge that the Public Shareholders are intentional beneficiaries of this Agreement and that in addition to the foregoing sentence, this Agreement may be enforced by such Public Shareholders and this Agreement cannot be amended, waived, or modified without the favorable vote of the holders of a majority of the Shares held by the Public Shareholders and any additional shareholders, who are not affiliates of the Company. This

Agreement may be signed in counterparts and shall be binding upon all successors and assigns and the holders further acknowledge that their shares of Common Stock shall be so legended.

Very truly yours,

FROST HANNA CAPITAL GROUP, INC.

By:

Richard B. Frost,
Chief Executive Officer and
Chairman of Board of Directors

ACCEPTED AND AGREED
this ___ day of _____, 1997:

- _____
Richard B. Frost

_____
Marshal E. Rosenberg, Ph.D.

- _____
Mark J. Hanna

_____
Donald H. Baxter

- _____
Charles Fernandez

EXHIBIT 10.4

EMPLOYMENT AGREEMENT

AGREEMENT, dated this_____ day of September, 1996, by and between Frost Hanna Capital Group, Inc. ("Employer"), and Richard B. Frost ("Employee").

RECITALS:

A. Employer desires to employ Employee as Chief Executive Officer.

B. Employee wishes to be employed by Employer upon the terms and conditions herein contained.

NOW, THEREFORE, in consideration of the covenants herein contained, the parties hereto hereby agree as follows:

1. Recitals. The above stated recitals are true and correct.

2. Employment. Employer shall employ Employee as Chief Executive Officer, with responsibility for the performance of such reasonable duties, commensurate with Employee's status as Chief Executive Officer, as may be from time to time assigned to him by the Board of Directors of Employer and subject to the terms and conditions herein contained. Employee hereby agrees that during the period of his employment hereunder, he shall devote approximately 50% of his business time, attention and skills to the business and affairs of Employer. During the period of his employment, Employee shall be subject to all the lawful policies, rules, and regulations applicable to executives of Employer and shall comply with all reasonable directions and instructions of the Board of Directors of Employer. Employee shall also serve without additional compensation as a director of Employer and if elected as

an officer or director of any subsidiaries and/or divisions of Employer, if any, if so elected or appointed, but if he is not so elected or appointed, his compensation hereunder shall in no way be affected.

3. Compensation. Subject to Employer's use of more than 20% of the Net Proceeds (as defined in Employer's Prospectus), from its initial public offering of securities (the "Offering"), Employer shall pay to Employee, and Employee shall accept, for all services which may be rendered by him pursuant to this Agreement, a salary at the rate of $120,000 per annum payable in equal installments not less frequently than monthly; provided, however, that all amounts to be paid by Employer to Employee hereunder that remain unpaid shall be payable retroactively to the date such amounts were due and payable and such amounts shall be accrued until the date of the closing of the Offering (the "Accrued Amount"). Contemporaneous with the closing of the Offering, Employer shall pay to Employee the Accrued Amount. In the event Employer requires in excess of 20% of the Net Proceeds (as defined in Employer's Prospectus) derived from the Offering for operations, Employee hereby waives his right to receive any compensation referenced hereunder until the consummation by Employer of a Business Combination (as defined in Employer's Prospectus).

4. Term of Employment. The employment by Employer of Employee pursuant hereto shall commence on the date hereof and terminate on the third

anniversary hereof. The term of this Agreement will automatically be extended for additional one-year periods commencing with the third anniversary hereof; provided,

however, if either party gives the other written notice of its intention not to extend this Agreement not less than 30 days before the date of renewal, this Agreement shall be terminated. Notwithstanding the foregoing provisions of this Section 4, the term stated herein will be subject to the provisions of Section 5 of this Agreement.

5. Premature Termination. Anything in this Agreement contained to the contrary notwithstanding: (i) Employee's employment hereunder shall terminate forthwith upon the death of Employee; (ii) Employee's employment hereunder shall terminate, at the option of Employer, in the event that Employee, within the sole discretion of Employer, becomes disabled, either mentally or physically, as to be unable to substantially perform his duties hereunder for a period of 90 days during any period of 6 consecutive months; (iii) Employee's employment hereunder may be terminated by either party in the event of a material failure on the part of the other party to perform his or its obligations hereunder, which failure is not remedied within 10 days after notice thereof is furnished by the party desiring to terminate this Agreement; (iv) Employee's employment hereunder shall terminate, at the option of Employer, in the event Employee commits an act involving moral turpitude or dishonesty, whether or not in connection with Employee's employment hereunder (including, without limitation, the commission by Employee of a felony as evidenced by his conviction thereof or a plea of nolo contendere thereof); and (v) Employee's employment hereunder shall terminate forthwith upon the

consummation of a Business Combination (as defined in Employer's Prospectus).

In the event of the termination of Employee's employment hereunder pursuant to the provisions of clauses (ii), (iii) or (iv) of this Section 5, not less than 10 days' written notice of such termination shall be given by the terminating party to the other party, which notice shall specify the basis for and the effective date of termination. The existence of a disability of Employee pursuant to clause (ii) of this Section 5 shall be determined by the Board of Directors in consultation with a reputable, licensed physician selected by Employer, and Employee shall cooperate in all reasonable respects to enable an examination to be made by such physician.

6. Payment Upon Premature Termination. In the event that Employee's employment hereunder is terminated pursuant to the provisions of clauses (i), (ii), (iv) or (v) of Section 5 of this Agreement, or by Employer properly pursuant to the provisions of clause (iii) of Section 5 of this Agreement, Employee shall be paid his compensation pursuant to Section 3 of this Agreement up to the effective date of termination, as payment in full of all amounts due and owing by Employer to Employee pursuant to this Agreement. In the event that Employee's employment hereunder is properly terminated by Employee pursuant to the provisions of clause (iii) of Section 5 of this Agreement, Employee shall continue to be paid his compensation pursuant to Section 3 of this Agreement for one full year or for the full unexpired term of this

Agreement, whichever is shorter, in the same manner and fashion, and at the

same time, as he would have been paid had his employment hereunder continued for the stated term of this Agreement as payment in full of all amounts due and owing by Employer to Employee pursuant to this Agreement.

7. Location of Employee's Activities. Employee's principal place of business in the performance of his duties shall be in the South Florida area. Notwithstanding the preceding sentence, Employee shall engage in such travel and spend such time in other places as may be necessary and appropriate in furtherance of his duties hereunder.

8. Expenses. Employer shall provide Employee with a non-accountable expense allowance of $1,000 per month (the "Non-Accountable Amount"); provided, however, that the Non-Accountable Amount shall be payable retroactively to the date such amounts were due and payable and such Non-Accountable Amount shall be accrued until the date of the closing of the Offering. Contemporaneous with the closing of the Offering, Employer shall pay to Employee the accrued Non-Accountable Amount. In addition, during the term hereof, upon submission of proper documentation in accordance with the guidelines established by Employer's Board of Directors, Employer shall reimburse Employee reasonable business expenses actually and necessarily paid or incurred by Employee on behalf of Employer in connection with the performance of services hereunder (the "Reimbursed Expenses"). The Reimbursed Expenses will not be disbursed from the Escrow Fund (as defined in Employer's Prospectus). In the event Employer requires in excess of 20% of the Net Proceeds (as defined in Employer's Prospectus) derived from

the Offering, Employee hereby waives his right to receive the Non-Accountable Amount until the consummation by Employer of a Business Combination (as defined in Employer's Prospectus).

9. Key Man Insurance. Employee agrees that Employer shall obtain a $1,000,000 "key man" life insurance policy on Employee's life, at Employer's sole expense and with Employer as the sole beneficiary thereof. Employee shall (i) cooperate fully with Employer in obtaining such life insurance, (ii) sign any necessary consents, applications and other related forms or documents, and (iii) take any required medical examinations.

10. Miscellaneous Provisions.

10.1 Execution in Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same document.

10.2 Notices. All notices, requests, demands and other communications hereunder shall be in writing and shall be deemed duly given when delivered by hand or mailed by registered or certified mail, postage prepaid, return receipt requested, as follows:

If to Employer, to:

Frost Hanna Capital Group, Inc.
7700 West Camino Real, Suite 222
Boca Raton, FL 33431

If to Employee, to:

Richard B. Frost
6727 Giralda Circle
Boca Raton, FL 33433

or to such other address as either party hereto shall have designated by like notice to the other party hereto.

10.3 Amendment. This Agreement may only be supplemented, abandoned, discharged or amended by a written instrument executed by each of the parties hereto.

10.4 Entire Agreement. This Agreement constitutes the entire agreement of the parties hereto with respect to the subject matter hereof, and supersedes all prior agreements and understandings of the parties hereto, oral and written, with respect to the subject matter hereof.

10.5 Applicable Law. This Agreement shall be governed by the laws of the State of Florida applicable to contracts made and to be wholly performed therein.

10.6 No Third Party Beneficiary. Nothing expressed or implied in this Agreement is intended, or shall be construed, to confer upon or give any person or entity other than the parties hereto and their respective heirs, personal representatives, legal representatives, successors and permitted assigns, any rights or remedies under or by reason of this Agreement.

10.7 Headings. The headings contained herein are for the sole purpose of convenience of reference, and shall not in any way limit or affect the meaning or interpretation of any of the terms or provisions of the Agreement.

10.8 Binding Effect; Benefits. Employee may not delegate his duties or assign his rights hereunder. This Agreement shall inure to the benefit of, and be binding upon, the parties

hereto and their respective heirs, legal representatives, successors and permitted assigns.

10.9 Waiver, etc. The failure of either of the parties hereto at any time to enforce any of the provisions of this Agreement shall not be deemed or construed to be a waiver of any such provision, nor in any way affect the validity of this Agreement or any provision hereof or the right of either of the parties hereto thereafter to enforce each and every provision of this Agreement. No waiver of any breach of any of the provisions of this Agreement shall be effective unless set forth in a written instrument executed by the party against whom or which enforcement of such waiver is

sought; and no waiver of any such breach shall be construed or deemed to be a waiver of any other or subsequent breach.

IN WITNESS WHEREOF, this Agreement has been executed and delivered by the parties hereto as of the date first above written.

FROST HANNA CAPITAL GROUP, INC.

By:

Mark J. Hanna, President

Richard B. Frost

EXHIBIT 10.5

EMPLOYMENT AGREEMENT

AGREEMENT, dated this_____ day of September, 1996, by and between Frost Hanna Capital Group, Inc. ("Employer"), and Mark J. Hanna ("Employee").

RECITALS:

A. Employer desires to employ Employee as President.

B. Employee wishes to be employed by Employer upon the terms and conditions herein contained.

NOW, THEREFORE, in consideration of the covenants herein contained, the parties hereto hereby agree as follows:

1. Recitals. The above stated recitals are true and correct.

2. Employment. Employer shall employ Employee as President, with responsibility for the performance of such reasonable duties, commensurate with Employee's status as President, as may be from time to time assigned to him by the Board of Directors of Employer and subject to the terms and conditions herein contained. Employee hereby agrees that during the period of his employment hereunder, he shall devote approximately 50% of his business time, attention and skills to the business and affairs of Employer. During the period of his employment, Employee shall be subject to all the lawful policies, rules, and regulations applicable to executives of Employer and shall comply with all reasonable directions and instructions of the Board of Directors of Employer. Employee shall also serve without additional compensation as a director of Employer and if elected as an officer or director of any subsidiaries and/or divisions of Employer, if

any, if so elected or appointed, but if he is not so elected or appointed, his compensation hereunder shall in no way be affected.

3. Compensation. Subject to Employer's use of more than 20% of the Net Proceeds (as defined in Employer's Prospectus), from its initial public offering of securities (the "Offering"), Employer shall pay to Employee, and Employee shall accept, for all services which may be rendered by him pursuant to this Agreement, a salary at the rate of $120,000 per annum payable in equal installments not less frequently than monthly; provided, however, that all amounts to be paid by Employer to Employee hereunder that remain unpaid shall be payable retroactively to the date such amounts were due and payable and such amounts shall be accrued until the date of the closing of the Offering (the "Accrued Amount"). Contemporaneous with the closing of the Offering, Employer shall pay to Employee the Accrued Amount. In the event Employer requires in excess of 20% of the Net Proceeds (as defined in Employer's Prospectus) derived from the Offering for operations, Employee hereby waives his right to receive any compensation referenced hereunder until the consummation by Employer of a Business Combination (as defined in Employer's Prospectus).

4. Term of Employment. The employment by Employer of Employee pursuant hereto shall commence on the date hereof and terminate on the third anniversary hereof. The term of this Agreement will automatically be extended for additional one-year periods commencing with the third anniversary hereof; provided, however, if either party gives the other written notice of its intention not to extend this Agreement not less than 30 days before

the date of renewal, this Agreement shall be terminated. Notwithstanding the foregoing provisions of this Section 4, the term stated herein will be subject to the provisions of Section 5 of this Agreement.

5. Premature Termination. Anything in this Agreement contained to the contrary notwithstanding: (i) Employee's employment hereunder shall terminate forthwith upon the death of Employee; (ii) Employee's employment hereunder shall terminate, at the option of Employer, in the event that Employee, within the sole discretion of Employer, becomes disabled, either mentally or physically, as to be unable to substantially perform his duties hereunder for a period of 90 days during any period of 6 consecutive months; (iii) Employee's employment hereunder may be terminated by either party in the event of a material failure on the part of the other party to perform his or its obligations hereunder, which failure is not remedied within 10 days after notice thereof is furnished by the party desiring to terminate this Agreement; (iv) Employee's employment hereunder shall terminate, at the option of Employer, in the event Employee commits an act involving moral turpitude or dishonesty, whether or not in connection with Employee's employment hereunder (including, without limitation, the commission by Employee of a felony as evidenced by his conviction thereof or a plea of nolo contendere thereof); and (v) Employee's employment hereunder shall terminate forthwith upon the consummation of a Business Combination (as defined in Employer's Prospectus).

In the event of the termination of Employee's employment hereunder pursuant to the provisions of clauses (ii), (iii) or (iv) of this Section 5, not less than 10 days' written notice of such termination shall be given by the terminating party to the other party, which notice shall specify the basis for and the effective date of termination. The existence of a disability of Employee pursuant to clause (ii) of this Section 5 shall be determined by the Board of Directors in consultation with a reputable, licensed physician selected by Employer, and Employee shall cooperate in all reasonable respects to enable an examination to be made by such physician.

6. Payment Upon Premature Termination. In the event that Employee's employment hereunder is terminated pursuant to the provisions of clauses (i), (ii), (iv) or (v) of Section 5 of this Agreement, or by Employer properly pursuant to the provisions of clause (iii) of Section 5 of this Agreement, Employee shall be paid his compensation pursuant to Section 3 of this Agreement up to the effective date of termination, as payment in full of all amounts due and owing by Employer to Employee pursuant to this Agreement. In the event that Employee's employment hereunder is properly terminated by Employee pursuant to the provisions of clause (iii) of Section 5 of this Agreement, Employee shall continue to be paid his compensation pursuant to Section 3 of this Agreement for one full year or for the full unexpired term of this Agreement, whichever is shorter, in the same manner and fashion, and at the same time, as he would have been paid had his employment hereunder continued for the stated term of this Agreement as payment in full

of all amounts due and owing by Employer to Employee pursuant to this Agreement.

7. Location of Employee's Activities. Employee's principal place of business in the performance of his duties shall be in the South Florida area. Notwithstanding the preceding sentence, Employee shall engage in such

travel and spend such time in other places as may be necessary and appropriate in furtherance of his duties hereunder.

8. Expenses. Employer shall provide Employee with a non-accountable expense allowance of $1,000 per month (the "Non-Accountable Amount"); provided, however, that the Non-Accountable Amount shall be payable retroactively to the date such amounts were due and payable and such Non-Accountable Amount shall be accrued until the date of the closing of the Offering. Contemporaneous with the closing of the Offering, Employer shall pay to Employee the accrued Non-Accountable Amount. In addition, during the term hereof, upon submission of proper documentation in accordance with the guidelines established by Employer's Board of Directors, Employer shall reimburse Employee reasonable business expenses actually and necessarily paid or incurred by Employee on behalf of Employer in connection with the performance of services hereunder (the "Reimbursed Expenses"). The Reimbursed Expenses will not be disbursed from the Escrow Fund (as defined in Employer's Prospectus). In the event Employer requires in excess of 20% of the Net Proceeds (as defined in Employer's Prospectus) derived from the Offering, Employee hereby waives his right to receive the Non-

Accountable Amount until the consummation by Employer of a Business Combination (as defined in Employer's Prospectus).

9. Key Man Insurance. Employee agrees that Employer shall obtain a $1,000,000 "key man" life insurance policy on Employee's life, at Employer's sole expense and with Employer as the sole beneficiary thereof. Employee shall (i) cooperate fully with Employer in obtaining such life insurance, (ii) sign any necessary consents, applications and other related forms or documents, and (iii) take any required medical examinations.

10. Miscellaneous Provisions.

10.1 Execution in Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same document.

10.2 Notices. All notices, requests, demands and other communications hereunder shall be in writing and shall be deemed duly given when delivered by hand or mailed by registered or certified mail, postage prepaid, return receipt requested, as follows:

If to Employer, to:

Frost Hanna Capital Group, Inc.
7700 West Camino Real, Suite 222
Boca Raton, FL 33431

If to Employee, to:

Mark J. Hanna
3800 South Ocean Drive, #612A
Hollywood, FL 33019

or to such other address as either party hereto shall have designated by like notice to the other party hereto.

10.3 Amendment. This Agreement may only be supplemented, abandoned, discharged or amended by a written instrument executed by each of the parties hereto.

10.4 Entire Agreement. This Agreement constitutes the entire agreement of the parties hereto with respect to the subject matter hereof, and supersedes all prior agreements and understandings of the parties hereto, oral and written, with respect to the subject matter hereof.

10.5 Applicable Law. This Agreement shall be governed by the laws of the State of Florida applicable to contracts made and to be wholly performed therein.

10.6 No Third Party Beneficiary. Nothing expressed or implied in this Agreement is intended, or shall be construed, to confer upon or give any person or entity other than the parties hereto and their respective heirs, personal representatives, legal representatives, successors and permitted assigns, any rights or remedies under or by reason of this Agreement.

10.7 Headings. The headings contained herein are for the sole purpose of convenience of reference, and shall not in any way limit or affect the meaning or interpretation of any of the terms or provisions of the Agreement.

10.8 Binding Effect; Benefits. Employee may not delegate his duties or assign his rights hereunder. This Agreement shall inure to the benefit of, and be binding upon, the parties hereto and their respective heirs, legal representatives, successors and permitted assigns.

10.9 Waiver, etc. The failure of either of the parties hereto at any time to enforce any of the provisions of this Agreement shall not be deemed or construed to be a waiver of any such provision, nor in any way affect the validity of this Agreement or any provision hereof or the right of either of the parties hereto thereafter to enforce each and every provision of this Agreement. No waiver of any breach of any of the provisions of this Agreement shall be effective unless set forth in a written instrument executed by the party against whom or which enforcement of such waiver is sought; and no waiver of any such breach shall be construed or deemed to be a waiver of any other or subsequent breach.

IN WITNESS WHEREOF, this Agreement has been executed and delivered by the parties hereto as of the date first above written.

FROST HANNA CAPITAL GROUP, INC.

By:

Richard B. Frost,
Chief Executive Officer

Mark J. Hanna

EXHIBIT 10.6

FROST HANNA CAPITAL GROUP, INC.
327 Plaza Real, Suite 319
Boca Raton, Florida 33432

_____, 1997

[Existing Shareholder]
- _____
- _____
- _____

Re: REDEMPTION RIGHT

Dear Sir:

Frost Hanna Capital Group, Inc., a Florida corporation (the "Company"), has filed with the United States Securities and Exchange Commission (the "SEC") a Registration Statement on Form SB-2 (File No. 333-_____) (the "Registration Statement"), covering, among other securities, 1,350,000 shares of Common Stock, par value $.0001 per share, of the Company (the "Shares"). The Company currently has 1,557,000 shares issued and outstanding held by nineteen shareholders (the "Existing Shareholders"). The purchasers of the Shares are herein referred to as the "Public Shareholders."

In connection with the Underwriting Agreement entered into in connection with the above-referenced Registration Statement, the Existing Shareholders of the Company are required to execute a copy of this letter.

In connection with a future shareholder vote relating to a Business Combination (as defined in the Registration Statement), the Company shall offer only to the Public Shareholders the right to redeem their Shares at a price equal to the Company's book value (as determined by the Company and audited by the Company's independent public accountants) on the record date for determination of shareholders entitled to vote upon the proposal to approve such Business Combination divided by the number of Shares held by such Public Shareholders (the "Redemption"). The undersigned by its signature below hereby agrees, with respect to the shares of Common Stock owned by the undersigned as of the date hereof to waive any and all rights held by the undersigned, as a holder of Common Stock of the Company, to participate in the Redemption.

If the foregoing is acceptable, please countersign this letter in the space provided below, whereupon it shall become a binding agreement between you and the Company as of the date first above written. By your signature below you acknowledge that the Public Shareholders are intentional beneficiaries of this Agreement and that in addition to the foregoing sentence, this Agreement may be enforced by such Public Shareholders and this Agreement cannot be amended, waived, or modified without the favorable vote of the

holders of a majority of the Public Shareholders and any additional shareholders, who are not affiliates of the Company or any Existing Shareholder. This Agreement may be signed in counterparts and shall be binding upon all successors and assigns and the holders further acknowledge that their shares of Common Stock shall be so legended.

Very truly yours,

FROST HANNA CAPITAL GROUP, INC.

By: _____

Richard B. Frost,
Chief Executive Officer and
Chairman of Board of Directors

ACCEPTED AND AGREED
this ___ day of _____, 1997:

- _____
[Existing Shareholder]

EXHIBIT 23.2

CONSENT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

As independent certified public accountants, we hereby consent to the use of our report (and to all references to our Firm) included in or made a part of this registration statement.

ARTHUR ANDERSEN LLP

Miami, Florida,
July 8, 1997.