AS FILED WITH THE SECURITIES AND EXCHANGE COMMISSION ON AUGUST 19, 1997.

Registration No. 333-31001

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

AMENDMENT NO. 1 TO
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:

<TABLE>

<S>	<C>	<C>
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	THOMAS R. BLAKE, ESQ. 550 BILTMORE WAY SUITE 700 CORAL GABLES, FLORIDA 33134 (305) 442-4994

</TABLE>

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 [ ].

CALCULATION OF REGISTRATION FEE

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
Common Stock, $.0001 par value	1,350,000 Shares	$6.00 per Share	$8,100,000	$2,454.55
Representative Warrants	135,000 Warrants(2)	$ .001 per Warrant	$ 135	0(3)
Common Stock, $.0001 par value	135,000 Shares(4)	$7.20 per Share	$ 972,000	$ 294.55
Total Registration Fee				$2,749.10(5)

(1) Estimated solely for purposes of calculating the registration fee pursuant to Rule 457.
(2) To be issued to the Representative, as set forth on the cover page of the Prospectus comprising a portion of this Registration Statement.
(3) No fee due pursuant to Rule 457(g).
(4) 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.
(5) Of the $2,749.10 registration fee, $3,117.27 was previously paid with the initial filing of this Registration Statement on July 10, 1997.

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

FORM SB-2 ITEM NO.	ITEM CAPTION	LOCATION IN PROSPECTUS
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

</TABLE>

FROST HANNA CAPITAL GROUP, INC.
CROSS-REFERENCE SHEET

<TABLE>
<CAPTION>
FORM SB-2

ITEM NO.	ITEM CAPTION	LOCATION IN PROSPECTUS
<S>	<C>	<C>
22.	Financial Statements	Financial Statements
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
26.	Recent Sales of Unregistered Securities	Recent Sales of Unregistered Securities
27.	Exhibits	Exhibits
28.	Undertakings	Undertakings

</TABLE>

PROSPECTUS

SUBJECT TO COMPLETION
PRELIMINARY PROSPECTUS DATED AUGUST __, 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 Community Investment Services, Inc. (the "Representative"), 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 on 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 7 AND 22. THIS IS A "BLANK CHECK/BLIND POOL" OFFERING. SEE "RISK FACTORS" AT PAGES 7 THROUGH 21.

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>
<CAPTION>

	PRICE TO PUBLIC	UNDERWRITING COMMISSION(1)	PROCEEDS TO COMPANY(2)(3)
<S>	<C>	<C>	<C>
PER SHARE	$ 6.00	$ 0.60	$ 5.40
TOTAL MINIMUM 1,100,000 SHARES OF COMMON STOCK	$6,600,000	$ 660,000	$5,940,000
TOTAL MAXIMUM 1,350,000 SHARES OF COMMON STOCK	$8,100,000	$ 810,000	$7,290,000

</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). Therefore, by illustration, in the event the Minimum Offering (as defined herein below) is sold, the Representative will receive a non-accountable expense allowance of $198,000 or $243,000 if the Maximum Offering (as defined herein below) is sold. 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 (the "Underwriters' Options"). 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 Representatives. 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 $5,567,000 if the Minimum Offering is sold, and $6,872,000 if the Maximum Offering is sold.

(3) There is no firm commitment on the part of the Representative to purchase any or all of the Common Stock. Rather, the Representative has agreed to sell the Common Stock through licensed dealers on a "1,100,000 shares of Common Stock or none, best efforts" basis with a minimum offering of 1,100,000 shares of Common Stock (the "Minimum Offering") and a maximum offering of 1,350,000 shares of Common Stock (the "Maximum Offering"). Pending the closing of the sale of the 1,100,000 shares of Common Stock, the proceeds of the Offering will be deposited in escrow in a non-interest bearing account at Fiduciary Trust International of the South. Unless 1,100,000 shares of Common Stock are sold within a period of 90 days from the date of this Prospectus or a 60 day extension period thereafter, the offering will terminate and all funds theretofore received from the sale of the Common Stock will be promptly returned to the subscribers without deduction therefrom or interest thereon. Moreover, during the period of escrow, subscribers will not be entitled to a return of their subscriptions. If a maximum of 1,100,000 shares of Common Stock is sold within the offering period, the remaining 250,000 shares will be offered on a "best efforts" basis until (i) all the Common Stock is sold; (ii) the offering period ends; or (iii) the offering is terminated by agreement between the Company and the Representative, whichever first occurs. All proceeds from the sale of the Common Stock will be placed in an escrow account at Fiduciary Trust International of the South pending the closing of this offering. See "Underwriting." There can be no assurance that any or all of the Common Stock being offered will be sold.

THE SHARES OF COMMON STOCK ARE BEING OFFERED BY THE REPRESENTATIVE, 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 REPRESENTATIVE 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.

COMMUNITY INVESTMENT SERVICES, INC.
15600 S.W. 288TH STREET
SUITE 100
HOMESTEAD, FLORIDA 33033

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, UTAH, AND WISCONSIN 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, UTAH AND WISCONSIN 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.

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 $4,453,600, assuming the Minimum Offering is sold, and approximately $5,497,600, assuming the Maximum Offering is sold, and, in each case, assuming an initial offering price of $6.00 per share) 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>	<C>
Sterling Health Care Group, Inc. and Sterling Healthcare, Inc. (currently	February 9, 1993	May 31, 1994	Providing physician contract management	NASDAQ National Market (FPAM)

operating pursuant to a subsequent merger as, "FPA Medical Management Inc.")			services for hospital emergency departments	
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 August 5, 1997 was $28.00 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 August 5, 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 pursuant to which PAWA merged with and into a wholly-owned subsidiary of Frost Hanna Mergers and each share of PAWA common stock was excahnged for one share of Frost Hanna Mergers common stock. 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 August 5, 1997 was $7.31 per share. PAWA is neither a successor to nor should it be confused with Pan American World Airways, Inc., a New York corporation, which ceased operations in 1991.

ESCROW OF OFFERING PROCEEDS. Upon completion of this Offering, 80% of the Net Proceeds therefrom (approximately $4,453,600, assuming the Minimum Offering is sold, and approximately $5,497,600, assuming the Maximum Offering is sold, and, in each case, assuming an initial offering price of $6.00 per share) 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% (330,000 shares of Common Stock if the Minimum Offering is sold and 405,000 shares of Common Stock if the Maximum Offering is sold) 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 48% of the outstanding Common Stock if the Minimum Offering is sold or 44% if the Maximum Offering is sold, 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 48% of the outstanding Common Stock immediately subsequent to this Offering if the Minimum Offering is sold, or 44% of the outstanding Common Stock immediately subsequent to this Offering if the Maximum Offering is sold) 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.....	Minimum Offering of 1,100,000 shares of Common Stock and up to a Maximum Offering of 1,350,000 shares of Common Stock
Common Stock to be outstanding after the Offering (1).....	2,907,000 shares
Proposed Bulletin Board Symbol(2).....	FHCG

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(1) Assumes the Maximum Offering is sold. Does not include up to 135,000 shares of Common Stock reserved for issuance upon exercise of the Underwriters' 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 $1,113,400, assuming the Minimum Offering is sold, and approximately $1,374,400, assuming the Maximum Offering is sold, and, in each case, assuming an initial offering price of $6.00) 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 June 30, 1997, $146,232 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 $75,000 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 as adjusted information gives

effect to the issuance of the shares of Common Stock in both the Minimum Offering and the Maximum Offering, in each case and such issuance had occurred at June 30, 1997.

<TABLE>
<CAPTION>

	JUNE 30, 1997		
	ACTUAL (UNAUDITED)	AS ADJUSTED MINIMUM OFFERING (1)	AS ADJUSTED MAXIMUM OFFERING(1)
<S>	<C>	<C>	<C>
Balance Sheet Data:			
Total Assets	$ 210,981	$5,672,981	$6,977,981
Working capital (deficit)	(267,509)	5,433,201	6,738,201
Total liabilities	326,232	221,232	221,232
Shareholders' equity (deficit)	(115,251)	5,451,749	6,756,749

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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 $75,000 to certain officers of the Company.

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"). 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 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 thereby 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 June 30, 1997, the Company had a deficit accumulated in the development stage of $331,864 (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."

"BEST EFFORTS OFFERING;" ESCROW OF OFFERING PROCEEDS IN A NON-INTEREST BEARING ACCOUNT PENDING CONSUMMATION OF THE OFFERING

There is no firm commitment on the part of the Representative to purchase any or all of the Common Stock offered hereby. Rather, the

Representative has agreed to sell the Common Stock through licensed dealers on a "1,100,000 shares of Common Stock or none, best efforts" basis. Accordingly, there can be no assurance that any or all of the Common Stock being offered hereby will be sold. Further, pending the closing of the sale of the 1,100,000 shares of Common Stock, the proceeds of the Offering will be deposited in escrow in a non-interest bearing account at Fiduciary Trust International of the South collateralized by direct obligations of the United States government or short-term U.S. treasury collateralized instruments of the Escrow Agent. This account is not insured

by the Bank Insurance Fund or Savings Association Insurance Fund of the Federal Deposit Insurance Corporation or by any other governmental agency. Unless 1,100,000 shares of Common Stock are sold within a period of 90 days from the date of this Prospectus or a 60-day extension period thereafter (the "Offering Period"), the Offering will terminate and all funds theretofore received from the sale of the Common Stock will be promptly returned to the subscribers without deduction therefrom or interest thereon. Moreover, during the Offering Period, subscribers will not be entitled to a return of their subscriptions. Therefore, prospective investors in the Common Stock should consider that any funds used by them to purchase shares of Common Stock in the Offering could be held in escrow and be unavailable for the entire duration of the Offering Period and, in the event that 1,100,000 shares of Common Stock are not sold during the Offering Period, such funds could returned to them at the close of the Offering Period without interest thereon.

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 $4,453,600, assuming the Minimum Offering is sold, and approximately $5,497,600, assuming the Maximum Offering is sold, and, in each case, assuming an initial offering price of $6.00 per share) 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." Finally, to the extent that the Company only consummates the Minimum Offering and not the Maximum Offering, the scope of companies with which the Company may seek to effect a Business Combination may be further narrowed.

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 48% of the outstanding Common Stock if the Minimum Offering is sold or 44% if the Maximum Offering is sold. 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 the Maximum Offering is sold, there will be a minimum of 96,958,000 authorized but unissued shares of Common Stock available for issuance (after appropriate reservation for the issuance of shares upon full exercise of the Underwriters' 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 the Investment Company 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 59% of the then issued and outstanding shares of Common Stock if the Minimum Offering is sold or 54% if the Maximum Offering is sold (assuming, in each case, no exercise of the Underwriters' Options), approximately 48% of which will be owned by the current officers and directors if the Minimum Offering is sold or 44% if the Maximum Offering is sold. In election of directors, shareholders are not entitled to cumulate their votes for nominees. Accordingly, the current shareholders will 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 or if it does in fact so act for how long such activities may be maintained. 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. Assuming the Minimum Offering is sold, new investors will incur an immediate and substantial dilution of approximately $3.95 per share and, assuming the Maximum Offering is sold, $3.68 per share (i.e. the difference between the pro forma net tangible book value per share after the Minimum Offering of $2.05, or $2.32 per share after the Maximum Offering, as the case may be, and the initial offering price of $6.00 per share) allocable to each Share (in each case assuming no exercise of the Underwriters' Options). 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. Accordingly, approximately 283,000 shares of Common Stock (or approximately 11% of the outstanding Common Stock, assuming the

Minimum Offering is sold, or approximately 10% of the outstanding Common Stock, assuming the Maximum Offering is sold) may be sold under Rule 144 beginning on September 13, 1997.

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, Utah and Wisconsin. 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.

UNDERWRITERS' 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 "Underwriters' Options"). The Underwriters' 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 Underwriters' Options will have certain registration rights with respect to the shares of Common Stock underlying the Underwriters' Options (the

"Underlying Shares"). See "Underwriting--Underwriters' 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 Underwriters' 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

Assuming that the Minimum Offering is sold, the Net Proceeds to the Company, after the Offering Costs and Underwriting Discount of approximately $1,033,000, are estimated to be $5,567,000 (assuming an initial offering price of $6.00). If the Maximum Offering is sold, the Net Proceeds to the Company after the Offering Costs and Underwriting Discount of approximately $1,228,000, are estimated to be $6,872,000 (assuming an initial offering price of $6.00). Eighty percent (80%) of the Net Proceeds of this Offering (approximately $4,453,600 if the Minimum Offering is sold, and approximately $5,497,600 if the Maximum Offering is sold, in each case assuming an initial offering price of $6.00), 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 June 30, 1997, $146,232 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 $75,000 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 June 30, 1997, the net tangible book value of the Company, was ($248,961) or ($0.16) per share of Common Stock. Assuming the sale of 1,100,000 shares of Common Stock in the Minimum Offering and the application of the estimated Net Proceeds therefrom, the pro forma net tangible book value of the Company at June 30, 1997 would have been $5,451,749, or $2.05 per share, representing an immediate increase in net tangible book value of $5,700,710, or $2.21 per share, to existing shareholders and an immediate dilution of $3.95 per share to new investors. Assuming the sale of 1,350,000 shares of Common Stock in the Maximum Offering and the application of the estimated Net Proceeds therefrom, the pro forma net tangible book value of the Company at June 30, 1997 would have been $6,756,749, or $2.32 per share, representing an immediate increase in net tangible book value of $7,005,710, or $2.48 per share, to existing shareholders and an immediate dilution of $3.68 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 Underwriters' Options. See "Underwriting."

The following tables illustrate the foregoing information with respect to dilution to new investors on a per-share basis assuming the Minimum Offering is sold and assuming the Maximum Offering is sold.

MINIMUM OFFERING

Public offering price per share		$6.00
Net tangible book value per share, before the Minimum Offering	(0.16)	
Increase per share attributable to payment by new investors	2.21	
Pro forma net tangible book value per share, after the Minimum Offering		2.05
Dilution to new investors per share		3.95

MAXIMUM OFFERING

Public offering price per share		$6.00
Net tangible book value per share, before the Maximum Offering	(0.16)	
Increase per share attributable to payment by new investors	$2.48	
Pro forma net tangible book value per share, after the Maximum Offering		$2.32
Dilution to new investors per share		$3.68

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:

	SHARES PURCHASED(1)		TOTAL CONSIDERATION		PRICE PER SHARE
	AMOUNT	PERCENTAGE	PAID	PERCENTAGE	
Existing Shareholders	1,557,000	59%	$ 216,613	3%	$ .14
New Investors	1,100,000	41%	6,600,000	97%	$ 6.00
	2,657,000	100%	$6,816,613	100%	

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(1) The above table assumes the Minimum Offering is sold. If the Maximum Offering is sold, the new investors will have paid $8,100,000 for 1,350,000 shares of Common Stock, representing approximately 97% of the total consideration for approximately 46% of the total number of shares of Common Stock outstanding. The above table also assumes no exercise of the Underwriters' Options. See "Underwriting."

CAPITALIZATION

The following table sets forth the actual capitalization of the Company as of June 30, 1997, and the capitalization as adjusted to give effect to the sale of 1,100,000 shares of Common Stock in the Minimum Offering and the application of the estimated Net Proceeds therefrom; and the sale of 1,350,500 shares of Common Stock in the Maximum Offering and the application of the estimated net proceeds therefrom:

<TABLE>
<CAPTION>

	ACTUAL	AS ADJUSTED MINIMUM(2)	AS ADJUSTED MAXIMUM(2)
<S>	<C>	<C>	<C>
Shareholder's Equity (Deficit)(1)			
Common Stock, $.0001 par value, 100,000,000 shares authorized: 1,557,000 shares issued actual, 2,657,000 as adjusted for the Minimum Offering, and 2,907,000 as adjusted for the Maximum Offering	$ 156	$ 266	$ 291
Capital in excess of par value	216,457	5,783,347	7,088,322
Deficit accumulated during development stage	(331,864)	(331,864)	(331,864)
Total shareholders' equity (deficit)	$ (115,251)	$ 5,451,749	$ 6,756,749

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(1) Assumes no exercise of the Underwriters' Options. 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 $75,000 to certain officers of the Company.

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 June 30, 1997, the Company's expenses which are primarily attributable to its formation and proposed fundraising, are approximately $333,444, of which $112,212 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 $4,453,600, assuming the sale of the Minimum Offering, and approximately $5,497,600, assuming the sale of the Maximum Offering, and, in each case, assuming an initial offering price of $6.00 per share, plus interest earned thereon and less amounts payable by the Company pursuant to the Redemption Offer) 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 $4,453,600, assuming the sale of the Minimum Offering, and approximately $5,497,600, assuming the sale of the Maximum Offering, and, in each case, assuming an initial offering price of $6.00, plus interest earned thereon and less amounts payable by the Company pursuant to the Redemption Offer) 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., development stage companies that have no specific business plan or have indicated that their respective business plans are 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 August, 1997 was $28.00 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 August 5, 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 August 5, 1997 was $7.31 per share. PAWA is not a successor to, nor should it be confused with Pan American World Airways, Inc., a New York corporation, which ceased operations in 1991.

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 $37,000 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:

<TABLE>
<CAPTION>

NAME	AGE	POSITION
<S>	<C>	<C>
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

</TABLE>

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 48% of the outstanding Common Stock, assuming the Minimum Offering is sold, and approximately 44% of the outstanding Common Stock, assuming the Maximum Offering is sold. 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 MINIMUM OFFERING (2)	AFTER MAXIMUM OFFERING(2)
<S>	<C>	<C>	<C>	<C>
Richard B. Frost 327 Plaza Real Suite 319 Boca Raton, FL 33432	362,000	23%	14%	12%
Mark J. Hanna 327 Plaza Real Suite 319 Boca Raton, FL 33432	362,000	23%	14%	12%
Marshal E. Rosenberg, Ph.D.(3) 2333 Ponce de Leon Blvd. Suite 314 Coral Gables, FL 33134	300,000	19%	11%	10%
Donald H. Baxter 327 Plaza Real Suite 319 Boca Raton, FL 33432	100,000	6%	4%	3%
Charles Fernandez 100 S.E. 2nd Street NationsBank Tower Miami, FL 33131-2100	150,000	10%	6%	5%
All Officers and Directors as a Group (5 persons)	1,274,000	82%	48%	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 Underwriters' 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 $2,700 in 1996 and $2,976 during the six months ended through June 30, 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.

REPRESENTATIVE 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 "Underwriters' Options"). The Underwriters' 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 Underwriters' Options will have certain registration rights with respect to the shares of Common Stock underlying the Underwriters' 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

Assuming the sale of the Minimum Offering, the Company will have 2,657,000 shares of Common Stock outstanding, and, assuming the sale of the Maximum Offering, the Company will have 2,907,000 shares of Common Stock outstanding (in each case without giving effect to the exercise of the Underwriters' Options). Of these shares, the 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. Accordingly, approximately 283,000 shares of Common Stock (or approximately 11% of the outstanding Common Stock, assuming the Minimum Offering is sold, or approximately 10% of the outstanding Common Stock, assuming the Maximum Offering is sold) may be sold under Rule 144 beginning on September 13, 1997.

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

Pursuant to the Underwriting Agreement, the Company has engaged Community Investment Services, Inc., to use its best efforts to offer the Common Stock to the public, subject to the terms and conditions of the Underwriting Agreement. The Representative has agreed to sell the Common Stock through licensed dealers on a "best efforts, 1,100,000 shares of Common Stock or none" basis, at a purchase price of $6.00 per share. The Representative has made no commitment to purchase all or any part of the Common Stock offered hereby, and there can be no assurance that any of the Common Stock will be sold. The Representative has agreed to use its best efforts to find purchasers for the Common Stock within a period of ninety (90) days from the date of this Prospectus, subject to an extension at the discretion of the Representative and by mutual written agreement between the Company and the Representative for an additional period of sixty (60) days. If at least 1,100,000 shares are subscribed for within the aforesaid period, an additional 250,000 shares of Common Stock will be offered during such period on a "best efforts" basis until (1) all the Common Stock is sold; (2) the offering period expires; or (3) the Offering is terminated by agreement between the Company and the Representative, whichever first occurs.

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 or through participating dealers. In this connection, officers and directors will not receive any commissions or any other compensation.

All funds received by the Representative as subscriptions for the shares of Common Stock will be promptly deposited in a non-interest bearing account with Fiduciary Trust International of the South (the "Escrow Agent"), pursuant to an Escrow Agreement entered into among the Company, the Representative and the Escrow Agent. In the event 1,100,000 shares of Common Stock are not sold within the designated offering period, the funds will be refunded promptly to the Representative in full without deduction therefrom or interest thereon and the Escrow Agent will notify subscribers that such funds have been returned. Moreover, during the period of escrow, subscribers will not be entitled to a refund of their subscriptions. The shares of Common Stock offered hereby will be sold fully paid only. Common Stock certificates will be issued to purchasers only if the proceeds from the sale of at least 1,100,000 shares of Common Stock are released to the Company. Until such time as the funds have been released by the Escrow Agent, such purchasers, if any, will be deemed subscribers and not stockholders. The funds in escrow will not bear interest, will be held for the benefit of those subscribers until released to the Company and will not be subject to creditors of the Company or the expenses of this Offering.

The Representative is to receive a cash commission of ten percent (10%) of the gross offering price per share sold ($660,000, assuming the Minimum Offering is sold, and $810,000, assuming the Maximum Offering is sold). In addition, upon the sale of at least 1,100,000 shares of Common Stock, the Company has agreed to pay from the proceeds of the Offering the Non-Accountable Expense Allowance to the Representative equal to

three percent (3%) of the public offering price, of which $0 has been paid to date. Therefore, by illustration, in the event the Minimum Offering is sold, the Representative will receive a Non-Accountable Expense Allowance of $198,000, and $243,000 if the Maximum Offering is sold. The Representative's expenses in excess of the Non-Accountable Expense Allowance will be paid by the Representative. To the extent that the expenses of the Representative are less than the amount of the Non-Accountable Expense Allowance received, such excess shall be deemed to be additional compensation to the Representative. The Representative may elect not to proceed with the offering at any time, without penalty, if in its sole discretion and acting in good faith, it believes that no favorable public market exists for the sale of the Common Stock.

The Representative initially proposes 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 Representative 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 Underwriting Agreement provides for reciprocal indemnification between the Company and the Representative against certain liabilities in connection with the Registration Statement, including liabilities under the Securities Act.

The Company has also agreed to sell to the Representative or its designees, the Underwriters' Options to purchase up to 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 (or $7.20 per share).

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 holders of the Underwriters' Options should exercise their registration rights to effect a distribution of the Underwriters' Options or underlying securities, the Representative, prior to and during such distribution, may be unable to make a market in the Company's securities. If the Representative 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 Representative, 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 March 13, 1989. 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 "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 and Thomas R. Blake, Esquire, 550 Biltmore Way, Suite 700, Coral Gables, Florida, 33134 have acted as co-counsel to the Representative 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 (deficit) 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,
August 8, 1997.

FROST HANNA CAPITAL GROUP, INC.

(A Development Stage Corporation)

BALANCE SHEETS

<TABLE>
<CAPTION>

<S>	December 31, 1996 <C>	June 30, 1997 (Unaudited) <C>
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	$ 91,818	$ 36,759
Prepaid expenses	--	21,964
Total current assets	91,818	58,723
PROPERTY AND EQUIPMENT, net of accumulated depreciation of $212 and $2,602 as of December 31, 1996 and June 30, 1997, respectively	2,968	18,548
DEFERRED REGISTRATION COSTS	129,785	133,710
Total assets	$ 224,571	$ 210,981
LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)		
CURRENT LIABILITIES:		
Accrued expenses	$ 14,118	$ 58,232
Accrued registration costs	94,785	105,000
Accrued officers' salaries	44,000	88,000
Loans payable to officers	--	75,000
Total current liabilities	152,903	326,232
COMMITMENTS AND CONTINGENCIES (Note 7)		

STOCKHOLDERS' EQUITY (DEFICIT):		
Common stock, $.0001 par value, 100,000,000 shares authorized, 1,492,000 and 1,557,000 shares issued and outstanding at December 31, 1996 and June 30, 1997, respectively	149	156
Additional paid-in capital	183,963	216,457
Deficit accumulated during development stage	(112,444)	(331,864)
Total stockholders' equity (deficit)	71,668	(115,251)
Total liabilities and stockholders' equity (deficit)	$ 224,571	$ 210,981

</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 Six Months Ended June 30, 1997	For the Period from Inception (February 2, 1996) to June 30, 1997
		(Unaudited)	(Unaudited)
<S>	<C>	<C>	<C>
REVENUES	$ --	$ --	$ --
EXPENSES:			
Officers' salaries	77,000	44,000	121,000
General and administrative	36,309	176,135	212,444
Total operating expenses	113,309	220,135	333,444
INTEREST INCOME	865	715	1,580
Net loss	$ (112,444)	$ (219,420)	$ (331,864)
NET LOSS PER COMMON SHARE	$ (0.08)	$ (0.14)	$ (0.21)
WEIGHTED AVERAGE NUMBER OF COMMON AND COMMON EQUIVALENT SHARES OUTSTANDING	1,492,000	1,557,000	1,557,000

</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 (DEFICIT)
FOR THE PERIOD FROM INCEPTION (FEBRUARY 2, 1996)
TO JUNE 30, 1997

<TABLE>
<CAPTION>

	Common Stock		Additional Paid-In Capital	Deficit Accumulated During the 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
Sale of common stock (unaudited)	145,000	15	72,486	--	72,501
Redemption of common stock (unaudited)	(80,000)	(8)	(39,992)	--	(40,000)
Net loss for the six months ended June 30, 1997 (unaudited)	--	--	--	(219,420)	(219,420)
BALANCE, June 30, 1997 (unaudited)	1,557,000	$ 156	$ 216,457	$ (331,864)	$ (115,251)

</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 Six Months Ended June 30, 1997	For the Period From Inception (February 2, 1996) to June 30, 1997
		(Unaudited)	(Unaudited)
<S>	<C>	<C>	<C>
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net loss	$(112,444)	$(219,420)	$(331,864)
Adjustments to reconcile net loss to net cash used in operating activities-			
Depreciation	212	2,390	2,602
Write-off of deferred registration costs	--	75,000	75,000
Change in certain assets and liabilities:			
Increase in prepaid expenses	--	(21,964)	(21,964)
Increase in accrued expenses	14,118	44,114	58,232
Increase in accrued officers' salaries	44,000	44,000	88,000
Net cash used in operating activities	(54,114)	(75,880)	(129,994)
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	72,501	256,613
Redemption of common stock	--	(40,000)	(40,000)
Proceeds from officer loans	--	75,000	75,000
Deferred registration costs	(35,000)	(68,710)	(103,710)
Net cash provided by financing activities	149,112	38,791	187,903
Net increase (decrease) in cash	91,818	(55,059)	36,759
CASH AND CASH EQUIVALENTS, beginning of period	--	91,818	--
CASH AND CASH EQUIVALENTS, end of period	$ 91,818	$ 36,759	$ 36,759
SUPPLEMENTAL SCHEDULE OF NONCASH ACTIVITIES:			
Accrued deferred registration costs	$ 94,785	$ 10,215	$ 105,000

</TABLE>

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

FROST HANNA CAPITAL GROUP, INC.

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 June 30, 1997, and the results of operations and cash flows for the six months ended June 30, 1997. The results of operations and cash flows for the six months ended June 30, 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 follows 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 June 30, 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

The Proposed Offering calls for the Company to offer for public sale on a "1,100,000 shares of the Company's common stock or none, best efforts" basis a minimum of 1,100,000 shares of common stock and a maximum of 1,350,000 shares of common stock, at an estimated price of $6 per share. Unless 1,100,000 shares of common stock are sold within a period of 90 days from the date of the effectiveness of the Proposed Offering or a 60-day extension period thereafter, the Proposed Offering will terminate and all funds theretofore received from the sale at the common stock will be returned.

The Company agreed to sell to 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 Proposed Offering.

4. DEFERRED REGISTRATION COSTS

As of December 31, 1996, and June 30, 1997, the Company has recorded deferred registration costs of $129,785 and $133,710 (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 96,958,000 authorized but unissued shares of common stock available for issuance (after appropriate reserves for the issuance of common stock upon full exercise of 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 $2,976 (unaudited) during the six months ended June 30, 1997.

During 1997, certain directors of the Company made unsecured, noninterest bearing loans totaling $75,000 (unaudited) 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 were paid through October 1996. Amounts due under the employment agreement have been accrued since that date up to a total accrual of $88,000, as each has agreed to waive all unpaid salary and expense allowance.

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.

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.

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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 Representative and with respect to their unsold allotments or subscriptions.

1,350,000 SHARES

FROST HANNA CAPITAL GROUP, INC.

COMMON STOCK

PROSPECTUS

COMMUNITY INVESTMENT SERVICES, INC.

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.

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

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* 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., Marshal 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*

Exhibits	Description
3.2	Bylaws of the Registrant*
4.1	Form of Common Stock Certificate*
4.2	Form of Warrant Agreement between Frost Hanna Capital Group, Inc. and the Representative (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 between the Registrant, the Representative and Fiduciary Trust International of the South
10.3	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*
10.4	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*
10.5	Form of Employment Agreement dated as of September 13, 1996, by and between Registrant and Richard B. Frost*
10.6	Form of Employment Agreement dated as of September 13, 1996, by and between Registrant and Mark J. Hanna*
10.7	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*

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* Previously filed with the Commission

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 August 18th, 1997.

FROST HANNA CAPITAL GROUP, INC.

By: /s/ MARK J. HANNA
Mark J. Hanna, President

Pursuant to the requirements of the Securities Act of 1933, as amended, this Registration Statement has been signed by the following persons in the capacities and on the dates indicated.

<TABLE>
<CAPTION>

SIGNATURE	TITLE	DATE
<S>	<C>	<C>
/s/ RICHARD B. FROST Richard B. Frost	Chief Executive Officer, Chairman of the Board	August 18, 1997
/s/ MARK J. HANNA Mark J. Hanna	President, Director	August 18, 1997
* Marshal E. Rosenberg, Ph.D.	Vice President, Treasurer Principal Financial Officer, Director	August 18, 1997

</TABLE>

<TABLE>
<CAPTION>

SIGNATURE	TITLE	DATE
<S>	<C>	<C>
* Donald H. Baxter	Vice President, Secretary, Director	August 18, 1997
* Charles Fernandez	Director	August 18, 1997

*By: /s/ Mark J. Hanna
Mark J. Hanna
Attorney-In-Fact
</TABLE>

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

UNDERWRITING AGREEMENT

New York, New York
, 1997

Community Investment Services, Inc.
15600 S.W. 288th Street, Suite 100
Homestead, Florida 33033

Ladies and Gentlemen:

Frost Hanna Capital Group, Inc., a Florida corporation (the "Company"), on the basis of the representations, warranties, and covenants contained herein, hereby confirms the agreement made with respect to the retention of Community Investment Services, Inc. (the "Underwriter") as the exclusive agent of the Company to publicly offer and sell, pursuant to the terms of this Underwriting Agreement (the "Agreement") an aggregate of 1,350,000 shares (the "Shares" or the "Securities") of the Company's common stock, par value $.0001 per Share ("Common Stock") on a "1,100,000 Shares or none, best efforts" basis. If a minimum of 1,100,000 Shares are sold during the offering period, the remaining 250,000 Shares will be offered on a "best efforts" basis. 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 additional Shares (the "Underwriter's Option Shares") in an amount aggregating ten (10%) percent of the total number of Shares sold by the Underwriter pursuant to this offering. 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 3(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 (as defined in Subsection 3(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 (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, 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 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, 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 Securities, 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 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. APPOINTMENT OF AGENT TO SELL THE SHARES

(a) Subject to the terms and conditions of this Agreement and upon the basis of the representations, warranties and agreements herein contained, the Company hereby appoints the Underwriter as its exclusive agent for a period of 90 days from the Effective Date, subject to an extension at the discretion of the Underwriter for an additional period not to exceed sixty (60) days, (and up to an additional ten (10) business days to permit clearance of the funds in escrow) to sell the Shares, and the Underwriter, on the basis of the representations and warranties of the Company herein, accepts such appointment and agrees to use its best efforts on a "1,100,000 Shares, or none, best efforts" basis to find purchasers for the Shares. If the minimum number of 1,100,000 Shares is sold, the remaining 250,000 Shares will be offered on a "best efforts" basis until all the Shares are sold, or the offering ends. The price at which the underwriter shall sell the Shares to the public, as agent for the Company, shall be $6.00 per Share, and the Company shall pay a commission of

$.60 per Share in respect of such Shares sold on behalf of the Company by the Underwriter.

(b) Provided that at least 1,100,000 of the Shares are sold and paid for, the Company agrees to pay the Underwriter for its expenses a non-accountable expense allowance equal to three (3%) percent of the gross proceeds of the offering subject to the provisions of Section 6(c) herein, none of which has been paid to date.

(c) It is a condition of this Agreement that the Underwriter shall use its best efforts to sell the Shares on behalf of the Company, that the Underwriter will instruct investors to make full remittances payable to Fiduciary Trust International of the South, 100 S.E. 2nd Street, Suite 2300, Miami, Florida 33131 (the "Escrow Agent") and that any and all funds received from such sale, without any deduction therefrom whatsoever, including, but not limited to, any underwriting commission or any dealer concession or otherwise, shall be forthwith deposited in an escrow account with the Escrow Agent, pursuant to the terms of an Escrow Agreement entered into by and among the Company, the Underwriter and the Escrow Agent, no later than 12:00 noon on the next business day after receipt. In the event 1,100,000 Shares are not sold within 90 days from the Effective Date (or 60 days thereafter if the offering period is extended at the sole discretion of the Underwriter and

so agreed in writing by the Company and the Underwriter), plus an additional ten (10) business days to permit clearance of the funds in escrow, all funds will be promptly refunded to the subscribers in full, without deduction therefrom or interest thereon. During the period of escrow, subscribers will not have the right to demand a refund of their subscriptions. Certificates will be issued to purchasers only if the proceeds from the sale of at least 1,100,000 Shares are released from escrow to the Company. Until such time as the funds have been released, such purchasers, if any, will be deemed subscribers and not stockholders. The funds in escrow will be held for the benefit of those subscribers until released to the Company and will not be subject to creditors of the Company or for the expenses of this offering

(d) In the event of the sale of at least 1,100,000 Shares, such concessions from the public offering price may be allowed to selected dealers and members of the National Association of Securities Dealers, Inc. ("NASD") as you determine, within the limits set forth in the Prospectus.

3. DELIVERY AND PAYMENT FOR THE SECURITIES AND AGREEMENT TO ISSUE UNDERWRITER'S PURCHASE OPTION.

(a) Delivery of the Shares against payment therefor shall take place at the offices of Community Investment Services, Inc., 15600 S.W. 288th Street, Suite 100, Homestead, Florida 33033 (or at such other place as may be designated by you) at 10:00 a.m., eastern time, on such date after the Registration Statement has become effective as the Underwriter shall designate, such time and date of payment and delivery for the Shares being herein called the "Closing Date".

Such Closing Date shall be no more than ninety (90) days after the Effective Date (or one hundred fifty (150) days subject to the discretion of the Underwriter) and up to an additional ten (10) business days to permit clearance of the funds in escrow.

(b) The Company will make the certificates for the Shares to be sold hereunder available to the Underwriter for inspection at least two (2) full business days prior to the Closing Date at the offices of the Company's transfer

agent. The certificates shall be in such names and denominations as you may request, at least two (2) full business days prior to the Closing Date.

(c) In the event that at least 1,100,000 Shares are sold, 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 number of Shares equivalent to ten (10%) percent of the number of Shares sold by the Underwriter. 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.

4. OFFERING THE SHARES ON BEHALF OF THE COMPANY. It is understood that you proposed to offer the Shares to the public, solely as agent for the Company, upon the terms and conditions set forth in the Registration Statement. The Underwriter shall commence making such offers agent for the Company on the Effective Date or as soon thereafter as you deem advisable.

5. SELECTED DEALERS. The Underwriter may offer and sell the Shares for the Company's account through selected dealers registered with the NASD, as selected by the Underwriter pursuant to a form of Selected Dealers Agreement to be filed as an exhibit to the Registration Statement, pursuant to which the Underwriter may allow a concession (out of the underwriting commission in the event of the sale of at least 1,100,000 Shares) within the limits to be set forth in the Prospectus, but all such sales by Selected Dealers shall be made by the Company, acting through the Underwriter as agent, and not for the account of the Underwriter.

6. PUBLIC OFFERING OF THE SECURITIES. As soon after the Registration Statement becomes effective and as the Underwriter deems 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 its sole discretion, deems advisable.

7. 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 Thomas R. Blake, Esq. 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 dates hereof and the Closing Date, 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 9(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.

8. PAYMENT OF EXPENSES.

(a) The Company hereby agrees to pay on 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 Underwriters, 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 $, $5,000 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 9, SECTION 13(a) or SECTION 14, 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, none of which 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 8, 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 Securities, none of which has been paid to date to the Underwriter. The Company will pay 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.

9. 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, as if they had been made on and as of the Closing Date; the accuracy on and as of the Closing Date, 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, 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, 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, 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, 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 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) On or prior to the 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 8, or in order to evidence the accuracy, completeness or satisfaction of any of the representations, warranties or conditions herein contained.

(e) Prior to the Closing Date: (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.

(f) At the Closing Date, 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, 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, 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;

(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, 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 subsection (h) are to such documents as amended and supplemented at the date of such certificate.

(g) 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.

(h) 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.

(i) At the Closing Date, the Underwriter shall have received from Arthur Andersen LLP, a letter, dated as of the Closing Date, to the effect that they reaffirm that statements made in the letter furnished pursuant to SUBSECTION (h) 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).

(j) On the Closing Date, there shall have been duly tendered to the Underwriter for their accounts the appropriate number of Securities against payment therefore.

(k) No order suspending the sale of the Securities in any jurisdiction designated by the Underwriter pursuant to subsection (e) of SECTION 6 hereof shall have been issued on either the Closing Date, and no proceedings for that purpose shall have been instituted or to its knowledge or that of the Company shall be contemplated.

(l) 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, 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.

10. 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 10 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 confirms that such statements and information are true and correct and shall be on the Closing Date.

(c) Promptly after receipt by an indemnified party under this SECTION 10 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 10, 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 10 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 10 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 10, 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 10 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 10, 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.

11. 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 such representations, warranties and agreements of the Company and the indemnity agreements contained in Section 10 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.

12. 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 8, 10 and 13 of this Agreement shall at all times be effective. For purposes of this Section 11, 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.

13. 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 13 hereof), and whether or not this Agreement is otherwise carried out, the provisions of SECTION 8 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.

14. DEFAULT BY THE COMPANY. If the Company shall fail at the 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 without any liability on the part of any non-defaulting party other than pursuant to SECTION 8 and SECTION 10 hereof. No action taken pursuant to this Section shall relieve the Company from liability, if any, in respect of such default.

15. 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 Community Investment Services, Inc. 15600 S.W. 288th Street, Suite 100, Homestead, Florida 33033, Attention: Attn: , with copies to both Thomas R. Blake, Esquire, 550 Biltmore Way, Suite 700, Coral Gables, Florida 33134 and Mintz & Fraade, P.C., 488 Madison Avenue, New York, New York 10022, Attention: Frederick M. Mintz, 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.

16. 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 9 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.

17. 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.

18. 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.

19. 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.

20. 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.

21. 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.

22. 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.

23. 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:

COMMUNITY INVESTMENT SERVICES, INC.
as Representative of the Several Underwriters

By:

Name:
Title: President

Exhibit 10.2

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

ESCROW AGREEMENT

The Company has entered into an Underwriting Agreement dated August ____, 1997 (the "Underwriting Agreement") with the Underwriter, wherein the Underwriter has agreed to use its best efforts to find purchasers for up to 1,100,000 shares of Common Stock, par value $.0001 per share (the "Minimum Offering") within a period of ninety (90) days from the date of the Prospectus (as hereinafter defined), subject to an extension at the discretion of the Underwriters and by mutual written agreement between the Company and the Underwriters for an additional period of sixty (60) days (the "Offering Period"), with an additional 250,000 shares of Common Stock available to be offered during the Offering Period (the "Maximum Offering") on a "best efforts" basis if the Minimum Offering is sold, all as more fully described in the Company's definitive Prospectus dated August ___, 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. 333-31001), declared effective on August ___, 1997 (the "Registration Statement").

The Company and the Underwriter each desires that the Escrow Agent accept the proceeds of the Offering as deposited from time to time by the Underwriter (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 and the Underwriter each 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. ESTABLISHMENT OF ESCROW ACCOUNT. The Escrow Agent shall open an escrow account (the "Offering Escrow Account") for the deposit of the Offering Proceeds, subject to the terms and conditions of this Agreement.

3. DEPOSIT OF OFFERING PROCEEDS. From time to time during the Offering Period, the Escrow Agent shall receive by wire transfer initiated by the Underwriter or others acting on its behalf, portions of the Offering Proceeds. The Escrow Agent shall credit all such amounts to the Offering Escrow Account. The Underwriter shall, concurrently with depositing such funds with the Escrow Agent, deliver to the Escrow Agent a list (the "Subscribers' List") indicating the name, mailing address and payment amount attributable to each subscriber in the Minimum Offering (a "Subscriber").

4. DISBURSEMENT OF THE ESCROW ACCOUNT. Upon the earlier of (i) written notification by the Company and the Underwriter to the Escrow Agent that the Minimum Offering has been consummated; or (ii) written notification from the Company and the Underwriter to the Escrow Agent that the Minimum Offering has been terminated; or (iii) written notification from the Company and the Underwriter to the Escrow Agent to deliver the Offering Proceeds to another escrow agent in accordance with Paragraph 5.6 hereof, then, in such event, the Escrow Agent shall disburse the Offering Escrow Account in each case pursuant to the instructions provided by the Company and the Underwriters in their written notice to the Escrow Agent, whereupon the Escrow Agent shall be released from further liability hereunder. In the event the Offering Period shall expire and the Minimum Offering has not been consummated, upon written notice by the Company and the Underwriter to the Escrow Agent that the Offering Period has expired, the Escrow Agent shall not later than two (2) business days following the Escrow Agent's receipt of such notice, remit to the Underwriter and any entity acting on behalf of the Underwriter which deposited Offering Proceeds into the Offering Escrow Account, by wire transfer of immediately available funds, that portion of the Offering Proceeds which such entity deposited therein and shall, concurrently therewith transmit a written notice to each Subscriber to the address indicated on the Subscribers' List that the Offering Period has expired and that the amount of the Offering Proceeds contributed by such Subscriber has been remitted to the Underwriter, or to the entity which acted on the Underwriter's behalf, as the case may be.

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 Offering 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 Offering Escrow Account or it may deposit the Offering Escrow Account with the clerk of any appropriate court or it may retain the Offering 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 hold the Offering Proceeds in a non-interest bearing account maintained by the Escrow Agent for the benefit of the Company collateralized by the direct obligations of the U.S. Government or agencies thereof.

5.5 From time to time on and after the date hereof, the Company and the Underwriter shall each 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.

5.6 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 so appointed within the sixty (60) day period following the giving of such notice of resignation, the Escrow Agent may deposit the Offering Escrow Account 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 anytime by the Company and the Underwriter, 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 without giving effect to its choice-of-laws principles. 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.

If to the Underwriter, to:

Community Investment Services, Inc.
15600 S.W. 288th Street, Suite 100
Homestead, Florida 33033
Attention: Hershel F. Smith, Jr., President

With a copy to:

Alan P. Fraade, Esq.
Mintz & Fraade, P.C.
488 Madison Avenue
New York, New York 10022

and

Thomas R. Blake, Esq.
550 Biltmore Way, Suite 700
Coral Gables, Florida 33134

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.

Attest: _____ By: _____
Donald H. Baxter, Secretary Mark J. Hanna, President

COMMUNITY INVESTMENT SERVICES, INC.

Attest: _____ By: _____
Hershel F. Smith, Jr., President

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

FIDUCIARY TRUST INTERNATIONAL

OF THE SOUTH

By:

Authorized Representative

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,
August 15, 1997.