

April 29, 2002

VIA CERTIFIED MAIL

Internal Revenue Service
Exempt Organizations
Attn: John Jennewein, ID#: 31-07208
Room 4508
550 Main Street, Federal Building
Cincinnati, OH 45202

Internal
Revenue Service
Cincinnati, Ohio

MAY 6 2002

Received
TEGE DIV.

RE: Everglades College, Inc. ("Everglades College")
Form 1023, Application for Exemption Pursuant to Code Section 501(c)(3)
IRS Letter dated April 9, 2002

Dear Mr. Jennewein:

The following information is being submitted in support of the Application for Exemption and in response to your letter dated April 9, 2002, a copy of which is attached hereto ("Letter"), requesting additional information.

Set forth below is the information you requested in the same numerical order contained in your Letter.

1. At the time of its acquisition in August, 1998, American Flyers College, Inc. ("AFC"), the for-profit predecessor to Everglades College, was a minimal, poorly-managed, limited curriculum institution which had very little value, as evidenced by the financial statements for AFC dated August 31, 1998, copies of which were previously provided to the IRS on March 30, 2001. These financial statements reflected total stockholder equity of only \$45,147 (excluding accounts payable and other non-deferred revenue liabilities) and an accumulated deficit of (\$175,853) which included a net loss of (\$51,074) for the year ended August 31, 1998. Accordingly, the purchase price of \$10,000 for the stock of AFC was commensurate with the parties' agreement that the then-value of AFC was nominal. In fact, the Memorandum of Understanding, which was the document evidencing the purchase

and sale of the AFC stock, included a representation by the seller, American Flyers Schools, Inc., and its sole shareholder, Mr. Harrington, that AFC "has no claims or other liabilities (actual, pending or threatened) which in the aggregate exceed the sum of \$50,000." This representation was added at the request of Dr. Arthur Keiser since he was unwilling to purchase AFC if it had a significant "negative" book value.

Following the purchase of AFC, which was subsequently converted in March, 2000, to Everglades College, a not-for-profit corporation, a strategic business plan was developed and a significant investment was made in its operations, including the appointment and training of a qualified management staff. As noted in the appraisal for Everglades College, dated July 12, 2000, ("Appraisal") which was previously furnished to the IRS on March 30, 2001, and which concluded that the then-value of Everglades College was \$325,000, "the Everglades College management team, administration, faculty, and staff appear to be an excellent demonstration of a true team effort...[which] adds to the value of this institution." The Appraisal further noted that "Everglades College is a fully accredited four year degree granting institute approved to offer Bachelor of Science Degrees in various education programs...To establish a similar type of educational institute with a fully accredited status and program approvals, it would take more than three years from the start and large investment amounts with no guarantee to get the successful achievement." Thus, your comment that "it seems strange that Mr. Harrington would sell AFC for \$315,000 less than the appraised price" can be simply explained by the fact that when AFC was sold to Mr. Keiser, AFC was a minimal, poorly-managed limited mission institution having nominal value; whereas, the Appraisal reflects the value of Everglades College in July of 2000, which at that time had evolved, as a result of a strategic business plan and significant efforts and financial investment, into a fully accredited, four-year institution offering degrees in various educational programs.

2. Please be advised that Everglades College has decided to accept the first choice offered in your letter; namely, to expand its current Board of Directors by two individuals. The two new members of the Board of Directors and their qualifications are as follows:

Dale Chynoweth - Vice President of Keenan Development. Mr. Chynoweth is a chartered accountant and head of Property Management Division of Keenan Development, a broad-based property development and property management company.

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ZEV HELFER - President of CPI, Inc., an independent medical laboratory specializing in cytopathology.

The above-referenced new Directors, who were selected from the community, are unrelated to the members of the current Board of Directors. A copy of the Written Consent of Directors electing the new Directors is enclosed herein.

At your request, I am enclosing Statements signed by each of these new Directors evidencing their agreement to take an active part in fulfilling their duties as Directors of Everglades College, as described in Article III of the Bylaws.

The foregoing is hereby submitted in response to your request for additional information.

I am hereby requesting that you allow a favorable determination letter to be issued regarding the tax-exempt status of Everglades College pursuant to Section 501(c)(3) of the Internal Revenue Code of 1986, as amended.

I am willing to schedule a conference call with you and/or any members of your review staff in order to discuss any issues presented herein and to answer any questions which you and/or your review staff may have.

I look forward to hearing from you. If you have any questions or require additional information, please do not hesitate to contact me.

Very truly yours,

BERGER SINGERMAN



Nick Jovanovich

NJjb

I, Arthur Keiser, as Chancellor of Everglades College, Inc., hereby declare that I have examined the facts presented in this letter, and to the best of my knowledge and belief, they are true, correct and complete.



ARTHUR KEISER

STATEMENT

I, ZEV HELGER, hereby acknowledge that I have agreed to serve on the Board of Directors of Everglades College, Inc., a Florida not-for-profit corporation ("Corporation"), and that I will take an active part in fulfilling my duties as a Director of the Corporation, as described in Article III of the Bylaws of the Corporation.

DATED, this day of April, 2002

Signature: _____

Z. Helger

Print Name: _____

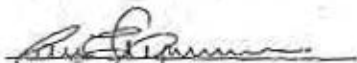
ZEV HELGER

STATEMENT

I, DACE CUYINOWETH, hereby acknowledge that I have agreed to serve on the Board of Directors of Everglades College, Inc., a Florida not-for-profit corporation ("Corporation"), and that I will take an active part in fulfilling my duties as a Director of the Corporation, as described in Article III of the Bylaws of the Corporation.

DATED, this 24th day of April, 2002

Signature:



Print Name:

DACE CUYINOWETH

WRITTEN CONSENT
OF THE
DIRECTORS
OF
EVERGLADES COLLEGE, INC.


The undersigned, constituting all of the current Directors of EVERGLADES COLLEGE, INC., a Florida not-for-profit corporation (the "Corporation"), pursuant to Section 617.0701 of the Florida Statutes, hereby consent and agree, to the following actions and to the adoption of the following resolutions:

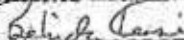
WHEREAS, the Corporation is desirous of expanding the Board of Directors from three (3) members to five (5) members with the two (2) new members being unrelated to the current members of the Board of Directors, in compliance with the request made by Mr. John Jennewein, Exempt Organization Specialist with the Internal Revenue Service, in his letter dated April 9, 2002.

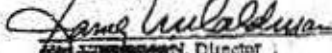
RESOLVED, that the current Board of Directors of the Corporation hereby elect the following individuals as the Board of Directors of the Corporation, to serve in such capacity until the next Annual Meeting of the Board of Directors or until their earlier resignation, removal or death:

Arthur Keiser
Belinda Keiser
Jim Waldman
Dale Chynoweth
Zev Helfer

IN WITNESS WHERE OF, the undersigned have duly executed this Written Consent this 29 day of April, 2002.


ARTHUR KEISER, Director


BELINDA KEISER, Director


JAMES W. WALDMAN, Director