

Miami Through the Eyes of Veteran Accountant

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One of South Florida's oldest, homegrown accounting firms left its Miami Beach stomping grounds of 57 years for a newer, hipper spot in Miami's Design District.

What began as a one-man show has evolved into the 100-employee Gerson Preston Robinson & Co. Founder Gary Gerson launched the company nearly six decades ago after an auditing stint with the U.S. Navy. At 21, he was named one of the youngest certified public accountants in the U.S.

He graduated in 1955 from the University of Florida, where an accounting building now bears his name. Gerson, who preferred numbers over football, was inducted into the university's Athletic Hall of Fame for establishing a tutoring program for Gator athletes.

Nearly six decades later, his client base has evolved from wealthy Miami Beach physicians and college athletes to big-name developers, law firms and politicians doing business in South Florida.

His firm most recently handled former Gov. Jeb Bush's presidential campaign finances.

While Gerson embraces his newly renovated office overlooking Biscayne Boulevard, he won't simply let go of the old. He still holds a key to the 1967 building on the corner of Indian Creek Drive and 71st Street.

Gerson and partner Alan Lips spoke with the Daily Business Review about how the accounting firm has evolved alongside Miami's business sector.

Tell me about yourself and the founding of the firm.

Gerson: When I graduated from the University of Florida, it was the end of the Korean War. All the kids that weren't married had to go into the military. I had my CPA license and a master's in accounting, and they took me into the U.S. Navy.

But after two years, they said, "OK, you'll stay another two years, and we'll send you to be in charge of the Navy audit office in Orlando." I became the Navy area audit officer. I earned most of my experience auditing from that.

"After that I came down to Miami Beach — I was always from Miami Beach — and opened a small accounting office. I was single, living at home. I always thought that it was very important to get the firm's name before the public. How do you do that? You work with charities. Even with the small income I had, I started giving scholarships to kids that wanted to go and went to the New World School of the Arts, a joint venture between UF and Miami Dade College.

Who were your first clients, and how have the names changed over the last 50 or so years?

Gerson: A lot of my first clients were men who were in my tutoring classes at UF. When I was in the Navy, I made so many good friends that when I got out they used me as their accountant. At that time, some of the richest people in town were affiliated with Mount Sinai Medical Center. I got my wealthiest clients from that medical center and also from the university.

When the Cubans came, we did a tremendous amount of work in women's wear. It was done right here in Hialeah. We then developed an expertise in real estate. Our first client was Sunswept Homes, one of the first builders of retirement homes in South Florida.

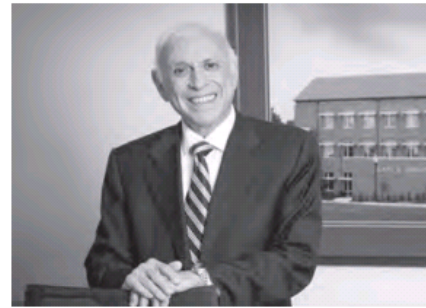
Lips: I joined the firm in 1995. It was very much a local practice, very American and Miami-centric.

Over the years, we've watched South Americans and Europeans come here in massive numbers looking to invest, get into business and live. We really developed our international practice to allow for that growth. Our practice has truly become extremely international. Not a day goes by where I'm not on the phone with clients from South America, Europe and all areas of the world.

What were a few of the most significant changes in the accounting industry over the last six decades?

Gerson: Going paperless. And keeping up with the tax laws. Keeping up with hedge companies and private equity companies and how they're doing their accounting and tax planning. Tax planning is stronger than ever.

Accounting firms fell under intense federal scrutiny after the Enron scandal. There was a push to hold accountants accountable for financial irregularities. How did your firm deal with this? How do you keep up with new regulations?



Gary Gerson's client base has evolved from wealthy Miami Beach physicians and college athletes to big-name developers, law firms and politicians.

Gerson: We had one of our biggest clients doing something that before Enron, we would say, "That's not so bad. It's just an interpretation of the accounting law."

But now my partners would say, "We can't handle that work anymore." Enron has made us cautious and conservative. It shut down an entire accounting firm. It's best to always rule on the side of caution.

How do we keep up? Everybody is required to read two journals: Journal of Taxation and Journal of Accountancy. We lecture on that every Monday night. We require everybody to come to a staff meeting and assign lectures out. The person giving the lecture becomes an expert on that item or regulation and discusses it. I've been doing this for 57 years.

Why move across Biscayne Bay?

Lips: As we became more international and as Miami became more international, the city became more important. For many years we had a satellite office in Brickell for that purpose. Over the last 10 years as we watched Miami grow and develop, we knew that Miami Beach wasn't the right place for this practice. We wanted to be within the Miami core.

We found the Midtown, Wynwood and Design District area attractive for many reasons. We watched it grow over the last 10 years from a cultural standpoint, from an art standpoint and from a unique business perspective.

I see some unique amenities included in the new office such as a video game room. Is this geared toward the millennial generation?

Lips: This about creating a culture for our Gerson Preston family where all of our people can really work, live and enjoy.

You see articles in the paper weekly, if not daily, about the millennials. The millennial generation is much different than my generation and my predecessors. Work-life experience and quality-of-life experience for them is so critical.

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