



December 5, 1997

To the Owner
Gibson & Company, Inc.

We have reviewed the system of quality control for the accounting and auditing practice of Gibson & Company, Inc. (the firm) in effect for the year ended June 30, 1997. Our review was conducted in conformity with standards established by the Peer Review Board of the American Institute of Certified Public Accountants (AICPA). We tested compliance with the firm's system of quality control to the extent we considered appropriate. These tests included a review of selected accounting and auditing engagements.

In performing our review, we have given consideration to the quality control standards for an accounting and auditing practice issued by the AICPA. Those standards indicate that a firm's quality control policies and procedures should be appropriately comprehensive and suitably designed in relation to the firm's size, organizational structure, operating policies, and the nature of its practice. They state that variance in an individual's performance and understanding of professional requirements or the firm's quality control policies and procedures can affect the degree of compliance with a firm's prescribed quality control policies and procedures, and therefore, the effectiveness of the system.

In our opinion, the system of quality control for the accounting and auditing practice of Gibson & Company, Inc. in effect for the year ended June 30, 1997 has been designed in accordance with the quality control standards for an accounting and auditing practice established by the AICPA and was being complied with for the year then ended to provide the firm with reasonable assurance of conforming with professional standards in the conduct of that practice.

Gibson & Company, Inc. is a member of the Private Companies Practice Section of the AICPA Division for CPA firms (the section) and has agreed to comply with the membership requirements of the section. In connection with our review, we tested the firm's compliance with those requirements to the extent we considered appropriate. In our opinion, the firm was in conformity with the membership requirements of the section for the year ended June 30, 1997, in all material respects.

John Waddell & Co.

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