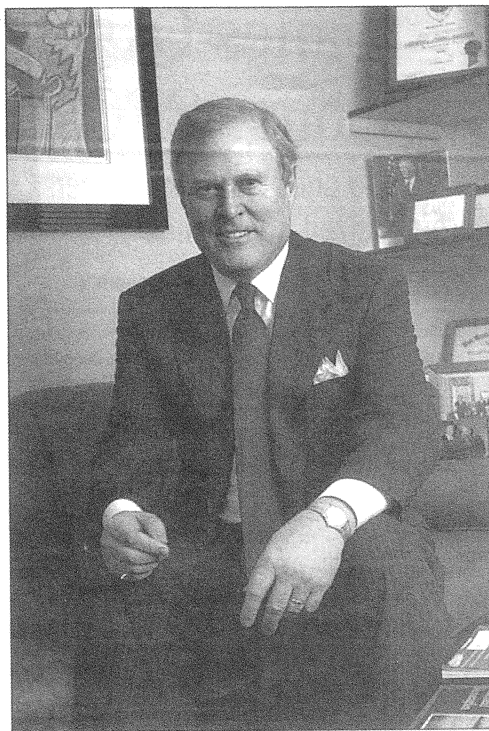




Gross Collins founder a certified problem-solver



STEPHEN GROSS

Born: Atlanta

Raised: Atlanta

Age: 58

Education: Bachelor's, Duke University; Graduate studies, accounting major, Georgia State University

Current Job: Chairman of the audit committee of Legg Mason Partners Funds; founder, HLB Gross Collins P.C.

Family: Wife, Tami; Two children; Matt, 30, and David, 36; one grandson, Hunter, 2

By Ray Glier
CONTRIBUTING WRITER

When Stephen Gross worked for Colgate-Palmolive during two college summers 40 years ago, he sold soaps to one-room convenience stores in rural Georgia and Tennessee.

"I still remember one sales stop," Gross said. "I get out of the car wearing a white shirt and a skinny tie and the owner is on the front porch of this wooden building just rocking back and forth.

"He's looking at me and his first thought is 'revenue (tax collector).' I just went up to the porch, put the satchel down and sat down in the other rocking chair and started rocking with him. Ten minutes goes by and finally he says, 'Boy, what's in the satchel?' I opened it up and started selling my soaps and things."

Before he became one of the leading certified public accountants in Atlanta, Gross was a salesman, a rainmaker who grew business. Though he understands the machinery of accounting, Gross' passion seems to be solving problems and being a financial adviser.

Now 58, Gross is in his second two-year term as chairman of the audit committee of Legg Mason Partners Funds (formerly **Citigroup Inc.'s** investment-management arm), which oversees \$400 billion in assets.

It seems like a daunting task, keeping directors and managers in line with the regulations of the Sarbanes-Oxley Act that governs public companies.

But Gross, the founding member of **HLB Gross Collins P.C.**, Atlanta's 22nd largest accounting firm, said overseeing auditing practices of a major company is another way to help businesses solve problems, and that's his specialty.

"In the accounting profession, when you get the client to talk and you listen,

they will tell you the pain, how their operations are screwed up and what isn't working," Gross said. "Your whole role is to solve their problems; it's not to sell them anything."

As part of his job as audit chairman, he sets the agenda for the Legg Mason auditing committee and hires and monitors the outside accountants.

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He can sit down and listen to a client and find solutions to their problems."

Elizabeth Salvati
HLB Gross Collins PC.

"In some respects, Sarbanes-Oxley is working, in most respects no, it is not working," Gross said. "What it has done is vastly increase the cost of being public by two to five times so small companies shouldn't be public because it's pressing in terms of procedures they have to follow.

"The larger companies are seeing their audit bills doubled and tripled and the national firms have been reduced in number so they can set their terms."

Elizabeth Salvati, a principal and shareholder at Gross Collins since 1994, said Gross' background of growing businesses makes him an effective auditor.

"He can relate to the client side of things, and that's important when you are an auditor," Salvati said.

"He can sit down and listen to a client and find solutions to their problems."