

Eunis & Associates CPA, Inc.
300 Centerville Road, Suite 330W
Warwick, Rhode Island 02886
Telephone: 401-732-2700
Fax: 401-732-5400
www.mytaxsource.com

Date:

Client(s):
Address:

Dear:

We are pleased to confirm and specify the terms of our engagement with you and to clarify the nature and extent of the services we will provide regarding the preparation of your income tax return(s).

We will prepare your 2011 Federal and applicable State individual income tax returns (for the state and local taxing authorities in which you deemed yourself a resident in 2011). This engagement pertains only to the 2011 tax year, and our responsibilities do not include preparation of any other tax return years that may be due to any taxing authority. We are responsible for preparing only the returns referenced above. If you have taxable activity in a state or local municipality other than those referenced, you are responsible for providing our firm with all the information necessary to prepare any additional applicable state and local income tax returns, as well as informing us of the applicable states and local municipalities. If you have income tax filing requirements in a given state or local municipality but do not file that return, there could be possible adverse ramifications, such as an unlimited statute of limitations, penalties, etc.

Our engagement will be complete upon delivery of the completed returns to you. Upon your approval, your returns will be electronically filed by our office.

The law provides various penalties that may be imposed when taxpayers understate their tax liability. You acknowledge that any such understated tax, and any imposed interest and penalty thereon, are your responsibility, and that we have no responsibility in that regard. If you would like information on the amount or the circumstances of these interest and penalties, please contact us. Your returns may be selected for review by the taxing authorities or you may receive a notice requesting a response to certain issues on your tax return. Any proposed adjustments by the examining agent are subject to certain rights of appeal. In the event of such government tax examination or inquiry, we will be available upon request to represent you or respond to such inquiry. Our hourly rates for such representation is \$225 per hour (\$65 for a Staff Accountant), plus out-of-pocket costs. At that time, we will provide you a subsequent engagement letter to clarify the nature and extent of services we will provide regarding the tax

examination or inquiry response and will render additional invoices for these services and any expenses incurred.

We will prepare the returns from information that you will furnish to us. It is your responsibility to provide all the information required for the preparation of complete and accurate returns. If requested by you, we will furnish you with a more detailed client questionnaire and/or worksheets than the one already attached, to guide you in gathering the necessary information. While these additional worksheets are optional, your use of such forms will assist us in keeping your fee to a minimum. To the extent we render any services, it will be limited to those tasks we deem necessary for the preparation of the returns only. Any accounting and/or bookkeeping services will be considered "out of scope" of this engagement letter. Prior to the commencement of "out of scope" services, we will discuss with you the nature and extent of the work and provide you with a subsequent engagement letter and fee that clarifies these services.

The timeliness of your cooperation is essential to our ability to complete this engagement. Specifically, we must receive sufficient information from which to prepare your returns within a reasonable period of time prior to the applicable filing deadline. Accordingly, if we do not receive this information from you, as noted above, by ***April 1, 2012***, it may be necessary to pursue extensions of the due date of your returns, and we reserve the right to suspend our services or withdraw from this engagement. Various penalties and interest are imposed when taxpayers fail to pay the full amount of taxes owed by the filing due date of ***October 15, 2012***. Furthermore, additional penalties and interest are imposed when taxpayers fail to remit the proper amount of subsequent year tax estimates. Based on information you have provided to us, we can assist you in determining the correct amount of taxes owed for the current year and subsequent year tax estimates. You acknowledge that any such penalties and interest that arise due to the underestimation of current year taxes owed or subsequent year tax estimates remitted are your responsibility, and that we have no responsibility in that regard. If you would like information on the amounts or the circumstances of these penalties and interest, please contact us.

We will not audit or otherwise verify the data you submit. Accordingly, our engagement cannot be relied upon to disclose errors, fraud, or other illegal acts that may exist. However, it may be necessary to ask you for clarification of some of the information you provide, and we will inform you of any material errors, fraud, or other illegal acts that come to our attention.

You are responsible for maintaining an adequate and efficient accounting system, for safeguarding assets, for authorizing transactions, and for retaining supporting documentation for those transactions, all of which will, among other things, help assure the preparation of proper returns. Furthermore, you are responsible to review all of the information presented on your tax return for accuracy.

If you have a financial interest in, or signature or other authority over, bank accounts, securities, or other financial accounts having a value exceeding \$10,000 in a foreign country, you are required to report such a relationship. Such filing requirements apply to taxpayers that have direct or indirect control over a foreign or domestic entity with foreign financial accounts, even if the taxpayer does not have foreign account(s). For example, a corporate-owned foreign account would require filings by the corporations and by the individual corporate officers with signature authority. If you fail to disclose the required information to the U.S. Department of the Treasury, the failure to disclose may result in substantial civil and/or criminal penalties.

We may encounter instances where the tax law is unclear, or where there may be conflicts between the taxing authorities' interpretations of the law and other supportable positions. In those instances, we will outline in a written communication each of the reasonable alternative courses of action, including the

risks and consequences of each such alternative. In the end, we will adopt, on your behalf, the alternative that you select after having considered the information provided by us.

Pursuant to standards prescribed in IRS Circular 230 and IRC 6694, we are forbidden from signing a tax return unless we have a reasonable belief that there is substantial authority for a tax position taken on the return, or unless we have a reasonable belief that there is a reasonable basis for the tax position taken on the return and we disclose this tax position on a separate attachment to the tax return.

Our fees for this engagement are not contingent on the results of our service. Rather, our fees for this engagement will be based on a number of factors, including, but not limited to the time spent, the schedules necessary to complete your return, and the complexity of the services we will perform. In addition, you agree to reimburse us for any out-of-pocket costs incurred in connection with the performance of our services.

Our fees and costs will be billed and payable upon receipt. Invoices unpaid 30 days past the billing date may be deemed delinquent, and are subject to an interest charge of 1% per month. We reserve the right to suspend our services or to withdraw from this engagement in the event that any of our invoices are deemed delinquent. In the event that any collection action is required to collect unpaid balances due us, you agree to reimburse us for the costs of collection, including attorneys' fees.

If we elect to terminate our services, our engagement will be deemed to have been completed upon written notification of termination, even if we have not completed your return. You will be obligated, through the date of termination, to compensate us for all outstanding invoices as well as our final invoice, and to reimburse us for all of our out-of-pocket costs. For these purposes, any nonpayment, inability to sign the tax return, or non-response by you of information requested (among other things) will constitute a basis for our election to terminate our services.

You should retain all the documents, canceled checks and other data that form the basis of income and deductions. These may be necessary to prove the accuracy and completeness of the returns to a taxing authority in the event of an audit. You have the final responsibility for the income tax returns and, therefore, you should review them carefully before you sign them.

It is our policy to retain engagement documentation for a period of seven years (five years for former clients), after which time we will commence the process of destroying the contents of our engagement files. To the extent we accumulate any of your original records during the engagement; those documents will be returned to you promptly upon completion of the engagement.

If the income tax returns we are to prepare in connection with this engagement are joint returns, and because you will each sign those returns, then each of you is our client. You each acknowledge that there is no expectation of privacy from the other concerning our services in connection with this engagement, and we are at liberty to share with either of you, without the prior consent of the other, any and all documents and other information concerning preparation of your returns.

In the event we are required to respond to a subpoena, court order or other legal process for the production of documents and/or testimony relative to information we obtained and/or prepared during the course of this engagement, you agree to compensate us, as set forth above, for the time we expend in connection with such response, and to reimburse us for all of our out-of-pocket costs incurred in that regard.

In the event that we become obligated to pay any judgment or similar award, you agree to pay any amount in settlement, and any costs incurred as a result of any inaccurate or incomplete information that you provided to us during the course of this engagement. You agree to indemnify us, defend us, and hold us harmless against such obligations, agreements, and/or costs.

Any litigation arising out of this engagement, except actions by us to enforce payment of our professional invoices, must be filed within one year from the completion of the engagement, notwithstanding any statutory provision to the contrary. In the event of litigation brought against us, any judgment you obtain shall be limited in amount, and shall not exceed the amount of the fee charged by us, and paid by you, for the services set forth in this engagement letter.

In the interest of facilitating our services to you, we may communicate by e-mail. Such communications may include information that is confidential to your company. While we will use our best efforts to keep such communications secure in accordance with our obligations under applicable laws and professional standards, you recognize and accept that we have no control over the unauthorized interception of these communications once they have been sent and consent to our use of these electronic devices during this engagement.

This engagement letter is contractual in nature, and includes all of the relevant terms that will govern the engagement for which it has been prepared. The terms of this letter supersede any prior oral or written representations or commitments by or between the parties. Any material changes or additions to the terms set forth in this letter will only become effective if evidenced by a written amendment to this letter, signed by all of the parties.

If, after full consideration and consultation with counsel, if so desired, you agree to authorize us to prepare your personal income tax returns pursuant to the terms set forth above, please execute this letter on the line(s) below designated for your signature(s), and return the executed letter to this office. You should keep a copy of this fully executed letter for your records. If this firm does not receive from you this letter, in fully executed form, but receives from you a completed copy of the client questionnaire and/or supporting documentation, then such receipt by this office shall be deemed to evidence your acceptance of all of the terms set forth above and we will commence with the tax return preparation process. **HOWEVER, UNDER NO CIRCUMSTANCES SHALL WE SIGN A COMPLETED TAX RETURN OR PREPARE AN EXTENSION UNTIL WE RECEIVE FROM YOU THIS SIGNED ENGAGEMENT LETTER.** If this office receives from you no response to this letter, then this office will not proceed to provide you with any professional services, and will not prepare your income tax returns.

We look forward to providing our services to you in accordance with the terms of the engagement as outlined in this letter. If you have any questions concerning the terms of this engagement, please feel free to ask us. If you agree with the terms of our engagement, please sign below and return it to us. These engagement terms will apply until either you or we cancel them.

Sincerely,

Rebecca L. Eunis, CPA
President

ACCEPTED AND AGREED:

Taxpayer

Date

Spouse (if applicable)

Date

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**TAXPAYER CONSENT TO DISCLOSURE OF TAX RETURN
INFORMATION in accordance with Treasury Regulation
Sec. 301.7216-3 and Revenue Procedure 2008-35**

Federal law requires this consent form be provided to you. Unless authorized by law, we cannot use, without your consent, your tax return information for purposes other than the preparation and filing of your tax return.

You are **not required** to complete this form. If we obtain your signature on this form by conditioning our services on your consent, your consent will not be valid. Your consent is valid for the amount of time that you specify. If you do not specify the duration of your consent, your consent is valid for one year.

I/We, authorize Eunis & Associates CPA, Inc. to disclose my/our year 2010 income tax return and/or any schedules or forms related thereto to our mortgage lender or other banking institution.

TAXPAYER

TAXPAYER'S SPOUSE

DATE

If you believe your tax return information has been disclosed or used improperly in a manner unauthorized by law or without your permission, you may contact the Treasury Inspector General for Tax Administration (TIGTA) by telephone at 1-800-366-4484, or by email at complaints@tigta.treas.gov.

We trust this policy is informative, and you may contact us with any questions that you may have.

Sincerely,

Rabecca L. Eunis, CPA
President

