

SETH ENTERPRISES, CPA ANNUAL ENGAGEMENT LETTER

Client Name(s): _____

We will prepare your Individual Federal and State(s) Income Tax returns for the year ended Dec. 31, 2011.

It is your responsibility to provide us with all of the information necessary to complete your tax return. In that regard, you state that, to the best of your knowledge and belief:

- You have provided true, correct and complete information regarding your income as listed on the attached Forms W-2, 1099 and/or written summaries. You will retain for four years all the documents, receipts, cancelled checks and other records required to substantiate the items of income and expense claimed on your return.
- You have provided us true, correct and complete information regarding amounts you claimed as deductions, and have maintained written documentation supporting all amounts, including logbooks and receipts. You understand that taxing authorities may examine the returns, that documentation should be retained to support the information provided to us, especially business travel and entertainment deductions, business use percentage of autos and other assets, barter activities, and the required documents to support all charitable contributions, and that penalties may be imposed on returns that are late, underpaid or incorrect.

We will not audit or verify any information you submit to us. We may require clarification or additional information. We are not responsible for disallowed deductions, or the inclusion of additional unreported income or any resulting taxes, penalties or interest.

You understand that you will be charged an additional fee if we are asked to assist or represent you in a tax inquiry or examination or respond to any IRS notices. You understand that, in the event of preparer error, you are responsible for additional tax that may be due, but our responsibility is to pay for any penalty that the IRS, state or local taxing authority may assess.

You will contact us immediately if you discover additional information that will lead to a change in your return, or ***if you receive any notices/ correspondence from the IRS, state or local taxing authorities***. Our policy is to put all tax advice in writing, and that you will not rely upon any unwritten advice because it may be tentative, incomplete, or not fully reviewed.

We will use our judgment to resolve questions in your favor where a tax law is unclear or if there is a reasonable justification for doing so. Whenever we are aware that a possibly applicable tax law is unclear or that there are conflicting interpretations of the law by authorities (e.g. tax agencies and courts), we will explain the possible positions that may be taken on your return. We will follow whatever position you request, so long as it is consistent with the codes and regulations and interpretations that have been promulgated. If the IRS should later contest the position taken, there may be an assessment of additional tax plus interest and penalties. We assume no liability for any such additional penalties or assessments.

We will not file any federal, state or local tax extensions unless you specifically request us to do so in writing, by fax or e-mail.

Please Turn Over →

A deposit of 50% of estimated fee is due prior to the beginning of the services and the remaining balance is payable upon completion of the returns. You understand that your bill is based upon standard rates discussed with you. Interest will be charged at 1.5% per month on balances outstanding for more than 15 days. Additional services will not be performed until the bill for these services is paid in full.

If, subsequent to signing this engagement letter, you decide not to have your taxes prepared by us, you will forfeit your deposit and you may be liable for any additional costs incurred by us in preparing your taxes.

RECORD RETENTION

In accordance with our firm's current document retention policy we will retain our work papers and our tax returns for your engagement for seven years. We will provide you a copy of your tax return, depreciation schedules, and other pertinent work papers that should be part of your books and records. If you should need replacements, we will provide additional copies based on our standard fee. All of your original records will be returned to you. After seven years, our work papers and files will no longer be available. Physical deterioration or catastrophic events may shorten the time during which our records will be available. The working papers and files of our firm are not a substituted for the original records of your company. It is agreed and understood that in connection with the performance of this engagement, the work papers prepared by us shall remain the property of Seth Enterprises.

DISPUTE RESOLUTION

If any disputes arise among the parties, they agree to try first in good faith to settle the dispute by mediation administered by the American Arbitration Association (AAA) under its Commercial Mediation Rules. All unresolved disputes shall then be decided by final and binding arbitration in accordance with the Commercial Arbitration Rules of the AAA. Fees charged by any mediators, arbitrators, or the AAA shall be shared equally by all parties. **IN AGREEING TO ARBITRATION, WE BOTH ACKNOWLEDGE THAT IN THE EVENT OF A DISPUTE OVER FEES, EACH OF US IS GIVING UP THE RIGHT TO HAVE THE DISPUTE DECIDED IN A COURT OF LAW BEFORE A JUDGE OR JURY AND INSTEAD WE ARE ACCEPTING THE USE OF ARBITRATION FOR RESOLUTION.**

We appreciate the opportunity to serve you, and look forward to a continuing, mutually satisfying relationship.

Sincerely

Rajan Seth, CPA
Seth Enterprises

The terms described in this letter are acceptable and are hereby agreed to and shall remain in effect until terminated by either party in writing.

Accepted by: _____

Date: _____