

2010 1065/1120/1120S Income Tax Return Annual Engagement Letter & Privacy Notification

Date: _____ Client Name(s) _____

I am pleased to confirm my understanding of the arrangements for your income tax return(s). This letter confirms the services you have asked my firm to perform and the terms under which I have agreed to do that work. Please read this letter carefully because it is important to both my firm and you that you understand what you can and cannot expect from my work. In other words, I want you to know the limitations of the services you have asked me to perform. If you are confused at all by this letter or believe I have misunderstood what you need, please call to discuss this letter before you sign it.

The Internal Revenue Service imposes penalties on taxpayers, and on me as a return preparer, for failure to observe due care in reporting for income tax returns. In order to ensure an understanding of our mutual responsibilities, I ask all clients for whom I prepare tax returns to confirm the following arrangements.

I will prepare your 2010 Federal and _____(state) Form 1065/1120/1120S and related Federal and _____(state) 1065/1120/1120S income tax return schedules from information you furnish me. I do not use foreign third parties for preparation of your tax return. I will not audit or otherwise verify the data you submit although I may ask you to clarify some of the information. I may furnish you with tax organizers and questionnaires to help you gather and organize the necessary information for me, in order to keep my fee to a minimum. ***I am responsible for preparing only the returns listed previously, if you have taxable activity in a state other than that specifically listed you are responsible for providing my firm with all information necessary to prepare any additional applicable state(s) income tax returns as well as informing me of the applicable states.*** Any additional state income tax returns will be prepared as a separate engagement. If you have income tax filing requirements in a given state but do not file that return there could be possible adverse ramifications such as an unlimited statute of limitations, penalties, etc. If you would like me to investigate to determine each state where you have an income tax filing requirement please inform me.

If you have derived income from a foreign country, I will use the foreign country income information which you provide to calculate any applicable federal or state foreign tax credit or other affected federal or state income tax items. However, you are responsible for meeting any foreign country income tax or other foreign country reporting requirements.

I must receive all information to prepare your return by March 1, 2011, to ensure that your return will be completed by March 15, 2011. If I have not received all of your information by March 1, 2011 and your return is not completed by March 15, 2011, you may be subject to late filing or late payment penalties. **I do not file tax extensions for clients unless specifically requested to do so.**

It is your responsibility to maintain, in your records, the documentation necessary to support the data used in preparing your tax returns, including but not limited to the auto, travel, entertainment, and related expenses and the required documents to support charitable contributions over \$250. If you have any questions as to the type of records required, please ask me for advice in that regard. It is also your responsibility to carefully examine and approve your completed tax returns before signing and mailing them to the tax authorities. I am not responsible for the disallowance of doubtful deductions or inadequately supported documentation, nor for resulting taxes, penalties and interest. I will rely, without further verification, upon information you provide to us from 3rd parties including, but not limited to, k-1s, 1099's, 1098's, receipts and similar items.

I am responsible for preparing only the returns listed above. All others are to be prepared by you or other preparers. If there are additional returns you wish me to prepare, such as sales tax, property tax, inheritance, gift or estate tax, other income tax returns for other entities, or other states' or cities tax returns please insert them here: _____. My fee does not include responding to inquires or examination by taxing authorities. However, I am available to represent you and my fees for such services are at my standard rates and would be covered under a separate engagement letter.

I will use my professional judgment in preparing your returns. Whenever I am 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), I will explain the possible positions that may be taken on your return. I will adopt whatever position you request on your return so long as it is consistent with the codes, regulations, and interpretations that have been promulgated. If the Internal Revenue Service should later contest the position taken, there may be an assessment of additional tax plus interest and penalties. I assume no liability for any such additional penalties or assessments.

If I am asked to disclose any privileged communication, unless I am required to disclose the communication by law, I will not provide such disclosure until you have had an opportunity to argue that the communication is privileged. You agree to pay any and all reasonable expenses that I incur, including legal fees, that are a result of attempts to protect any communication as privileged.) In addition, your confidentiality privilege can be inadvertently waived if you discuss the contents of any privileged communication with a third party, such as a lending institution, a friend, or a business associate. I recommend that you contact us before releasing any privileged information to a third party.

It is my policy to keep records related to this engagement for four years after which they are destroyed. However, Dean D Vohs, CPA does not keep any original client records, so I will return those to you at the completion of the services rendered under this engagement. When records are returned to you, it is your responsibility to retain and protect your records for possible future use, including potential examination by any government or regulatory agencies. Prior to each tax filing season I send client organizers to most of our clients as a convenience to assist them with gathering their tax information. **If you move or do not wish to receive an organizer please notify me or I will send the organizer to the address I used on your prior year's tax return.**

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

Billings become delinquent if not paid within 30 days of the invoice date. If billings are not paid within 60 days of the invoice date, at my election, I will stop all work until your account is brought current, or I will withdraw from this engagement. You acknowledge and agree that I am not required to continue work in the event of your failure to pay on a timely basis for services rendered as required by this engagement letter. You further acknowledges and agrees that in the event I stop work or withdraw from this engagement as a result of your failure to pay on a timely basis for services rendered as required by this engagement letter, I shall not be liable to you for any damages that occur as a result of my ceasing to render services. My services will conclude upon delivery of the completed income tax returns discussed above or upon my suspension of services or resignation from the engagement.

If any dispute arises among the parties hereto, the parties agree first to try in good faith to settle the dispute by mediation administered by the American Arbitration Association under its Rules for Professional Accounting and Related Services Disputes. If the parties are unable to resolve the dispute through mediation within 60 days from the date notice is first given from one party to the other as to the existence of such a dispute and the demand to mediate, then they may proceed to resolve the matter by arbitration. Costs of any mediation proceeding shall be shared equally by all parties.

I appreciate the opportunity to serve you. Please date and sign the enclosed copy of this letter to acknowledge your agreement with and acceptance of your responsibilities and the terms of this engagement. It is my policy to initiate services after I receive the executed engagement letter.

Sincerely,

Dean D Vohs, CPA

(Client Signature) _____ (Date) _____
I have read the above terms of the engagement letter and agree with the terms of this engagement.