



WARREN
SASSER &
ASSOCIATES
Certified Public Accountants

WARREN, SASSER & ASSOCIATES, LLC

694 Baldwin Avenue, Suite 2
DeFuniak Springs, FL 32435

Tel (850) 892 5558
Fax (850) 892 3434
info@warrensasser.com

www.warrensasser.com

Date: _____

_____(Name)

_____(Address)

_____(Address)

Dear Client:

This letter is to confirm and specify the terms of our engagement with you for the year ended December 31, 2019 and to clarify the nature and extent of the tax services we will provide.

We will prepare the federal and any state income tax return(s) for the year ended December 31, 2019.

This engagement letter does not cover the preparation of any financial statements, which, if we are to provide, will be covered under a separate engagement letter.

We are not investment counselors or brokers. Our advice concerning a particular investment shall be limited to advising you with regard to the tax ramifications of the investment. It shall not include advising you regarding the economic viability or consequences of the investment or whether or not you should make the investment. Our advice regarding the tax ramifications of the investment shall be based on documents and information that you provide us regarding the investment.

It is your responsibility to provide all the information required for the preparation of complete and accurate returns. You should retain all the documents, cancelled checks and other data that form the basis of income and deductions. These may be necessary to prove the accuracy and completeness of the return(s) to a taxing authority. You have the final responsibility for the income tax return(s) and, therefore, you should review them carefully before you sign them.

We may provide you with a questionnaire or other document requesting specific information. Completing those forms will assist us in making sure you are well served for a reasonable fee. You represent that the information you are supplying to us is accurate and complete to the best of your knowledge and that you disclosed to us all relevant facts affecting the return(s). This will include the ownership of or signature authority over any foreign bank accounts and the ownership of any other foreign financial assets. We will not verify the information you give us; however, we may ask for additional clarification of some information.

Please note that any person or entity subject to the jurisdiction of the United States (includes individuals, corporations, partnerships, trusts, and estates) having 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 shall report such a relationship. Although there are some limited exceptions, filing requirements also 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 corporation and by the individual corporate officers with signature authority. Failure to disclose the required information to the U.S. Department of the Treasury may result in substantial civil and/or criminal penalties.

In addition, the Internal Revenue Service also requires information reporting under applicable Internal Revenue Code sections and related regulations, and the respective IRS tax forms are due when your income tax return is due, including extensions. The IRS reporting requirements are in addition to the U.S. Department of the Treasury reporting requirements stated above. Therefore, if you fall into one of the categories below, or if you have any direct or indirect foreign interests, you may be required to file applicable IRS forms.

- You are an individual or entity with ownership of foreign financial assets and meet the specified criteria (Form 8938) and/or FinCEN Form 114
- You are an officer, director, or shareholder with respect to certain foreign corporations (Form 5471)

- You are a foreign-owned U.S. corporation or foreign corporation engaged in a U.S. trade or business (Form 5472)
- You are a U.S. transferor of property to a foreign corporation (Form 926)
- You are a U.S. person with an interest in a foreign trust (Forms 3520 and 3520-A)
- You are a U.S. person with interests in a foreign partnership (Form 8865)
- Other items as necessary

You should also know that IRS audit procedures will almost always include questions on bartering transactions and on deductions that require strict documentation such as travel and meal expenses and expenses for business usage of autos and computers. In preparing your return(s), we rely on your representations that we have been informed of all bartering transactions and that you understand and have complied with the documentation requirements for your expenses and deductions. If you have questions about these issues, please contact us.

If, during our work, we discover information that affects prior-year tax returns, we will make you aware of the facts. However, we cannot be responsible for identifying all items that may affect prior-year returns. If you become aware of such information during the year, please contact us to discuss the best resolution of the issue. We will be happy to prepare appropriate amended returns as a separate engagement.

Our work in connection with preparation of the tax return(s) does not include any procedures designed to discover defalcations or other irregularities, should any exist. The return(s) will be prepared solely from information provided to us without verification by us.

In accordance with federal law, in no case will we disclose your tax return information to any location outside the United States, to another tax return preparer outside of our firm for purposes of a second opinion, or to any other third party for any purpose other than to prepare your return without first receiving your consent.

The Internal Revenue Code and regulations impose preparation and disclosure standards with non-compliance penalties on both the preparer of a tax return and on the taxpayer. To avoid exposure to these penalties, it may be necessary in some cases to make certain disclosures to you and/or in the tax return concerning positions taken on the return that do not meet these standards. Accordingly, we will discuss tax positions that may increase the risk of exposure to penalties and any recommended disclosures with you before completing the preparation of the return. If we concluded that we are obligated to disclose a position and you refuse to permit the disclosure, we reserve the right to withdraw from the engagement and you agree to compensate us for our services to the date of withdrawal. Our engagement with you will terminate upon our withdrawal.

The IRS permits you to authorize us to discuss, on a limited basis, aspects of your return for one year after the return's due date. Your consent to such a discussion is evidenced by checking a box on the return. Unless you tell us otherwise, we will check that box authorizing the IRS to discuss your return with us.

It is our policy to keep records related to this engagement for seven (7) years. However, we do not keep any of your original records, so we will return those to you upon the completion of the engagement. When records are returned to you, it is your responsibility to retain and protect the records for possible future use, including potential examination by governmental or regulatory agencies.

By signing this engagement letter, you acknowledge and agree that upon the expiration of the seven (7) year period, we are free to destroy our records related to this engagement.

Pursuant to Circular 230, we are required to advise you that any federal tax advice contained herein or in any communication resulting from this engagement is not intended or written to be used, and cannot be used, by the addressee or any taxpayer for the purposes of avoiding penalties that may be imposed under the Internal Revenue Code or for promoting, marketing, or recommending to another party any plan or arrangement addressed in the communication.

Certain communications involving tax advice are privileged and not subject to disclosure to the IRS. By disclosing the contents of those communications to anyone, or by turning over information about those communications to the government, you may be waiving this privilege. To protect this right to privileged communication, please consult with us or your attorney prior to disclosing any information about our tax advice. Should you decide that it is appropriate for us to disclose any potentially privileged communications; you agree to provide us with written, advance authority to make that disclosure.

Should we receive any request for the disclosure of privileged information from any third party, including a subpoena or IRS summons, we will notify you. In the event you direct us not to make the disclosure, you agree to hold us harmless from any expenses incurred in defending the privilege, including, by way of illustration only, our attorney's fees, court costs, outside

adviser's cost, or penalties or fines imposed as a result of your asserting the privilege or your direction to us to assert the privilege.

The return(s) may be selected for review by the taxing authorities. In the event of an audit, you may be requested to produce documents, records or other evidence to substantiate the items of income and deduction shown on a tax return. Any proposed adjustments by the examining agent are subject to certain rights of appeal. In the event of an examination, we will be available, upon request, to represent you. However, such additional services are not included in our fee for preparation of your return(s).

Our fees for the above tax services will be computed at our standard rates, plus any out-of-pocket expenses. All invoices are due and payable upon receipt and will be subject to a late payment charge of 1.5% per month if not paid within 30 days. If for any reason your account is turned over for collections, you will be billed for any expenses associated with the collection process.

In accordance with our firm policies, work may be suspended if your account becomes 90 days or more overdue and will not be resumed until your account is paid in full. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed upon written notification of termination.

In the event of a dispute related in any way to our services (other than our efforts to collect a past due invoice), our firm and you agree to discuss the dispute and, if necessary, to promptly mediate in a good faith effort to resolve. We will agree on a mediator, but if we cannot, either of us may apply to a court having personal jurisdiction over the parties for appointment of a mediator. We will share the mediator's fee and expenses equally, but otherwise we will bear our own attorneys' fees and mediation cost. Participation in such mediation shall be a condition to either of us initiating litigation. In order to allow time for the mediation, any applicable statute of limitations shall be tolled for a period not to exceed 120 days from the date either of us first requests in writing to mediate the dispute. The mediation shall be confidential in all respects, as allowed or required by law, except our final settlement positions at mediation shall be admissible in litigation solely to determine the prevailing party's identity for purposes of the award of attorneys' fees.

In connection with this engagement, we may communicate with you or others via email transmission. As emails can be intercepted and read, disclosed, or otherwise used or communicated by an unintended third party or may not be delivered to each of the parties to whom they are directed and only to such parties, we cannot guarantee or warrant that emails from us will be properly delivered and read only by the addressee. Therefore, we specifically disclaim and waive any liability or responsibility whatsoever for interception or unintentional disclosure of emails transmitted by us in connection with the performance of this engagement. In that regard, you agree that we shall have no liability for any loss or damage to any person or entity resulting from the use of email transmissions, including the consequential, incidental, direct, indirect, or special damages, such as loss of revenues or anticipated profits or disclosure or communication of confidential or proprietary information.

We have the right to withdraw from this engagement, in our discretion, if you don't provide us with any information we request in a timely manner, refuse to cooperate with our reasonable requests or misrepresent any facts. Our withdrawal will release us from any obligation to complete your returns and will constitute completion of our engagement. You agree to compensate us for our time and out-of-pocket expenses through the date of our withdrawal.

If the foregoing correctly sets forth your understanding of our engagement, please sign in the space provided below. If you disagree with any of these terms, please notify us immediately.

We want to express our appreciation for this opportunity to work with you.

Sincerely,

Warren, Sasser & Associates, LLC

AGREED TO AND ACCEPTED:

Signature

Date

Signature

Date