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January 2, 2019

Dear Client,

This letter is to confirm and specify the terms of our engagement with you for the year ended December 31, 2018 and to clarify the nature and extent of the tax services we will provide. We will prepare the federal, state and local individual income tax returns for the calendar year ending December 31, 2018.

It is your responsibility to provide all the information required for the preparation of complete and accurate returns. You should retain all 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. Our work in connection with the preparation of the tax returns does not include any procedures designed to discover defalcations or other irregularities, should any exist. The returns will be prepared solely from information provided to us without verification by us however, we may ask for clarification of some information. You have the final responsibility for the income tax returns and, therefore, you should review them carefully before you sign them.

We have provided you with our tax organizer and instructions to assist you in gathering and organizing the necessary information for us.. You represent that the information you are supplying to us is accurate and complete to the best of your knowledge and that you have disclosed to us all relevant facts affecting the returns. We are under no duty to check the information you provide to determine whether you may have a filing obligation with another state or foreign entity. If we become aware of any other filing requirement, we will tell you of the obligation and may prepare the appropriate returns at your request. This will include the ownership of or signature authority over any foreign bank accounts and the ownership of any other foreign financial assets.

You should also know that IRS audit procedures will almost always include questions on bartering transactions and on deductions that require strict documentation for expenses such as travel, meals and business usage of autos and computers. In preparing your returns, 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, 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.

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.

The firm may use third-party service providers to assist in preparing your return, but these preparers will not make substantive decisions concerning your return. We remain committed to maintaining the confidentiality and security of your information. Accordingly, we maintain internal policies, procedures and safeguards to protect the confidentiality of your personal information. In addition, we will secure confidentiality agreements with all service providers to maintain the confidentiality of your information and we will take reasonable precautions to determine that they have appropriate procedures in place to prevent the unauthorized release of your confidential information to others. Furthermore, the firm will remain responsible for the work provided by any such third-party service providers.

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 don't 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.

It is our policy to keep tax return records related to this engagement for three years. However, we will return your original records 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, and banks when refinancing. By signing this engagement letter, you acknowledge and agree that upon the expiration of the three year period, we are free to destroy our records related to this engagement.

## 2018 Engagement Letter (continued)

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 communication; 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 costs, or penalties or fines imposed as a result of your asserting the privilege or your direction to us to assert the privilege.

The returns 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 a tax examination, we will be available, upon request, to represent you. However, such additional services are not included in the fees for the preparation of the tax returns.

Our fees for tax services will be billed upon completion of your returns at the appropriate rate for the level and value of services rendered, plus out-of-pocket expenses. All invoices are due and payable upon presentation. If for any reason the account is turned over for collection, an additional charge of 33 1/3% will be added to cover collection costs.

In the event of a dispute related in any way to our services, 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 fees and expenses equally, but otherwise 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. You agree to indemnify us for any legal fees incurred by us as a result of any inaccurate or false representations made to us.

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, or refuse to cooperate with our reasonable requests or misrepresent any facts. Our withdrawal will release us from any obligation to complete your return 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 tax engagement, please sign this letter in the space below and return it to our office. We want to express our appreciation for this opportunity to work with you.

Sincerely,

*Cristina Andreana, CPA*

On behalf of ACT Financial and Tax Services, LLC

### Agreed and Accepted by:

Taxpayer Signature \_\_\_\_\_ Date \_\_\_\_\_

Spouse Signature \_\_\_\_\_ Date \_\_\_\_\_