

RATES ARE \$475 / HR, 1 HR MINIMUM, DUE AT TIME OF SERVICE

TAX NINJA-- TAX RETURN ENGAGEMENT LETTER

Services. We will prepare your federal and state income tax returns from information that you will furnish us. We will not audit or otherwise verify the data you submit, although we may seek clarification of the information.

Client Responsibilities. It is your responsibility to provide all the information required for the preparation of complete and accurate returns. You should retain all the documents, canceled checks and other data that form the basis of income and deductions. **You have the final responsibility for the income tax returns.**

Errors, Misrepresentations, Fraud, Illegal Acts. Our work in connection with the preparation of your tax returns does not include any procedures designed to discover defalcations or other irregularities, should any exist. You are responsible for reporting foreign activities. U.S taxpayers are required to report worldwide income (U.S. and foreign sources). **Penalties for failure to report foreign activities are severe.** We will render such accounting and bookkeeping assistance as determined to be necessary for preparation of the income tax returns. We make every reasonable effort to avoid any errors or omissions in the services or advice that we provide to clients. Our liability for any errors or omissions will be limited to a full refund of the fees paid and will not include liability for any consequential damages. Any claim for damages will expire within two years of the filing date of your return. Our liability is also limited to you and any recommendations provided to you may not be used or relied upon by any other parties. Disputes with the IRS regarding the interpretation of the tax law will not constitute an error or omission if you have been advised of the difference in opinion.

Professional Judgment. We use professional judgment in resolving questions where the tax law is unclear 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 (i.e. tax agencies and courts), we will explain the possible positions that may be taken on your return. We will adopt, on your behalf, the alternative which you select after having considered the information provided by us. Pursuant to new standards prescribed in IRS Circular 230 and IRC 6694, we are forbidden from signing a tax return unless we have a reasonable belief that a tax position taken on the return will have a more likely than not probability of being sustained on its merits unless we disclose this tax position on a separate attachment to the tax return. However, under no circumstances may we sign a tax return with a tax position that has no reasonable basis. If the tax authority 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.

Professional Services. TAX NINJA INC IS AN INCOME TAX PREPARATION SERVICE. NO ATTORNEY CLIENT RELATIONSHIP OR OTHER PROFESSIONAL RELATIONSHIP EXISTS FROM THE TAX PREP SERVICES. Should legal services or other relationship be required we will happily help you with them. But those services shall be rendered separately under a different agreement.

Filing Deadline, Extensions, and Penalties. The filing deadline for most tax returns is **April 15**. If an extension is required, any tax due with this return must be paid with that extension. Any amounts not paid by the filing deadline may be subject to interest and late payment penalties. 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. Any estimates regarding your estimated tax liability are just that, estimates.

Examination of Returns. Your returns may be selected for review by the taxing authorities. Any proposed adjustments by the examining agent are subject to certain rights of appeal. In the event of such governmental tax examination, we will be available, upon request, to represent you and will provide you with a separate engagement letter for such services.

Fees. Our fee for these services and consultations is based upon the amount of time required for tax preparation, as well as for conferences, research and consulting services. Time involved in the preparation of your tax return includes meetings, correspondence, e-mail communications, telephone conversations, research, review and analysis. Unless agreed otherwise, our tax preparation fee is a one hour minimum at \$475.00/hour, payable when we complete the tax preparation services and/or consultation.

Confidentiality. We will not disclose any of your privileged information, unless required by law, without written instructions from you.

Electronic Filing: Under Federal and California law, we must electronically file your returns. However, you may opt out of electronically filing. If you would rather not e-file, we will provide you with the opt out forms you must sign and return to us.

Agreement. If the foregoing fairly sets forth your understanding, please sign the letter in the space indicated and return it to our office. This engagement does not include any services not specifically stated in this letter.

Signature _____

Date

Print Name