



Dear Client,

This letter is to confirm and specify the terms of our engagement with you and to clarify the nature and extent of the services we will provide. In order to ensure an understanding of our mutual responsibilities, we ask all clients for whom returns are prepared to confirm the following arrangements.

We will prepare your 2019 federal and state income tax returns from information you furnish to us. We will provide you with questionnaires and worksheets to guide you in gathering the necessary information. Your use of such forms will help ensure that you are not overlooking important information and will assist in keeping the fee to a minimum.

We must receive all necessary information to prepare your returns by **March 25, 2020**, in order to complete your returns by the April 15 deadline. If we have not received all of your information by this date, we will likely need to file for an extension of time to file your returns. You should keep in mind that this would be an extension of time to file the returns; however, any tax estimated to be due would need to be paid with the extension request by April 15, 2020. **We will not file any federal, state or local tax extensions unless you specifically request us to do so in writing, by fax or email. We assume no liability for late filing or late payment penalties.**

Due to the significant changes enacted by the *Tax Cuts and Jobs Act of 2017* and some new concepts introduced in the law, additional guidance from the IRS and from Congress may be forthcoming. We will use our professional judgment and expertise to assist you given the Tax Act guidance as currently promulgated. Subsequent developments from the issuance of additional guidance or materials from the applicable tax authorities may affect the information we have previously provided, and these effects may be material. We are not liable for any taxes or fees resulting from changes to or clarifications of the current law.

It is your responsibility to provide all the information required for the preparation of complete and accurate returns. This includes, but is not limited to, providing us with the information necessary to identify all states and foreign countries in which you "do business" or derive income (directly and indirectly) and the extent of business operation in each relevant state and/or country. This also includes information pertaining to transactions or accounts comprised of virtual currencies. 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 returns to a taxing authority.

Please note that the IRS considers virtual currency (e.g., Bitcoin) as property for U.S. federal tax purposes. As such, any transactions in, or transactions that use, virtual currency are subject to the same general tax principles that apply to other property transactions. If you had virtual currency activity during the year, you may be subject to tax consequences associated with such activity.

If you and/or your entity have a financial interest in, or signature authority over, any foreign accounts, you are responsible for filing Form FinCen 114 required by the U.S. Department of the Treasury on or before April 15th of each tax year. Filing requirements may 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 accounts. We assume no liability for penalties associated with the failure to file or untimely filing of this form.

Additionally, the IRS requires information reporting on foreign interests or activities under applicable IRC 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 have any direct or indirect foreign interests that require disclosures to the IRS, you must provide us with the information necessary to prepare the applicable IRS forms.

Failure to timely file the appropriate forms with the U.S. Department of the Treasury and the IRS may result in substantial civil and/or criminal penalties. By your signature below, you agree to provide us with complete and accurate information regarding any foreign accounts that you and/or your entity may have had a direct or indirect interest in, or signature authority over, during the above referenced tax year. We assume no liability for penalties associated with the failure to file or untimely filing of these forms.

IRS audit procedures will almost always include questions on bartering transactions and on deductions that require strict documentation, such as travel and entertainment expenses and expenses for the business usage of autos. Charitable contributions also have strict documentation requirements. 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 all your expenses and deductions. If you have questions about what documentation is needed, please contact us.

The law provides for a penalty to be imposed where a taxpayer makes a substantial understatement of their tax liability. Taxpayers may seek to avoid all or part of the penalty by showing (1) that they acted in good faith and there was reasonable cause for the understatement, (2) that the understatement was based on substantial authority, or (3) there was a reasonable basis for the position taken on the return and the relevant facts affecting the item's tax treatment were adequately disclosed on the return. You agree to advise us if you wish disclosure to be made in your returns or if you desire us to identify or perform further research with respect to any material tax issues for the purpose of ascertaining whether, in our opinion, there is "substantial authority" for the position proposed to be taken on such issue in your returns.

Our work in connection with the preparation of your income tax returns does not include any procedures designed to discover defalcations and/or irregularities, should any exist. We will not audit or otherwise verify the information you give us; however, we may ask for additional clarification of some information. We will render such accounting and bookkeeping assistance as determined to be necessary for preparation of the income tax returns as requested.

We are required by the taxing authorities to electronically file all federal and state individual income tax returns ("e-filing"). We will provide you with a paper or electronic copy of your returns to review prior to e-filing, and we will only transmit the returns to the taxing authorities after we have received signed authorization indicating that you have reviewed the returns and believe they are correct. You have the final responsibility for the income tax returns and, therefore, you should review them carefully before you authorize us to file them. We will not be financially responsible for electronic transmission or other errors arising after your return has been successfully submitted from our office.

By your signature below, you understand and agree that you are responsible for the accuracy and completeness of the records, documents, explanations, and other information provided to us for purposes of this engagement. You agree that our firm is not responsible for a taxing authority's disallowance of deductions or inadequately supported documentation, nor for resulting taxes, penalties, and interest.

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.

In accordance with federal law, we will not disclose your tax return information to any location outside the United States, to another preparer outside of our firm for a second opinion, or to any other third party for any purpose other than to prepare your return without first receiving your consent.

The IRS permits you to authorize us to discuss with them, 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 the box authorizing the IRS to discuss your return with us.

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, your employees, or agents 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 privilege 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.

We maintain internal policies, procedures and safeguards to protect the confidentiality of your personal information. During the processing of your return, your information may be shared with third-party service providers, some of which are cloud-based. For your security, we have secured confidentiality terms with all service providers to maintain the confidentiality of your information and will take reasonable precautions to determine that they have appropriate procedures in place to prevent the unauthorized release of your confidential information to others. Although we will use our best efforts to make the sharing of your information with such third parties secure from unauthorized access, no completely secure system for electronic data transfer exists. As such, by your signature below, you understand that the firm makes no warranty, expressed or implied, on the security of electronic data transfers.

In connection with this engagement, we may communicate with you or others via email transmission. We have a policy of not sending sensitive financial or personal information, such as social security numbers, bank account or credit card information through email communication, and we strongly advise you not to send similar information to us through email. Email can be intercepted or otherwise compromised, and so we specifically disclaim and waive any liability or responsibility whatsoever for interception or unintentional disclosure or communication of email transmissions, or for the unauthorized use or failed delivery of emails transmitted by us in connection with the performance of this engagement.

It is our policy to keep records related to this engagement for seven years. However, we do not keep any of your original records, so we will return those to you upon completion of this 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. We do not accept responsibility for hosting client information; therefore, you have the sole responsibility for ensuring you retain and maintain in your possession all your financial and non-financial information, data and records. By signing this engagement letter, you acknowledge and agree that upon the expiration of the seven-year period, we are free to destroy our records related to this engagement.

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. You agree to immediately notify us upon the receipt of any correspondence from any agency covered by this letter. We are available to represent you and our prices for such services are at our standard rates and would be covered under a separate engagement letter. Our tax return preparation price does not include responding to letters, inquires or examination by taxing authorities or third parties, for which **you will be separately billed for time and expenses involved.**

Our price 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. Any accounting or bookkeeping service assistance as determined necessary for preparation of income tax returns will be billed at an additional cost. All invoices are due and payable upon presentation. Amounts not paid within 30 days from the invoice date will be subject to a late payment charge of 1.5% per month (18% per year).

If any dispute arises between us, we agree to try first in good faith to settle the dispute by mediation administered by the American Arbitration Association (AAA) under its Rules for Professional Accounting and Related Services Disputes. All unresolved disputes shall then be decided by final and binding arbitration in accordance with the Rules for Professional Accounting and Related Services Disputes 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 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 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 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 fairly sets forth your understanding, please sign this letter in the space indicated and return it to our office. However, if there are other tax returns you expect us to prepare, please inform us by noting so at the end of this letter.

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

Very truly yours,

Stenseth Samuelson & Boese, Ltd.

Name(s): _____

Signature(s): _____

Date: _____