

Individual Income Tax - Professional Service Agreement

We appreciate the opportunity to work with you. In order to provide you with excellent service, clear communication is critical. To minimize the possibility of any misunderstanding, we are providing important information regarding our services. We encourage you to completely fill out all tax worksheets. If you choose not to, you are accepting the responsibility to provide us all the information necessary to prepare a complete and accurate return. By returning this organizer (even if blank) or by providing us with information to prepare your return, you agree to be bound by the terms contained in this Professional Service Agreement.

We will provide the following services:

We will prepare your 2011 Federal and State(s) individual income tax returns based on the information you provide, including any oral representations made by you. Enclosed are materials to help you gather and organize your tax data. We do not audit or otherwise verify the data that you provide, so this engagement cannot be relied upon to disclose errors, fraud or other illegal acts that may exist. We prioritize our work by date received, so please note that information you provide by March 31st, 2012, will be given the highest priority towards completion by April 17, 2012. It may be possible for us to complete your return on time if you provide information to us April 1st or later. However, you may be subject to late filing or late payment penalties if your return or a properly prepared extension (with payment if necessary) is not filed by April 17, 2012.

We will use our judgment to resolve questions in your favor, where tax law is unclear, if there is a reasonable justification for doing so. If there is an unclear applicable tax law or if there are conflicting interpretations of the tax law by authorities (e.g., tax agencies and courts), we will explain the possible positions that may be taken on your return. We will follow whatever position you request, so long as it is consistent with the codes, regulations and interpretations. If the IRS should later contest the position taken, you assume the risk of assessment of additional tax plus interest, penalties or related attorney fees. We assume no liability for any such additional penalties, assessments or related attorney fees. Pursuant to 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 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.

Fees for tax preparation services are based upon average times spent preparing each form. Additional time charges may be assessed. Our fee does not include responding to inquiries or examination by taxing authorities. However, Leslie is licensed to represent you and fees for such services are billed at hourly rates. **Payment for services is due when rendered (prior to e-filing your returns)** and interim billings may be submitted as work progresses and expenses are incurred. We reserve the right to stop work or not release our work on any account that is 30 days past due, in accordance with our firm's stated collection policy.

This agreement does not cover preparation of forms related to international bank accounts. If you need assistance with Form TD F 90-22.1 (FBAR), please contact our office.

Our clients agree to:

1. Contact us if you are interested in our services (even if you are just looking for an extension). We cannot file an extension unless you provide the required information.
2. Provide all the information required for the preparation of complete and accurate tax returns by March 31st, 2012, or enough to file an extension (see above regarding the time frame in which to turn in documents to our office).
3. Maintain a copy of your tax return and the documentation necessary to support the data used in preparing your tax returns, since we return all originals. (If you have any questions as to the type of records required, please ask us.) You will be billed \$15 for additional tax return copies.
4. Review your tax returns before signing them or the e-file authorization forms. (You have final responsibility for your income tax returns. You agree to review them carefully and immediately inform us of any incorrect information, error or required changes before signing the forms provided to you. You are responsible for any taxes and interest subsequently due.)
5. Notify us if you do not want to e-file and sign the appropriate form to opt-out. New rules require that tax professionals e-file all qualifying returns, or obtain a signed statement from you to opt-out.

You agree that our liability for the services being rendered under this engagement will be limited to any penalties caused by any mistakes made by us. In the event of a breach of this agreement, you agree that damages cannot exceed the fees paid for this engagement. You remain responsible for any taxes, interest and or penalties resulting from erroneous information provided to us. In no event shall we be responsible for punitive damages or interest charged by any governmental entity.

It is expressly understood that no action or claim, regardless of form, arising out of the services under this agreement, may be brought more than one year after the date of the last services provided under this agreement, except that a claim for non-payment may be brought within ten years of the final bill. In addition, any disputes arising under this agreement shall be submitted for a binding determination to the American Arbitration Association or such other ADR procedures as may hereafter be agreed between the parties.

Your Privacy:

As your CPA, we collect:

Information provided by you from your tax organizer, worksheets, documents, and discussions as well as information that we develop as part of the tax preparation process.

As your CPA, we are required to keep all information about our engagement confidential, so we will not disclose any information about you unless we have your approval or are required/permitted by law. This applies even if you are no longer a client. In addition, we are committed to the safekeeping of your confidential information and we maintain physical, electronic, and procedural safeguards to protect your information.

If the income tax returns we prepare are **joint** returns, each of you are our client. You each acknowledge that there is no expectation of privacy from the other and we are at liberty to share with either of you, without the prior consent of the other, any and all documents and other information concerning preparation of your **joint** returns.

We are pleased to have you as a client and look forward to a long and mutually satisfying relationship.

Wishing you a healthy and prosperous New Year,
Leslie J. Kotrba, CPA & Staff