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Certified Public Accountants & Business Consultants

## Engagement Letter for Preparation of Individual Tax Returns

Dear Client:

Thank you for selecting MD&A to assist you with your tax affairs. This letter confirms the terms of our engagement with you and the nature and extent of services we will provide.

We will prepare your federal, state(s) & local (as requested) income tax returns using information you provide to us. We may ask for clarification of some items, but we will not audit or otherwise verify the data you submit.

**The timeliness of your cooperation is essential to our ability to complete this engagement. Specifically, we must receive sufficient information from which to prepare your returns within a reasonable period of time prior to the applicable filing deadline. Accordingly, if we do not receive information from you by March 31 it may be necessary for us to pursue an extension of the due date of your returns.**

If requested, we have or will provide to you an “Organizer” to help you gather the information required for a complete return. If you use the Organizer, it will help you avoid overlooking important information and contribute to an efficient preparation of your returns.

It is your responsibility to provide all the information required for preparation of complete and accurate returns. We will digitize and store all supporting documentation we determine to be necessary along with our work papers for your engagement for a period of seven years. After seven years, our work papers and engagement files will be destroyed. You should retain all documents, canceled checks and other data that support your reported income and deductions. They may be necessary to prove accuracy and completeness of the returns to a taxing authority. All applicable documents you provide to us will be returned to you for such safekeeping.

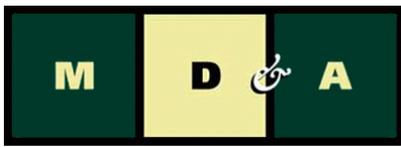
You are responsible for the returns, so you should review them carefully before you approve their submission by signing the e-file permission forms. ***Generally, all returns are required to be filed electronically and no returns will be filed without the executed e-file authorization forms being in our possession.***

Our work will not include any procedures to discover defalcations or other irregularities. The only accounting or analysis work we will do is that which is necessary for preparation of your income tax returns.

We will use our judgment in resolving questions where the tax law is unclear, or where there may be conflicts between the taxing authorities’ interpretations of the law and other supportable positions. In order to avoid penalties, we will apply the “more likely than not” reliance standard to resolve such issues. You agree to honor our decisions regarding the need to make protective disclosures in your returns.

Members of American and Pennsylvania Institutes of Certified Public Accountants

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Significant penalties can be imposed on you for failing to disclose participation in “reportable transactions,” that is, certain arrangements the IRS has identified as potentially abusive. We will insist that all such transactions be properly disclosed. The law also imposes penalties when taxpayers understate their tax liability. If you have concerns about such penalties, please call us.

Your returns may be selected for audit by a taxing authority. You should know that such audit procedures will routinely include questions on bartering transactions and other expenses that require strict documentation such as travel/entertainment and the business use of automobiles, computers and phones. In preparing your returns, we rely on your representations that we have been informed of such transactions and that you have complied with the documentation requirements for all of your expenses and deductions.

In the event of a tax examination, we can arrange to be available to represent you. Such representation will be a separate engagement for which an engagement letter will be provided to you. Fees and expenses for defending the returns will be invoiced in accordance with terms we agree on for that engagement.

The IRS permits you to authorize us to discuss, on a limited basis, aspects of your return for one year after the returns 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.

Unless other arrangements have been agreed to, our fee for preparation of your tax returns will be based on the amount of time required at standard billing rates plus out-of-pocket expenses. All invoices are due and payable upon presentation.

***By signing and returning your e-file authorization forms you are agreeing to the terms of this letter.***

We appreciate your confidence in us. Please contact us if you have questions or concerns.

Sincerely,

**Markovitz Dugan & Associates**

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