



ATI Financial Services, LLC

1000 Brooktree Road - Suite 100

Wexford, PA 15090

(724) 933-9790

Fax: (724) 933-9783

ENGAGEMENT LETTER FOR TAX SERVICES

This letter is intended to reflect our mutual understanding of the services that ATI Financial Services, LLC (hereafter collectively referred to as "ATI", "we" or "us") will provide for you, our client (hereafter referred to as "you" or "client").

SERVICES TO BE PROVIDED (mark all that apply):

_____ **Federal Individual Tax Return Preparation:** we will prepare your Federal Individual Income Tax Return(s) and related schedules for the year(s) ended December 31, 2018 _____.

_____ **State Individual Tax Return Preparation:** we will prepare your Individual Income Tax Return(s) and related schedules for the following state(s) _____ for the year(s) ended December 31, 2018, _____.

_____ **Local Individual Tax Return Preparation:** we will prepare your Individual Income Tax Return(s) for the following local taxing authorities _____ for the year(s) ended December 31, 2018 _____.

_____ **Federal Corporate Tax Return Preparation:** we will prepare your Federal Corporate Income Tax Return(s) on Form 1120S and related schedules for the year(s) ended December 31, 2018 _____.

_____ **State Corporate Tax Return Preparation:** we will prepare your State Corporate Income Tax Return and related schedules for the following state(s) _____ for the year(s) ended December 31, 2018 _____.

_____ **Federal Partnership Tax Return Preparation:** we will prepare your Federal Partnership Income Tax Return on Form 1065 and related schedules for the year(s) ended December 31, 2018 _____.

_____ **State Partnership Tax Return Preparation:** we will prepare your State Partnership Income Tax Return and related schedules for the following state(s) _____ for the year(s) ended December 31, 2018 _____.

_____ **Federal Estate or Trust Income Tax Return Preparation:** we will prepare a Federal Estate or Trust Income Tax Return on Form 1041 and related schedules for the tax period ended _____.

_____ **State Estate or Trust Income Tax Return Preparation:** we will prepare a State Estate or Trust Income Tax Return and related schedules for the tax period ended _____.

_____ **Pennsylvania Inheritance Tax Return Preparation:** we will prepare a Pennsylvania Inheritance Tax Return on Form REV-1500 and related schedules for the estate of _____.

_____ **Federal Gift Tax Return Preparation:** we will prepare your Federal Gift Tax Return on Form 709 and related schedules for the year(s) ended December 31, 2018 _____.

The tax returns designated above will be completed at our customary fees for tax preparation services. An estimate of these fees will be provided to you upon request.

_____ **Tax Planning and Research Services:** we will perform tax planning, research and analysis services for you as follows: _____ This work will be performed at our customary hourly rate of \$300.00.

_____ **Representation before the IRS:** we will represent you before the Internal Revenue Service to resolve open tax matters as follows: _____ This work will be performed at our customary hourly rate of \$300.00.

_____ **Other Services:** we will provide other services as follows: _____

We will prepare the tax returns and/or perform the other services as outlined on the previous page. This engagement pertains only to those services, and our responsibilities do not include the preparation of any other tax returns that you may be required to file. Unless otherwise expressly stated in this letter, our services will not include rendering specific tax advice. If you have taxable activity in a state or local municipality other than as specified on the prior page, you are responsible for providing us with all of the information necessary to prepare any additional required state and local income tax returns. Please note that if you have tax filing requirements in a given state or local municipality but do not file that return, you could be subject to possible adverse ramifications, including fines and penalties.

The tax laws provide for various penalties that may be imposed when taxpayers understate their tax liability. You acknowledge that any such understated tax liability, and any imposed interest and penalty thereon, are your responsibility, and that we have no responsibility for any such penalties. Your tax returns may be selected for review by the taxing authorities or you may receive a notice requesting a response to certain issues on your tax return. Any adjustments proposed by the tax authority are subject to certain rights of appeal. In the event of such a tax examination or inquiry, we will be available upon request to represent you or respond to such inquiry. At that time, we will provide you with an additional engagement letter to clarify the nature and extent of any services we will provide regarding the tax examination or inquiry and will render additional invoices for any such services and expenses incurred.

We will prepare the tax returns based on the information which you furnish to us. It is your responsibility to provide us with all of the information required for the preparation of complete and accurate tax returns. We will furnish you with tax organizers and/or worksheets as needed to guide you in gathering the necessary information needed to prepare your tax returns. Your use of such forms will assist us in keeping your tax return preparation fee to a minimum. To the extent we render any accounting and/or bookkeeping services to you, such services will be considered "out of scope" of this engagement letter. Prior to the commencement of any such "out of scope" services, we will discuss with you the nature and extent of the work and provide you with a subsequent engagement letter that clarifies these services.

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 all necessary information from you by **April 1, 2019**, it may be necessary for us to pursue extensions of the due date of your tax returns, and/or we reserve the right to suspend our services or withdraw from this engagement. Various penalties and interest are imposed when taxpayers fail to pay the full amount of taxes owed by the filing due date of the related tax return. Furthermore, additional penalties and interest are imposed when taxpayers fail to remit the proper amount of estimated tax payments. You acknowledge that any such penalties and interest that arise due to the underestimation of current year taxes owed or subsequent year tax estimates remitted are your responsibility, and that we have no responsibility in that regard. For an additional fee, we can assist you in estimating the amounts of any estimated tax payments required for the new year.

We will not audit or otherwise verify the accuracy of the data that you submit. Accordingly, our engagement cannot be relied upon to disclose errors, fraud, or other illegal acts that may exist. However, it may be necessary for us to ask you for clarification of some of the information that you provide, and we will inform you of any material errors, fraud or other illegal acts that come to our attention in the normal course of preparing your tax returns.

We may encounter instances 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 those instances, we will advise you of the reasonable alternative courses of action, including the risks and consequences of each such alternative. In the end, 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.

Our fees for this engagement are not contingent on the results of our services. Rather, our fees for this engagement will be based on a number of factors including, but not limited to, the time spent preparing your tax returns as well as the complexity of the services we perform. In addition, you agree to reimburse us for any out of pocket costs incurred

in connection with the performance of our services. Payment for our services is due upon completion of the tax returns or other services to be performed, unless other arrangements have been made with us in advance. Invoices unpaid 30 days past the billing date may be deemed delinquent, and are subject to an interest charge of 1% per month. We reserve the right to suspend our services or to withdraw from this engagement in the event that any of our invoices are deemed delinquent. In the event that any collection action is required to collect unpaid balances due us, you agree to reimburse us for the costs of collection including court and attorneys' fees.

If we elect to terminate our services, our engagement will be deemed to have been completed upon written notification of such termination, even if we have not completed your tax returns. You will be obligated, through the date of termination, to compensate us for all outstanding invoices as well as our final invoice, and to reimburse us for our entire out of pocket costs. For these purposes, any nonpayment, inability to sign the tax return, or non-response by you of information requested (among other things) will constitute a basis for our election to terminate our services.

You should retain all documents, canceled checks and other data that form the basis of all income and deductions as reflected in your income tax returns. These may be necessary to prove the accuracy and completeness of the returns to a taxing authority. **You have the final responsibility for your income tax returns and, therefore, you should review them carefully before you sign them.**

It is our policy to retain engagement documentation for a period of seven years (five years for former clients), after which time we will commence the process of destroying the contents of our engagement files.

If the income tax returns we are to prepare in connection with this engagement are joint returns, you and your spouse will each sign those returns, and therefore each of you is our client. You each acknowledge that there is no expectation of privacy from the other concerning our services in connection with this engagement, 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 returns.

In the event we are required to respond to a subpoena, court order or other legal process for the production of documents and/or testimony relative to information we obtained and/or prepared during the course of this engagement, you agree to compensate us, for the time we expend in connection with such response, and to reimburse us for all of our out of pocket costs incurred in that regard.

In the event that we become obligated to pay any judgment or similar award, you agree to pay any amount in settlement, and any costs incurred, as a result of any inaccurate or incomplete information that you provided to us during the course of this engagement. You agree to indemnify us, defend us, and hold us harmless against such obligations, agreements, and/or costs.

You agree that any dispute that may arise regarding the meaning, performance or enforcement of this engagement will, prior to resorting to litigation, be submitted to mediation, and that you will engage in the mediation process in good faith once a written request to mediate has been given by either party to the engagement. Any mediation initiated as a result of this engagement shall be administered by a law firm specializing in the mediation process, not associated with either party, and selected by us, according to its mediation rules. The costs of any mediation proceeding shall be shared equally by the participating parties.

Any litigation arising out of this engagement, except actions by us to enforce payment of any amounts owed to us, must be filed within one year from the completion of the engagement, notwithstanding any statutory provision to the contrary. This engagement letter is contractual in nature, and includes all of the relevant terms that will govern the engagement for which it has been prepared. The terms of this engagement letter supersede any prior oral or written representations or commitments by or between the parties. Any material changes or additions to the terms set forth in this letter will only become effective if evidenced by a written amendment to this letter, signed by all of the parties.

You will be given a copy of your tax returns upon completion of this engagement. It is your responsibility to maintain this copy in a secure location. Due to IRS regulations and upon the advice of legal counsel, we cannot provide copies

of your tax returns to third parties. If requested, and for an additional fee of \$50.00, we will provide you with additional copies of your tax returns which you may then provide to third parties.

We will return all original documents that you provide to us in connection with the preparation of your tax returns, with the exception of Forms W-2 and certain Forms 1099 that we are required by IRS regulations to retain. **We will return all other documents to you via US mail unless you request otherwise.**

In connection with this engagement, you make the following representations (where applicable) to us and acknowledge that we are relying upon such representations in performing our services for you:

- You have disclosed to us all pertinent information for the accurate preparation your tax return(s).
- You have provided more than 50% of the support for all dependents claimed on your tax return(s) and are otherwise entitled to claim those dependents.
- You have receipts or other documentation to support all deductions claimed on your tax return(s).
- All business-related expenses claimed on your tax return(s) were ordinary and necessary expenses incurred in the normal course of your trade or business.
- All deductions for entertainment expenses are supported by a written record of these expenses, including who was entertained and the business purpose of the entertainment. In addition, these expenses meet the directly-related or associated tests for deductibility.
- All deductions for business-related gifts were no more than \$25 per person for the year.
- All business ventures are bona fide business activities and have been entered into with a profit motive.
- You have provided us with all information necessary to calculate “basis” and “at risk” limitations for all interests in “S Corporations” and all entities taxed as partnerships.
- All charitable contributions of \$250 or more to the same charity claimed on your tax return(s) are supported by a written acknowledgment of your contribution from that organization.
- All charitable contributions of less than \$250 claimed on your tax return(s) are supported by a written bank record (such as a cancelled check) and a written acknowledgement from the receiving charity.
- All charitable contributions of clothing and household items consisted of items that were in at least “good” condition and are fairly valued.
- All deductions on your tax return(s) for the business use of vehicles are supported by a contemporaneous mileage log or other written support of all business miles driven.
- The portion of your home claimed on your tax return(s) for an office at home deduction was used regularly and exclusively for business purposes.
- You have disclosed to us all registered tax shelters and listed transactions required to be reported on your tax return(s).
- You have disclosed to us all foreign bank, brokerage, and investment accounts in which you held a financial interest or over which you held signature authority at any time during the year.
- Investments underlying dividends qualifying for reduced tax rates on your tax return(s) were held for at least 60 days around the applicable ex-dividend date.
- You have disclosed to us all security purchases which occurred within 30 days before or after the sale of an identical or substantially identical security, including purchases occurring in IRA accounts.
- You have provided us with accurate cost basis and holding period data for any securities or other assets sold during the year.
- You have disclosed to us all awards and exercises of Incentive Stock Options (also called Qualified Stock Options or Statutory Stock Options).
- All education-related expenses claimed for purposes of any education-related tax credit or the deduction for education tuition and fees were qualified education expenses for these purposes.
- All deductions for alimony payments are made pursuant to a divorce or separation agreement, consist of cash payments (no transfers of investments or property), and exclude any child support payments.
- All gifts of more than \$14,000 (\$28,000 from a married couple) to any one individual during the year have been reported on a United States Gift Tax Return on Form 709.
- You have provided us with all necessary information needed to accurately complete your tax returns vis a vis the requirements of the Affordable Care Act.
- You have provided us with the amounts of all purchases subject to applicable state use tax.

There are no guarantees as to any tax refunds to be received by you, as to the results of any matters before the Internal Revenue Service, any state tax authority or any local tax authority, or as to the results of any research or analysis performed by us for you.

By signing this letter, you authorize us to file requests for extensions of time to file your tax returns, as we may deem necessary, to comply with applicable tax laws.

If, after full consideration and consultation with counsel if so desired, you agree to authorize us to prepare your personal income tax returns pursuant to the terms set forth above, please execute this letter on the line(s) below designated for your signature(s), and return the this executed letter to this office. You should keep a copy of this fully executed letter for your records. If we do not receive from you this letter in fully executed form, but receive from you a completed copy of a tax organizer and/or supporting documentation requested therein, then such receipt by us shall be deemed to evidence your acceptance of all of the terms set forth above and we will commence with the tax return preparation process. **HOWEVER, UNDER NO CIRCUMSTANCES, SHALL WE SIGN A COMPLETED TAX RETURN OR PREPARE AN EXTENSION UNTIL WE RECEIVE FROM YOU THE SIGNED ENGAGEMENT LETTER.** If we do not receive a response to this letter from you, then we will not proceed to provide you with any professional services, and we will not prepare your tax returns.

Thank you for your cooperation in this matter. Please do not hesitate to contact us with any questions that you may have regarding our tax services.

Sincerely,

ATI Financial Services, LLC

ACCEPTED AND AGREED:

Taxpayer

Date

Spouse (if applicable)

Date