

SPECTRUM FINANCIAL RESOURCES

www.Spectrum-CPA.com

Spectrum Financial Resources, Inc.

15021 Ventura Boulevard #341 310.963.4322T

Sherman Oaks, CA 91403 805.267.4134F

Dear Client:

Spectrum Financial Resources, Inc. is pleased to provide you with professional services. This engagement letter embodies the entire agreement regarding the services to be rendered by our firm to you.

We will prepare, from information that you furnish to us, your 2017 Federal and California income tax returns, plus any additional tax returns identified by you. We will make no audit or other verification of the data you submit, although we may need to ask you for clarification on some of the information.

Additionally, you are responsible for providing us all the information necessary to identify (i) all states and foreign jurisdictions in which you “do business” or from which you derive income and (ii) the extent of business operations in each relevant state and/or foreign jurisdiction. Based on the information you provide, we will inform you of any additional state income tax filing requirements in addition to the above listed state returns. If any additional state returns are required, we will provide you with an estimate of our fees for each additional filing.

If you have derived income from a foreign country, we will use the foreign country income information that you provide to calculate any applicable federal or state foreign tax credit or other affected federal or state income tax items. However, you are responsible for meeting any foreign country income tax or other foreign country reporting requirements.

PLEASE ANSWER THE FOLLOWING QUESTIONS.

- 1. Foreign Bank Accounts.** Certain foreign bank accounts are required to be reported annually by filing a Foreign Bank Account Report. I/we have interest in/signatory authority over foreign bank accounts(s). Yes _____ No _____

Certain Foreign Holdings also require reporting. I/we hold a 10% or greater interest in a foreign company in which I/we serve as an officer or director. Yes _____ No _____

- 2. Form 1099 Filing Requirements.** For tax years beginning in 2011, taxpayers are required to confirm on certain tax return schedules that all Form 1099 filing requirements, if any, have been met. Please indicate if all 1099 filing requirements, if any, have been met. Yes _____ No _____

- 3. Health Insurance.** For tax years beginning in 2014, taxpayers, spouses and all beneficiaries are required to have health insurance for all 12 months of the year. I/we have health insurance for the entire year. Yes _____ No _____

You will need proof of your insurance. In 2016, everyone covered by insurance should receive a Form 1095, either 1095-A, 1095-B, or 1095-C. It's possible you and your family members will receive more than one. If you did not receive one of these forms, please forward to us any proof of insurance that you have.

The initial filing due date for your returns is April 15th. In the event of unresolved tax issues or delays in processing, or if we do not receive all of the information from you by March 1st, it may become necessary to apply for an extension of the filing deadline. Applying for an extension of time to file may extend the time available for taxing authorities to undertake an audit of your tax return. Additionally, extensions may affect your liability for penalties and interest or compliance with government deadlines. We are available to discuss this matter with you at your requested at our regular hourly fee should the need arise.

We expect to begin the preparation of your returns upon receipt of all tax documents requested whether in the organizer or by our office. Under normal circumstances, the staff prepares the majority of the return and then a CPA addresses the more difficult areas and reviews the return for accuracy. The administrative rate is used for such tasks as tax return assembly and copying. Our services will be concluded upon delivery to you of your 2017 Federal and State tax returns for your review and filing with the appropriate taxing authorities.

You will be billed quarterly at our regular hourly rates for the persons performing services on your account, plus a 7% fee for overhead & out-of-pocket expenses. Such fees are progress billed as time charges are incurred. Quarterly and year end computations and discussions will be included in quarterly invoices to the extent needed based on our hourly rates.

You will have the option to either pay the estimated fees and overhead charge in full with your signed engagement letter or be progress billed quarterly as services on your account are performed. In the event you pay the balance estimated with your engagement letter and actual services exceed the amount estimated, the additional charges will be billed in the quarter such services were provided.

You will also be given the option to pay your balance due using a credit or debit card. Should you choose to pay your engagement letter estimated balance in full at the time your engagement letter is signed and returned to us, we will apply a 2% discount to your overhead & out-of-pocket expenses. We have attached a credit card authorization form for you to complete and return with your engagement letter if you wish to pay by credit card.

Our current hourly rates are as follows:

Spectrum Financial Resources Inc.	2018 Hourly Rates
CPA/Partner	\$325
Director/ Senior Manager	\$225 - \$300
Manager	\$150 - \$225
Tax Staff	\$110 - \$150
Bookkeeper	\$90
Administrative Services	\$45

Our professional fees, expenses, and out-of-pocket costs are due and payable 30 days from the date of our billing statement to you. In the event that payment is not received when due, you will be assessed interest charges of 1% per month on the unpaid balance.

We reserve the right to suspend or terminate our work due to nonpayment. In the event that our work is suspended or terminated as a result of non-payment, you agree that we will not be responsible for your failure to meet government and other filing deadlines, or for penalties or interest that may be assessed against you resulting from your failure to meet such deadlines.

Please retain copies of all items you provide to us as we impose a copying charge for any such needed work. Our firm destroys our engagement files and all pertinent work papers after a retention period of four years, after which time these items will no longer be available. Catastrophic events or physical deterioration may result in our firm's records being unavailable before the expiration of the above retention period.

This engagement does not include responding to inquiries by any government agency or tax authority. If your tax return is selected for examination or audit, you may request that we assist you in responding to such inquiry. In that event, we would be pleased to discuss providing assistance to you under the terms of a separate engagement letter for that specific purpose.

You may request that we perform other additional services not contemplated by this engagement letter. If this occurs, we will communicate with you regarding the scope and estimated cost of these additional services. Engagements for additional services may necessitate that we amend this letter or issue a separate engagement letter to reflect the obligations of both parties. In the absence of any other written communications from us documenting such additional services, our services will be limited to and governed by the terms of this engagement letter.

You agree to provide us with requested information, documentation, and explanations for supporting data to be included in your tax return on a timely basis. If you fail to comply with this requirement or any of the terms of this engagement, as outlined herein, we reserve the right to withdraw from this engagement without completing your tax returns. In this case Spectrum Financial Resources, Inc. will not be responsible for any tax, interest or penalties that the taxing authority may levy against you for failure to file your returns on a timely basis.

Upon completion of the engagement described above, for business returns, we may provide you a copy of the financial statements we compiled based on the data you provided. Such reports are intended solely for your information and are not intended to be and should not be used by anyone other than you. We are not insurers or guarantors of the accuracy of the financial statements, which are your representations. Our work product will not guarantee that errors or misrepresentations are not present in the financial statements. Such statements should be used solely in preparing your tax returns.

This engagement will also not include any procedures designed to detect any other fraud, theft or illegal acts and you agree that we will have no responsibility to do so. However, we will inform you of any fraud or illegal acts that come to our attention, unless they are clearly inconsequential.

Federal law requires this consent form be provided to you. Unless authorized, by law we cannot disclose your tax return information to third parties for purposes other than those related to the preparation and filing of your tax return without your consent. If you consent to the disclosure of your tax return information, Federal law may not protect your tax return information from further use or distribution.

You are not required to complete this form. Because our ability to disclose your tax return information to another tax return preparer affects the tax return preparation service(s) that we provide to you and its (their) cost, we may decline to provide you with tax preparation services or change the terms (including the cost) of the tax preparation services that we provide to you if you do not sign this form. If you agree to the disclosure of your tax return information, your written or electronic consent is valid for the amount of time that you specify. If you do not specify the duration of your consent, your consent is valid for one year from the date of signature.

This consent to disclose may result in your tax return information being disclosed to a tax return preparer located outside the United States, including your personally identifiable information such as your Social Security Number ("SSN"). Both the tax return preparer in the United States that will disclose your SSN and the tax return preparer located outside the United States that will receive your SSN maintain an adequate data protection safeguard (as required by the regulations under 26 U.S.C. Section 7216) to protect privacy and prevent unauthorized access of tax return information. If you consent to the disclosure of your tax return information, Federal agencies may not be able to enforce U.S. laws that protect the privacy of your tax return information against a tax return preparer located outside of the U.S. to which the information is disclosed.

If you believe your tax return information has been disclosed or used improperly in a manner unauthorized by law or without your permission, you may contact the Treasury Inspector General for Tax Administration (TIGTA) by telephone at 1-800-366-4484, or by e-mail at complaints@tigta.treas.gov.

If any dispute arises among the parties, they 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 appreciate the opportunity to be of service to you. Please date and sign this letter and return a copy of it to us to acknowledge your agreement with the terms of this engagement. It is our policy to initiate services after we receive the executed engagement letter.

Regards,



Tamara L. Berges, CPA
Spectrum Financial Resources, Inc.

Signature

THIS LETTER SHALL NOT BE ALTERED IN ANY MANNER AND IS ONLY VALID UPON SIGNATURE OF BOTH CLIENT AND SPECTRUM FINANCIAL RESOURCES, INC.