



S Corporation Tax Engagement Agreement

Accounting Taxes and Public Documents inc. is pleased to provide you with the professional services described below. This letter and any other attachments incorporated herein (collectively, "Agreement"), confirm our understanding of the terms and objectives of our engagement and the nature and limitations of the services we will provide. The engagement between you and our firm will be governed by the terms of this Agreement.

Engagement Objective and Scope

We will prepare all required federal and state tax returns, along with any accompany schedules and forms that are collectively needed in the completion of your companies 1120s federal tax return.

We will not prepare any tax returns except those identified above, without your written request, and our written consent to do so. We will prepare your tax returns based upon information and representations that you provide to us. We have not been engaged to and will not prepare financial statements. We will not audit or otherwise verify the data you submit to us, although we may ask you to clarify certain information.

We will prepare the above-referenced tax returns solely for filing with the Internal Revenue Service ("IRS") and state and local tax authorities as identified above. Our work is not intended to benefit or influence any third party, either to obtain credit or for any other purpose.

You agree to indemnify and hold us harmless with respect to any and all claims arising from the use of the tax returns for any purpose other than filing with the IRS and state and local tax authorities regardless of the nature of the claim, including the negligence of any party.

Our engagement does not include any procedures designed to detect errors, fraud, or theft. Therefore, our engagement cannot be relied upon to disclose such matters. In addition, we are not responsible for identifying or communicating deficiencies in your internal controls. You are responsible for developing and implementing internal controls applicable to your operations.

This engagement is limited to the professional services outlined above.

CPA Firm Responsibilities

Unless otherwise noted, we will perform our services in accordance with the Statements on Standards for Tax Services ("SSTSs") issued by the American Institute of Certified Public Accountants ("AICPA") and U.S. Treasury Department Circular 230 ("Circular 230"). It is our duty to perform services with the same standard of care that a reasonable tax return preparer would exercise in this type of engagement. It is your responsibility to safeguard your assets and maintain accurate records pertaining to transactions. We will not hold your property in trust for you, or otherwise accept fiduciary duties in the performance of the engagement.

Bookkeeping assistance

We may deem it necessary to provide you with accounting and bookkeeping assistance solely for the purpose of preparing the tax returns. These services will be performed solely in accordance with the AICPA Code of Professional Conduct. We will request your approval in writing before rendering these services. Additional charges will apply for such services.

Estimated tax payments

You may be required to make quarterly estimated tax payments. We will calculate these payments for the current tax year based upon the information you provide to prepare your prior tax returns (the "safe harbor" rule). Updating recommended payments to more closely reflect your actual current year's income is not within the scope of this engagement. If you would like us to provide this service, we will confirm this update in a separate engagement letter.

Tax planning services

Tax planning services are not within the scope of this engagement. During the course of preparing the tax returns identified above, we may bring to your attention potential tax savings strategies for you to consider as a possible means of reducing your taxes in subsequent tax years. However, we have no responsibility to do so, and will take no action with respect to such recommendations, as the responsibility for implementation remains with you, the taxpayer. If you ask us to provide tax planning services, we will confirm this representation in a separate engagement letter.

Government inquiries

This engagement does not include responding to inquiries by any governmental agency or tax authority. If your tax return is selected for examination or audit, you may request our assistance in responding to such an inquiry. If you ask us to represent you, we will confirm this representation in a separate engagement letter.

Tax advice

Any advice we may provide is based upon tax reference materials, facts, assumptions, and representations that are subject to change. Tax reference materials include, but are not limited to, the Internal Revenue Code ("IRC"), tax regulations, Revenue Rulings, Revenue Procedures, private letter rulings and court decisions. We will not update our advice after the conclusion of the engagement for subsequent legislative or administrative changes or future judicial interpretations. To the extent we provide written advice concerning federal tax matters, we will follow the guidance contained in Circular 230, §10.37, Requirements for Written Advice.

Arguable positions

We will use our judgment to resolve questions in your favor where a tax law is unclear, provided there is sufficient support for doing so. If there are conflicting interpretations of the law, we will explain the possible positions that may be taken on your return. We will follow the position you request, provided it is consistent with our understanding of the Internal Revenue Code ("IRC"), tax regulations, Revenue Rulings, Revenue Procedures, private letter rulings and court decisions. If the IRS, state or local tax authorities later contest the position taken, additional tax, penalties and interest may be assessed. We assume no liability, and you hereby release us from any liability, including but not limited to, additional tax, penalties, interest, and related professional fees.

Substantial understatement penalties

The IRS and many states impose penalties for substantial understatement of tax. To avoid the substantial understatement penalty, you must have substantial authority to support the tax treatment of the item challenged by the IRS or adequate disclosure of the item. To fulfill the adequate disclosure requirement, you may be required to attach to your tax return a completed IRS Form 8275, Disclosure Statement, or 8275-R, Regulation Disclosure Statement, which discloses all relevant facts.

You agree to advise us if you wish to disclose a tax treatment on your return. If you request our assistance in identifying or performing further research to ascertain if there is substantial authority for the proposed position to be taken on the tax item(s) in your returns, we will confirm this representation in a separate engagement letter. It is your responsibility to contact us if additional assistance is required.

If we conclude as a result of our research that you are required to disclose a transaction on your tax return, you consent to attach a completed Form 8275 or 8275-R to your tax return for filing after we discuss the situation with you. You also agree to hold our firm harmless from any and all actual and consequential damages (including but not limited to tax, penalties, interest, and professional fees) you incur as a result of including such disclosures with your filed tax return regardless of the nature of the claim, including the negligence of any party.

Unless an undisclosed tax position has substantial authority, we will be unable to prepare the return and will withdraw from the engagement.

Conflicts of interest

If we, in our sole discretion, believe a conflict has arisen affecting our ability to deliver services to you in accordance with either the ethical standards of our firm or the ethical standards of our profession, we may be required to suspend or terminate our services without issuing our work product.

Client Responsibilities

You will provide us with a trial balance and other supporting data necessary to prepare your tax returns. You must provide us with accurate and complete information. Income from all sources, including those outside of the U.S., is required.

We rely upon the accuracy and completeness of both the information you provide in the trial balance and other supporting data you provide in rendering professional services to you.

Online access to information

To the extent you provide our firm with access to electronic data via a local or online database from which we will download your trial balance or other information, you agree that the data is accurate as of the date and time you authorize it to be downloaded.

Changes in ownership

You are responsible for advising us of any changes in ownership so we can properly reflect those on the tax returns.

Tax basis schedules

You are responsible for maintaining tax basis schedules for shareholders. If you ask us to prepare these schedules, we will confirm this service in a separate engagement letter.

S Corporation Election

You are responsible for retaining a copy of your S corporation election and/or the IRS's acceptance of it.

S corporation shareholder agreements

You should review your corporate buy-sell agreement and other stock agreements with your attorney to ensure these documents meet your goals for the transfer of corporate stock.

Salaries and wages for S corporation shareholders

You are responsible for determining the appropriate salary or wage to pay shareholders. If the IRS determines that the S corporation made distributions in lieu of an appropriate shareholder salary or wage, the IRS may reclassify the payments. As a result of the reclassification, the shareholder and S corporation may be responsible for employment taxes on the reclassified amounts in addition to penalties and interest. You agree to hold our firm harmless with respect to any liability, including but not limited to, additional tax, penalties, interest and professional fees resulting from changes to S corporation shareholder salaries and wages.

S corporation distributions

Distributions should be made to shareholders on a per share, per day basis. If distributions were not made proportionately, the IRS may take corrective action, including potentially revoking the entity's S corporation election, which may result in unfavorable tax consequences. As such, it is your responsibility to ensure that shareholder distributions are made on a pro-rata basis.

Schedule K-1 distribution

You are responsible for distributing a copy of the S corporation's Schedule K-1s to each shareholder.

Documentation

You are responsible for maintaining adequate documentation to substantiate the accuracy and completeness of your tax returns. You should retain all documents that provide evidence and support for reported income,

credits, and deductions on your returns, as required under applicable tax laws and regulations. You are responsible for the adequacy of all information provided in such documents. You represent that you have such documentation and can produce it if necessary, to respond to any audit or inquiry by tax authorities. You agree to hold our firm harmless from any liability including but not limited to, additional tax, penalties, interest and professional fees resulting from the disallowance of tax deductions due to inadequate documentation.

Personal expenses

You are responsible for ensuring that personal expenses, if any, are segregated from business expenses and that expenses such as meals, travel, vehicle use, gifts, and related expenses are supported by necessary records required by the IRS and other tax authorities. At your written request, we are available to provide you with written answers to your questions on the types of supporting records required.

State and local filing obligations

On June 21, 2018, the U.S. Supreme Court reversed the long-standing physical presence nexus standard in *South Dakota v. Wayfair, Inc. et. al.* This decision significantly changes the landscape of sales and use tax compliance, especially for online sellers. If you wish to understand the impact of the decision on your business, we will confirm this in a separate engagement letter. The scope of our services under this engagement letter does not include services related to your compliance with other tax obligations.

You are responsible for determining your tax filing obligations with any state or local tax authorities, including, but not limited to, income, franchise, sales, use, property or unclaimed property taxes. If upon review of the information you have provided to us, including information that comes to our attention, we believe that you may have additional filing obligations, we will notify you. You acknowledge that any additional filing obligations are not within the scope of this engagement. If you ask us to prepare these returns, we will confirm this representation in a separate engagement letter.

U.S. filing obligations related to foreign investments

As part of your filing obligations, you may be required to make certain information disclosures related to your foreign investments. You are responsible for informing us of all foreign assets owned directly or indirectly, including but not limited to financial accounts with foreign institutions and ownership of any foreign entities, regardless of amount.

Based on the information, you may have additional filing obligations including but not limited to:

- Ownership of or an officer relationship with respect to certain foreign corporations (Form 5471);
- Foreign-owned U.S. corporation or domestic disregarded entity (Form 5472);
- Foreign corporation engaged in a U.S. trade or business (Form 5472);
- U.S. transferor of property to a foreign corporation (Form 926);
- U.S. person with an interest in a foreign trust (Forms 3520 and 3520-A);
- U.S. person with interests in a foreign partnership (Form 8865); or
- U.S. person with interests in a foreign disregarded entity (Form 8858).

If we believe you have additional filing requirements, we will discuss them with you prior to completing your tax return.

In addition, as part of your filing obligations, you are required to report the maximum value of specified foreign financial assets, which include financial accounts with foreign institutions and certain other foreign non-account investment assets that exceed certain thresholds.

Based upon the information you provide, we will use this data to inform you of any additional filing requirements, which may include Form 8938, *Statement of Specified Foreign Assets*.

Failure to timely file the required forms 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 investments that you have a direct or indirect interest in, or over which you have signature authority, during the above referenced tax year.

The foreign reporting requirements are very complex. If you have any questions regarding the application of the reporting requirements for your foreign interests or activities, please ask us. We assume no liability for penalties associated with the failure to file or untimely filing of any of these forms.

Foreign filing obligations

You are responsible for complying with the tax filing requirements of any other country. You acknowledge and agree that we have no responsibility to raise these issues with you and that foreign filing obligations are not within the scope of this engagement.

Other income, losses and expenses

If you realized income, loss or expense from a business or supplemental income or loss, the reporting requirements of federal and state income tax authorities apply to such income, loss or expense. You are responsible for complying with all applicable laws and regulations pertaining to such operations, including the classification of workers as employees or independent contractors and related payroll tax and withholding requirements.

Employment records

You are responsible for obtaining Form I-9, Employment Eligibility Verification, from each new employee at the time of employment. In addition, Federal Form W-4, Employee's Withholding Allowance Certificate, and the applicable state equivalent should be retained for all employees. Failure to obtain these forms may subject an employer to penalties. Additional state requirements related to employment records may exist. At your written request, we are available to provide written answers to your questions on required documentation.

Worker classification

You acknowledge and confirm that you, in consultation with other professional advisors, as needed, are responsible for determining the correctness of any worker classification. Payroll tax withholding and related employer payroll tax implications result from this determination. We recommend obtaining a signed contract and signed Form W-9, Request for Taxpayer Identification Number and Certification, or Form W-8BEN, Certificate of Foreign Status of Beneficial Owner for United States Tax Withholding and Reporting (Individuals), from all independent contractors. You should provide all independent contractors with both forms and let them decide which form (W-9 or W-8BEN) is reflective of their status.

You should also issue a Form 1099-MISC, Miscellaneous Income, to all unincorporated independent domestic contractors to whom you pay \$600 or more for services. For those who provided a completed Form W-8BEN, a Form 1042-S must be issued to individuals if any payment is made from U.S. sources that would be deemed to be fixed or determinable annual or periodical income or other types of income included in the instructions, even if these payments are subject to a reduced income tax withholding rate or are exempt from income tax withholding due to an income tax treaty. In addition, state rules should also be reviewed to determine if state taxes are required to be withheld and separate returns completed for any independent contractor. At your written request, we are available to provide written answers to your questions on required documentation.

Ultimate responsibility

You have final responsibility for the accuracy of your tax returns. We will provide you with a copy of your electronic tax returns and accompanying schedules and statements for review prior to filing with the IRS and state and local tax authorities, as applicable. You agree to review and examine them carefully for accuracy and completeness.

You will be required to verify and sign a completed Form 8879-S, *IRS e-file Signature Authorization for Form 1120S*, and any similar state and local equivalent authorization form before your returns can be filed electronically.

In the event that you do not wish to have your tax returns filed electronically, please contact our firm. Additional procedures will apply. You will be responsible for reviewing the paper returns for accuracy, signing them, and filing them timely with the tax authorities.

Timing of the Engagement

We expect to begin our services upon receipt of this executed Agreement, trial balance, and other supporting data agreed to above.

Our services will conclude upon the earlier of:

- the filing and acceptance of your tax returns by the appropriate tax authorities and mailing or delivery of non-electronically filed tax returns (if any) for your review and filing with the appropriate tax authorities or
- written notification by either party that the engagement is terminated

Extensions of Time to File Tax Returns

Due to the high volume of tax returns prepared by our firm, the information needed to complete the tax returns must be received no later than March 7th so that the returns may be completed by the original filing due dates.

It may become necessary to apply for an extension of the filing deadline if there are unresolved issues or delays in processing, or if we do not receive all of the necessary information from you on a timely basis. Applying for an extension of time to file may extend the time available for a government agency to undertake an audit of your return or may extend the statute of limitations to file a legal action. All taxes owed are due by the original filing due date. Additionally, extensions may affect your liability for penalties and interest or compliance with governmental or other deadlines.

To the extent you wish to engage our firm to apply for extensions of time to file tax returns on your behalf, you must notify us of this request in writing. Our firm will not file these applications unless we receive an executed copy of this Agreement and your express written authorization to file for an extension. In some cases, your signature may be needed on such applications prior to filing. Failure to timely request an extension of time to file can result in penalties for failure to file tax returns, which accrue from the original due date of the returns, and can be substantial.

We are available to discuss this matter with you at your request. Additional charges will apply for such services.

Penalties and Interest Charges

Federal, state, and local tax authorities impose various penalties and interest charges for non-compliance with tax laws and regulations including failure to file or late filing of returns, and underpayment of taxes. You, as the taxpayer, remain responsible for the payment of all tax, penalties, and interest charges imposed by tax authorities.

We rely on the accuracy and completeness of the information you provide to us in connection with the preparation of your tax returns. Failure to disclose or inadequate disclosure of income or tax positions may result in the imposition of penalties and interest charges.

Professional Fees

Our professional fee for the services outlined above is estimated to be \$225 plus, \$25 per state, and \$100 per balance sheet. This fee is based upon the complexity of the work to be performed, and our professional time, as well as out-of-pocket expenses. In addition, this fee depends upon the timely delivery, availability, quality, and completeness of the information you provide to us. You agree that you will deliver all records requested and

respond to all inquiries made by our staff to complete this engagement on a timely basis. You agree to pay all fees and expenses incurred whether or not we prepare the tax returns.

* * * * *

We appreciate the opportunity to be of service. Please date and execute this Agreement and return it to us to acknowledge your acceptance. We will not initiate services until we receive the executed Agreement.

Sincerely,

Accounting Taxes and Public Documents Inc.



Eric L Vincent

President

Signed: _____ Dated: _____

Print: _____ Title: _____