RE: Engagement Letter for Personal Tax Return Preparation

Dear Client,

Thank you for choosing our office to assist you with your tax return reporting this year. ***We are so excited for 2011 and the changes we have made in the firm to increase the quality of your experience at Number Won.*** We look forward to working with you, planning to save you taxes, help to build your wealth and cultivate a wonderful long lasting relationship for many years to come.

You have requested that we assist you in preparing your personal income tax returns. In order to best serve you, enclosed is a list of information we will need to prepare your return.

If you would find it useful, please contact Merichia Merritt at our office to receive a customized questionnaire containing your data from 2009. We can either e-mail or mail this to you.

Please remember that a personal income tax return is due by April 15, 2011. An additional six-month extension may be requested to file your return; we will charge $30 to prepare your extension. When your return is completed this amount will be deducted from the total amount due, if your return is completed by the extension due date. The six-month extension is an extension to file the return but not an extension to pay any tax liability due. I**f any tax is due or you think it may be due you must pay that amount to the IRS and any applicable state taxing agency by the April 15th filing date.** If payment is not made timely there will be penalties and interest due for the non-payment.

Once your financial information is received a staff accountant will be assigned to your file throughout the completion of your tax return. Your return will then be reviewed by one of our senior staff members for accuracy.

Our basic rates for tax return preparation for your personal income tax start at $300. **Please note, we will be charging additional fees for bookkeeping services and for the preparation of additional schedules.** All charges for tax return preparation are due and payable prior to the release of the return to the client or the filing of the return.

When information is requested but not received within a reasonable amount of time progress billings will be applied to your account.

We accept major credit cards for payment. If that is your choice for method of payment please provide that information to us to be placed in your file. **Please be assured that no charges will be made to your credit card without your <u>prior</u> notification.** If you choose not to use a credit card we will require a $300 retainer prior to starting your tax return.

Our work in connection with the preparation of your income tax returns does not include any procedures to discover errors in information or other irregularities, should any exist. **The engagement <u>does not</u> include any services not specifically stated in this letter.** Additional charges will be made for these services.

You are responsible for the proper recording of financial activities, for the safeguarding of assets, and for the substantial accuracy of your financial records. You should retain all documents, canceled checks, and other data that form the basis of income and deductions. These may be necessary to prove the accuracy and completeness of your returns to a taxing authority. Therefore, please send photo copies. **<u>Do not send originals.</u>** There will be additional charges for photo copies and for mailing back your originals. **Please remember, you have the final responsibility for the information on your income tax returns.**

We will use our judgment in resolving questions where the tax law is unclear. Unless otherwise instructed by you, we will resolve such questions in your favor whenever possible. The law does provide various penalties that may be imposed when taxpayers understate their tax liability.

There is always a possibility that your return <u>may</u> be selected for review by taxing authorities. Any proposed adjustments by the examining agent are subject to certain rights of appeal. In the event of such government tax examination, we will be available, upon request, to represent you. **There will be additional charges for the time and expenses incurred.**

All invoices are due and payable upon completion of the income tax return and all major credit cards are accepted. It is agreed and acknowledged that any unpaid balance pursuant to this Engagement Letter is subject to interest at the rate of Eighteen Percent (18%) per annum, collection charges (which may be as much as 50%), court costs and reasonable attorney fees. It is agreed and acknowledged that any returned or dishonored check will result in a $25.00 check charge, and shall be subject to the provisions contained in U.C.A. §7-15-1 and U.C.A. §76-6-505. It is agreed and acknowledged that failure to make payment as provided by this Engagement Letter constitutes a breach of this Engagement Letter and shall immediately be entitled to all remedies available under the law. It is agreed and acknowledged that this shall be governed by the laws of the State of Utah and that venue shall be Cedar City, Iron County.

To formalize our relationship, we respectfully ask that you return all three pages of the signed copy of this letter. Thank you for your business.

Respectfully,

NUMBER WON ACCOUNTANTS

Dustyn Johnson
Chief Operating Officer

CLIENT ACKNOWLEDGMENT

Client Signature: ____________________________

Print Name: ________________________________

Date: _____________________________________

Client Credit Card Information Sheet

Client Name: ____

Client Mailing Address: ____

City, State & Zip Code: ____

Contact Phone(s): ____

Type of Card (Visa, MasterCard, Discover, American Express): ___________________

Name on Card (if different): ____

Card Number: ____

Card Security Code: _______________
(found on back of card by signature line; last three or four digits)

Expiration Date: ____

Billing Address for Card (if different): ______________________________________

City, State & Zip Code: ____

Email Address: ____

*If you choose not to use a credit card we will require a $300 retainer prior to starting your tax return.

Items needed for 2010 Personal Income Tax Return

Please provide the following information for us to complete your 2010 income tax return:

General information

1) Refer to Basic Taxpayer information Packet
2) Copies of last two years Federal & State tax returns

Income information

1) Copies of all W-2 forms that you or your spouse may have received from your employer(s).
2) Copies of 1099 forms that you may have received for other income.
3) Copies of 1099-INT or 1099-DIV forms that show interest or dividend income.
4) Copy of last year's state tax refund.
5) Distributions from IRA, 401-K or other retirement accounts.
6) Documentation on capital gains you may have had through asset sales in 2010.
7) Unemployment compensation
8) Social Security benefits received.
9) Any other types of income you may have for 2010.

Income deductions

1) Donations to a Health Savings Account.
2) Moving expenses.
3) Donations to SEP, Simple or other qualified plans.
4) Premiums paid for self-employed health insurance.
5) Alimony paid.
6) IRA deposits for 2010.
7) Student loan interest paid.
8) Tuition and fees paid for college education. (not Nouveau Riche tuition)

Itemized deductions

1) Medical expenses (doctors, dentists, eyeglasses, prescriptions, employee health insurance premiums, etc.)
2) Real estate taxes paid.
3) Personal property tax paid (automobiles, etc.)
4) Mortgage interest paid on your residence (form 1098 or other documentation).
5) Points paid on your residence.
6) Charitable contributions by cash or check.
7) Charitable contributions made in kind (clothing, automobiles, furniture, etc.)
8) Casualty losses from theft or fire.
9) Unreimbursed business expenses.
10) Legal fees.
11) Tax preparation fees.
12) Safety deposit box fees.

Other deductions and credits

1) Child and dependent care costs.
2) Credit for elderly or disabled.
3) Residential energy credit for improving the efficiency of your home.
4) Taxes paid to foreign country.

Payments

1) Documentation of payments or estimated payments that you may have made toward your 2010 taxes. (does not include amount paid with 2009 return for additional taxes owed for 2009)

If you owned a business that could be considered a sole-proprietorship in 2010 we need the following information to complete the Schedule C for your tax return:

1) What activity the business was engaged in.
2) Total revenue earned by the business in 2010.
3) Total expenses incurred by the business in 2010.
4) Total miles and total business miles driven for the year.
5) Information on a home office if one was used.
6) Any depreciable assets used by the business. (computers, office furniture, etc.)

If you personally owned rental properties in 2010 we need the following information for your Schedule E:

1) Address and location of the properties.
2) Amount paid for the individual properties.
3) Cost of any improvements made to the properties.
4) Expenses for the maintenance and operation of the properties.
5) Information as to whether or not you can be considered a real estate professional. (the greater of 750 hours **<u>or</u>** more than 50% of your working time, if you have another job, devoted to working in real estate activities for 2010)
6) HUD Statements (closing statements) on any property purchased in 2010.

Please photo-copy the above mentioned items and send them to our office. Please do not send the originals to us. We ask that you retain the originals in a safe place in your possession in case questions arise or further information is needed from them in the future.

Thank you for allowing us to assist you in this process.