

SMITH, SULLIVAN & COMPANY, P.C.
80 Flanders Road, Suite 200
Westborough, Massachusetts 01581
Telephone (508) 871-7178
Fax (508) 871-7179

TAX ENGAGEMENT LETTER

Dear Tax Client,

In order to avoid any misunderstanding of our relationship, it is important that the terms of our mutual understanding be clarified.

This letter is to confirm and specify the terms of our engagement with you and to clarify the nature and extent of the services we will provide. In order to ensure an understanding of our mutual responsibilities, we ask all clients for whom returns are prepared to confirm the following arrangements.

We will prepare your 2009 Federal and requested state income tax returns from information you will furnish to us. We do not use foreign third parties for preparation of your tax return, but we may use outside processing companies for electronic filing. We will not audit or otherwise verify the data you submit, although it may be necessary to ask you for clarification of some of the additional information you provide. We will furnish you with a tax organizer and questionnaire to guide you in gathering the necessary information. Your use of such forms will assist in keeping the fee to a minimum and pertinent information from being overlooked.

It is your responsibility to provide all the information required for the preparation of complete and accurate returns. You should retain all the 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 the returns to a taxing authority. You have the final responsibility for the income tax returns and, therefore, you should review them carefully before you sign them. We are not responsible for the disallowance of doubtful deductions or inadequately supported documentation, nor for resulting taxes, penalties and interest.

You represent that the information you are supplying to us is accurate and complete to the best of your knowledge, including but not limited to the claimed expenses for meals, entertainment, telephone, home office, travel, business gifts, dues and memberships, vehicle use and charitable contributions supported by records as required by law. If you normally take a business deduction or unreimbursed employee business expense deduction for mileage, you will need to provide the mileage amount, supported by a mileage log. The IRS has initiated a wide-scale audit program focused on self-employed individuals and business deductions. The audit agenda targets hobby activities with no profit motive, unreported business income and validation of the aforementioned business expenses. Therefore, while we may not verify the information you give us, we are required by federal regulations to ask you for clarification of information that is inconsistent or incomplete. When such deductions cannot be substantiated, we will exclude them from the tax return.

Our work in connection with the preparation of your income tax returns does not include any procedures designed to discover defalcations or other irregularities, should any exist. We will render such accounting and bookkeeping assistance as determined to be necessary for the preparation of the income tax returns.

We will use professional judgement in resolving questions where the tax law is unclear if there is a reasonable justification for doing so. Whenever we are aware that a possibly applicable tax law is unclear or that there are conflicting interpretations of the law by authorities (i.e. tax agencies and courts), we will explain the possible positions that may be taken on your return. 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. If the tax authority should later contest the position taken, there may be an assessment of additional tax plus interest and penalties. We assume no liability for any such additional penalties or assessments.

The law provides various penalties that may be imposed when taxpayers understate their tax liability. You acknowledge that any such understated tax, and any imposed interest and penalty thereon, are your responsibility, and that we have no responsibility in that regard. If you would like information on the amount or the circumstances of these penalties, please contact us. Your 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 proposed adjustments by the examining agent are subject to certain rights of appeal. In the event of such government tax examination or inquiry, we will be available upon request to represent you or respond to such inquiry and will render additional invoices for the time and expenses incurred.

In addition, your confidentiality privilege can be inadvertently waived if you discuss the contents of any privileged communication with a third party, such as a lending institution, a friend, or a business associate. We recommend that you contact us before releasing any privileged information to a third party.

If we are asked to disclose any privileged communication, unless we are required to disclose the communication by law, we will not provide such disclosure until you have had an opportunity to argue that the communication is privileged. You agree to pay any and all reasonable expenses that we incur, including legal fees, that are a result of attempts to protect any communication as privileged.

It is our policy to retain engagement documentation for a period of seven years, after which time we will commence the process of destroying the contents of our engagement files. To the extent we accumulate any of your original records during the engagement, those documents will be returned to you promptly upon completion of the engagement.

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, we must receive all information to prepare your return by **March 31, 2010**, to ensure that your return will be completed by April 15, 2010. If we have not received all of your information by March 31, 2010 and your return is not completed by April 15, 2010, you may be subject to late filing or late payment penalties. We do not file tax extensions for clients unless specifically requested to do so.

Our fee for these services will be based upon the amount of time required, billed at the rate of \$125 per hour for tax preparation and \$175 per hour for tax conferences, research and consulting services. Time involved in the preparation of your tax return includes meetings, correspondence, e-mail communications, telephone conversations, research, review and analysis. Additional UPS charges will apply for returns received after March 31, 2010. Unless we have agreed otherwise, our minimum tax preparation fee is \$325 **and is payable at the time we complete our tax preparation services.**

This engagement does not include any services not specifically stated in this letter. However, we would be pleased to consult with you regarding other tax matters, such as proposed or completed transactions, income tax projections, and for research in connection with such matters. We will render additional invoices for such services at our standard billing rates.

We are pleased to have you as a client and look forward to many more years of a mutually satisfying relationship. We believe that this letter would accurately summarize the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign below and return it to us along with your 2009 tax information.

Smith, Sullivan & Company, P.C.

Smith, Sullivan & Company, P.C.
Westborough, MA

Electronic Filing Preference: (please select your option - if no selection is made, your returns will be electronically filed)

_____ I choose to file my 2009 tax returns electronically

_____ I choose NOT to file my 2009 tax returns electronically

Record Retention Preference: In the spring of 2010, we will be shredding all individual tax documentation for the year 2003. Please indicate your preference below, if applicable.

_____ Return my original 2003 documentation

_____ Ok to shred my 2003 tax records

This letter correctly sets forth our understanding:

Signature _____ Date _____

Signature _____ Date _____