



LYNN-MARK ENTERPRISES, LLC  
TAX & BUSINESS CONSULTANTS

14 East 38th Street, Suite 1402  
New York, NY 10016

Phone (212) 213-6592 | Fax (212) 213-2403  
Email: [Taxquestions@lynnmark.com](mailto:Taxquestions@lynnmark.com)

Please read the attached  
Engagement Letter, then:

- Complete info on page 1
- Initial on each page
- Sign & date on the last page
- Send it back to us by fax, email or mail.

Your signature authorizes us to prepare your  
personal income tax returns for year 2010.

Thank you,

Bonnie Yormack

[Lynn-Mark Enterprises, LLC](#)



LYNN-MARK ENTERPRISES, LLC  
TAX & BUSINESS CONSULTANTS

14 East 38th Street, Suite 1402  
New York, NY 10016

Phone (212) 213-6592 | Fax (212) 213-2403  
Email: Taxquestions@lynnmark.com

## 2010 Individual Tax Return Preparation Engagement Letter

Client Name: \_\_\_\_\_

Address: \_\_\_\_\_

City, State, Zip: \_\_\_\_\_

Email: \_\_\_\_\_

We are pleased to confirm and specify the terms of our engagement with you and to clarify the nature and extent of the services we will provide regarding the preparation of your income tax return(s).

### Services Provided:

Lynn-Mark Enterprises, LLC, a New York Limited Liability Company ("We") will prepare your 2010 joint (or individual, if applicable) federal income tax return, and income tax returns for the state and local taxing authorities in which you deemed yourself a resident in 2010 (collectively, the "returns"). This engagement pertains only to the 2010 tax year, and our responsibilities do not include preparation of any other tax return years that may be due to any taxing authority. We are responsible for preparing only the returns referenced above. If you have taxable activity in a state or local municipality other than that referenced, you are responsible for providing our firm with all the information necessary to prepare any additional applicable state and local income tax returns as well as informing us of the applicable states and local municipalities. If you have income tax filing requirements in a given state or local municipality but do not file that return, there could be possible adverse ramifications, such as an unlimited statute of limitations, penalties, etc.

### Term

This engagement shall become effective immediately upon its acceptance, and shall terminate after completion of services.

### Potential Tax Penalties

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 interest and penalties, please contact us.

### Potential Audits by Taxing Authorities

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. In the event of an audit, you may be requested to produce documents, records, or other evidence to substantiate the items of income and deduction shown on a return. If an examination occurs, we will represent you if you so desire; however, **you will be charged an additional fee if we are asked to assist or represent you in a tax examination or inquiry.** Any proposed adjustments by the examining agent are subject to certain rights of appeal.

Pursuant to applicable U.S. Treasury Regulations, we must advise you that any tax advice included in this communication is not intended or written to be used, and cannot be used, by a recipient for avoiding penalties that may be imposed on the recipient by a governmental taxing authority or agency.

Initial \_\_\_\_\_

We will prepare the returns from information that you will furnish to us. It is your responsibility to provide all the information required for the preparation of complete and accurate returns. If requested by you, we will furnish you with a tax organizer and/or worksheets, as needed, to guide you in gathering the necessary information. While these checklists, worksheets, and organizers are optional, your use of such forms will assist us in keeping your fee to a minimum. To the extent we render any services, it will be limited to those tasks we deem necessary for the preparation of the returns only. Any accounting and/or bookkeeping services will be considered "out of scope" for this engagement letter. Prior to the commencement of "out of scope" services, we will discuss with you the nature and extent of the work.

### New York Use Tax

New York Law imposes a "use tax" on out-of-state purchases if sales tax was not paid at the time of purchase. The use tax normally applies to items purchased outside New York, including another country, which are brought or delivered into this state and would have been taxed if the items had been purchased in New York, (such as purchases made through the internet, mail-order catalogs, purchases made in another country, furniture purchased from dealers located in another state, and computer equipment ordered from out-of-state vendors advertising in magazines).

If an out-of-state seller fails to collect sales tax, the burden to voluntarily comply with New York laws is yours. You must submit payment with your New York tax filing.

### Foreign Accounts

If you have a financial interest in, or signatory authority in, any foreign account(s), you are responsible for providing us (in writing) with all information necessary to prepare any applicable informational returns required by the U.S. Department of the Treasury. Failure to disclose the required information to the U.S. Department of the Treasury may result in substantial civil and/or criminal penalties. If you do not provide our firm with information (in writing) regarding any interest, or any signatory authority, you may have in a foreign account; we will not prepare any of the required disclosure statements.

### Timing of our Work

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 of the relevant information we request from you by **March 22, 2011**, it may be necessary to pursue extensions by the due date of your returns, and 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. Furthermore, additional penalties and interest are imposed when taxpayers fail to remit the proper amount of subsequent year tax estimates. Based on information you have provided to us, we can assist you in determining the correct amount of taxes owed for the current year and subsequent year tax estimates. 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. If you would like information on the amounts or the circumstances of these penalties and interest, please contact us.

We will not audit or otherwise verify the data 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 to ask you for clarification of some of the information you provide, and we will inform you of any material errors, fraud or other illegal acts that come to our attention. We will notify you if new information that affects your tax return is discovered by us. Additionally, you agree that you have a similar responsibility to alert us of any information that would lead to a change in your tax return. We are not responsible for a disallowance of deductions, or inclusion of any additional income, or any resulting taxes, interest and penalties.

You are responsible for maintaining an adequate and efficient accounting system, for safeguarding assets, for authorizing transactions, and for retaining supporting documentation for those transactions, all of which will, among other things, help assure the preparation of proper returns. Furthermore, you are responsible to review all of the information presented on your tax return for correctness.

### New Preparer Penalties

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 outline each 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 that you select after having considered the information provided by us. Pursuant to standards prescribed in IRS Circular 230 and IRC 6694, we are forbidden from signing a tax return unless we have a reasonable belief that there is substantial authority for a tax position taken on the return, or unless we have a reasonable belief that there is a reasonable basis for the tax position taken on the return and we disclose this tax position on a separate attachment to the tax return. Substantial authority is generally viewed by tax professionals as requiring at least a 40% probability that the tax position taken will be sustained on its merits. However, under no circumstances may we sign a tax return with a tax position that has no reasonable basis.

### Client Privilege and Tax Advice

The Internal Revenue Service Restructuring and Reform Act of 1998 provide a limited confidentiality privilege for certain communications between you and our firm involving tax advice. This privilege does not cover items other than tax advice such as your tax records, tax return preparation, state tax proceedings, criminal proceedings, or private civil litigation. Any disclosure of qualifying confidential information to the government or third parties may result in waiver of the confidentiality privilege. To protect your right to privileged communication, please contact us or your attorney if you have any questions or need further information.

Income Tax Projections may be provided to you and are based on historical and prospective financial information provided by you. These income tax projections are tools to arrive at projected tax liabilities and are not in support of any tax advice or tax positions. Actual results for the projected period will often vary significantly from the projected results. Accordingly, we take no responsibility for the results and possible differences in the actual and projected tax liabilities.

### Privacy and Electronic Communications

In rendering professional services, we may communicate, by facsimile transmission data, over the internet, utilizing either electronic mail or computer software designed for this purpose. Such communications may include information that is confidential to you. Our firm employs measures in the use of facsimile machines and computer technology designed to protect client confidentiality and maintain data security. While we will use their best efforts to keep such communications secure in accordance with our obligations under applicable laws and professional standards, we have no control over the unauthorized interception of this data once it has been transmitted outside of our firm. By signing this letter, you consent to the use of electronic communication to facilitate our services to you.

### Release and Indemnification

Because of the importance of oral and written management representations to an effective engagement, you agree to release and indemnify Lynn-Mark Enterprises, LLC and its personnel from any and all claims, liabilities, costs and expenses attributable to any knowing misrepresentation by you and your spouse.

In no event shall Lynn-Mark Enterprises, LLC and its personnel be liable to you, except in the case of fraudulent behavior or willful misconduct. You agree that we shall have no liability to you, or any security holders for any losses, claims, damages or liabilities rising out of or in connection with this engagement for any amount in excess of the total professional fees paid by you under this engagement.

You and your spouse agree that you will not, directly or indirectly, agree to assign or transfer any claim against Lynn-Mark Enterprises, LLC out of this engagement to anyone.

## Fees and Termination of Services

Our fees for this engagement are not contingent on the results of our service. Rather, our fees for this engagement will be based on a number of factors including, but not limited to: the time spent, as well as the complexity and or the value of those of the services we will perform. In addition, you agree to reimburse us for any out-of-pocket costs incurred in connection with the performance of our services.

Our fees and costs are payable upon receipt. Invoices unpaid 30 days past the billing date may be deemed delinquent, and are subject to an interest charge of 1.5% 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 attorneys' fees.

This engagement may be terminated by you at any time by written notice (by mail, fax, or e-mail). Upon receipt or delivery of such notice, we will prepare and forward to you a bill for our services rendered, which have not been paid. We will not assign this agreement without your written consent.

If we elect to terminate our services, our engagement will be deemed to have been completed upon written notification of termination (by mail, fax, or e-mail), even if we have not completed your return. 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 all of our 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.

## Firm Workpapers and Our Record Retention Policy

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.

In accordance with our firm's current document retention policy, we will retain our work papers and your tax returns for your engagement for four years. We will provide you a copy of the depreciation schedules and tax returns and other pertinent work papers that should be a part of your books and records. If you should need replacements, we will provide additional copies at our standard copying fees. At the end of each engagement, all of your original records will be returned to you promptly. After four years, time we will commence the process of destroying the contents of our engagement files. Physical deterioration or catastrophic events may shorten the term during which our records will be available. The working papers and files of our firm are not a substitute for your original records. It is agreed and understood that in connection with the performance of this engagement by Lynn-Mark Enterprises, LLC that the work papers prepared by us shall remain the property of Lynn-Mark Enterprises, LLC. Access to these working papers other than described above may be granted to others upon mutual written approval from the Client and the Firm.

## Confidentiality and Request for Information

If the income tax returns we are to prepare in connection with this engagement are joint returns, and because you will each sign those returns, 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.

The Firm may receive requests for information in its possession arising out of this engagement from governmental agencies, courts or other tribunals. We will notify you (either by mail, fax, or e-mail, unless expressly prohibited in writing by the governmental agencies, courts or other tribunals) of any request for information prior to responding. In certain proceedings, an accountant-client privilege may exist. You agree that we are not under any obligation to assert such privilege to protect the release of information. Therefore, prior to our response to any such request, you may initiate legal action or take other appropriate legal measures to prevent or limit the Firm's response. Unless, you promptly initiate such action within 10 business days, after we notify you, we will release the information requested.

In the event that we are requested or authorized by you or required by government regulation, subpoena, or other legal process to produce our working papers or our personnel as witnesses with respect to this engagement, after complying with the immediately prior paragraph above with respect to accountant-client privilege, you will, so long as we are not party to the proceeding in which the information is sought, reimburse us for our reasonable professional time and reasonable and ordinary expenses, as well as the reasonable fees and expenses of the Firm's counsel, incurred in responding to such a request.

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.

### Mediation and Litigation

Any litigation arising out of this engagement, except actions by us to enforce payment of our professional invoices, must be filed within one year from the completion of the engagement, notwithstanding any statutory provision to the contrary. In the event of litigation brought against us, any judgment you obtain shall be limited in amount, and shall not exceed the amount of the fee charged by us, and paid by you, for the services set forth in this engagement letter.

This engagement shall be governed and its terms constructed in accordance with the laws of the State of New York applicable to contracts to be performed in that State. Any litigation arising from the performance or enforcement of this agreement shall be filed in a court of competent jurisdiction within the state of New York, county of New York. The waiver by any party hereto of any provision of this engagement letter shall not operate or be construed as a waiver of any subsequent breach by any party. If any portion of this engagement letter is held to be void, invalid, or otherwise unenforceable, whole or in part, the remaining portions of this engagement letter shall remain in effect. This engagement letter and terms supersedes all proposals, oral or written, and all other communications between the parties relating to the engagement subject matter.

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 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.

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 in this engagement letter, please execute this letter on the line(s) below designated for your signature(s), and return the executed letter to this office. You should keep a copy of this fully executed letter for your records. If this firm does not receive from you this letter, in fully executed form, but receives from you a completed copy of the tax organizer and/or supporting documentation, then such receipt by this office 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 THIS SIGNED ENGAGEMENT LETTER.** If this office receives from you no response to this letter, then this office will not proceed to provide you with any professional services, and will not prepare your income tax returns.

By your signature, you and your spouse are making and confirming to us the following representations:

- "We have provided to you, correct and complete information regarding the amounts for the reporting of income(including any bartering transactions) and/or tax deductions, and have maintained appropriate written documentation supporting such amounts",
- "That unless we have otherwise advised you in writing, the expenses for travel, entertainment, gifts and related expenses are supported by the necessary records required under Section 274 of the Internal Revenue Code";
- "That unless we have otherwise advised you in writing, we have complied with all state and local sales and use tax rules, and have paid all sales and use tax to our applicable state";
- "That unless we have otherwise advised you in writing, we do not have a financial interest in, or signature or other authority over, a bank, securities or other financial account in a foreign country"; and
- "We are responsible for the timely filing of the income tax returns, estimated tax payments and other items required to be paid on a timely basis such as pension or profit sharing contributions and expenses paid to certain related parties, if any";
- "You consent to the use of electronic communication to facilitate our services to you."

Thank you for your attention in this matter, and please contact us with any questions that you may have.

**A FACSIMILE OR SCANNED SIGNATURE SHALL BE CONSTITUTED AS AN ORIGINAL.**

Sincerely,

Bonnie Yormack

**ACCEPTED AND AGREED:**

---

Taxpayer

---

Date

---

Spouse (if applicable)

---

Date