

VARSHAWSKY HUBER LLP  
1297 FLYNN ROAD, SUITE 260  
CAMARILLO, CA 93012

ENGAGEMENT LETTER

Dear Client:

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 2023 federal and state individual income tax returns from information you furnish to us. We will not audit or otherwise verify data you submit although we may ask you to clarify some of the information for us. We will furnish you with questionnaires and/or an organizer to guide you in gathering the necessary information. Your use of such forms will assist in keeping pertinent information from being overlooked.

As your CPA, we collect: Information provided by you from your tax organizer, worksheets, documents and discussions and information that we develop as part of this engagement. Also, we are required to keep all information about our engagement confidential, so we will not disclose any information about you unless we have your approval, or we are required/permitted by law. This applies even if you are no longer a client. As your CPA, we are committed to the safekeeping of your confidential information and we maintain physical, electronic and procedural safeguards to protect your information.

**WE MUST RECEIVE YOUR INFORMATION BY MONDAY, MARCH 11, 2024 IN ORDER TO ENSURE THAT YOUR RETURN WILL BE COMPLETED BY APRIL 12, 2024, AS THIS IS OUR LAST DAY TO EFILE. OUR OFFICES WILL BE CLOSED AT NOON ON APRIL 15 AND WILL NOT RE-OPEN UNTIL WEDNESDAY, APRIL 17, 2024. IF WE DO NOT HAVE THE MAJORITY OF YOUR INFORMATION BY THIS MARCH DEADLINE, WE WILL NOT PROVIDE ESTIMATES FOR YOU. IT WILL BE YOUR RESPONSIBILITY TO PAY WHAT YOU THINK YOU OWE BY APRIL 15, 2024.**

It is your responsibility to provide all of the information required for the preparation of complete and accurate returns. You should retain all of the documents, canceled checks and other data that form the basis of income and deductions, including but not limited to auto, travel, entertainment and related expenses and the required documents to support charitable contributions. These may be necessary to prove the accuracy and completeness of the returns to a taxing authority. If you have any questions as to the type of records required, please ask us

for advice in that regard. It is also your responsibility to carefully examine and approve your complete tax returns before returning your Efile forms to us (or before signing and mailing the returns to the government agencies). **You have the final responsibility for the tax returns and therefore, you should review them carefully before you approve them.** We are not responsible for the disallowance of doubtful deductions or inadequately supported documentation, nor for resulting taxes, penalties and interest.

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.

Whenever we are aware that a possibly applicable tax law is unclear or that there are conflicting interpretations of the law by authorities (e.g. tax agencies and courts), we will explain the possible positions that may be taken on your return. We will follow whatever position you request, so long as it is consistent with the codes and regulations and interpretations that have been promulgated. If the IRS should later contest the position taken, there may be an assessment of additional tax plus interest and penalties or assessments.

Should information become known that would make our continued involvement in this engagement inappropriate as set forth in the professional standards that govern the accounting profession, or otherwise, we reserve the right to withdraw from this engagement.

Our fees for these services will be based upon the amount of time required at our standard billing rate, plus out of pocket expenses. We will bill you on that basis and all invoices will be due and payable upon presentation. We will not electronically file any tax return where there is an outstanding balance. We reserve the right to stop work on any account that is thirty (30) days past due, in accordance with the firm's stated collection policy.

Your returns may be selected for review by the 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 under a separate engagement letter. We will render additional invoices for the time and expenses incurred. Our tax preparation fee does not include responding to inquiries or examinations by taxing authorities.

It is important for you to know that the law imposes a penalty if a taxpayer makes a substantial understatement of tax liability. For individual taxpayers, a substantial underpayment is when the understatement for the year exceeds the greater of 10% of the tax required to be shown on the return, or \$5,000. The penalty is 20% of the tax underpayment. You should also know the IRS audit procedures will almost always include questions on bartering transactions and on deductions that require strict documentation such as travel and entertainment expenses for

business as well as usage of autos and computers. In preparing your returns, we rely on your representations that we have been informed of all bartering transactions and that you understand and have complied with the documentation requirements for your expenses and deductions. If you have questions about these issues, please contact us.

If, during our work, we discover information that affects your prior-year tax returns, we will make you aware of the facts. However, we cannot be responsible for identifying all items that may affect prior-year returns. If you become aware of such information during the year, please contact us to discuss the best resolution of the issue.

The IRS has provided that an individual taxpayer and his or her spouse, if applicable, may authorize the IRS to discuss the taxpayer's tax return with the CPA who signed the taxpayer's return as the return preparer. The authorization is granted by checking the "yes" box in the signature area of the tax return. Since the majority of our returns are filed electronically, we automatically check this box on all our returns, unless you provide us with written instructions not to. By checking the "yes" box, you are granting the IRS permission to contact our firm with questions that may arise during the processing of your return. You would also be granting our firm permission to call the IRS to inquire on the processing of your return or the status of your refund and respond to any IRS notices that you have provided to our firm relating to mathematical errors, offsets and return preparation. Please note that our firm will not receive separate copies of IRS notices; therefore, you must provide our firm with copies of any notices you receive from the IRS. Once elected, the authorization cannot be revoked. The authorization is valid for one year after the due date for filing the tax return.

The engagement does not include any services not specifically stated in this letter, including government notices. However, we would be pleased to consult with you regarding other income tax matters, such as proposed or completed transactions, income tax projections, and for research in connection with such matters. Or, if there are other tax returns you expect us to prepare, such as gift, children's returns and/or property, please inform us as soon as possible.

If any dispute arises among the parties, they agree first to try in good faith to settle the dispute by mediation administered by the American Arbitration Association ("AAA") under its Commercial Mediation Rules. All unresolved disputes shall then be decided by the final and binding arbitration in accordance with Commercial Arbitration Rules of AAA. Fees charged by any mediators, arbitrators or the AAA shall be shared equally by all parties.

We will electronically file your return with the IRS and FTB (or other state agencies) after we receive your signed efile forms (paper or electronic). You must review your return before returning the signature forms to us. We require a written waiver if you elect not to efile, as we are required to electronically file your returns. We are not responsible for the length of time it

takes the IRS or the FTB to process your return. The last date to electronically file your return for this year's April deadline is **APRIL 12, 2024.**

Our firm's policy with respect to the retention of tax returns and workpapers is to maintain these records for five years from the original filing due date after which time they will be destroyed.

**Our office's filing deadline for your tax return this year is Friday, April 12, 2024. In order to meet this deadline, the information needed to complete the return must be received in our office no later than Monday, March 11, 2024. If an extension is required, any tax due with this return must be paid with the extension. WE WILL NOT PROVIDE EXTENSION PAYMENTS TO YOU IF YOUR INFORMATION IS NOT IN OUR OFFICE BY MARCH 11, 2024. Any amounts not paid by the filing deadline may be subject to late payment penalties.**

If the above fairly sets forth your understanding, please sign the enclosed copy of this letter and return the signature page to us. If you are receiving this letter by e-mail, please print the fourth page of the letter, sign it and include it with your other original tax documents. WE MUST RECEIVE YOUR SIGNED ENGAGEMENT LETTER BEFORE WE CAN EFILE YOUR TAX RETURNS.

We are happy to have you as a client and look forward to a long and mutually satisfying relationship.

Sincerely,

Mark S. Varshawsky, CPA  
David Huber, CPA

All copies of tax returns will be sent to your Smart Vault Portal. **WE WILL NOT RETURN ANY ORIGINAL DOCUMENTS.**

My current e-mail address is: \_\_\_\_\_ ¶

Your 2023 returns will be sent to Smart Vault where you will always have access to them. You will be notified when the return is in your vault so that you can review it. You will also receive a DocuSign link where you click to sign your Efile authorization forms.

Client Approval: \_\_\_\_\_ Date: \_\_\_\_\_

\_\_\_\_\_ Client # \_\_\_\_\_

Print name