

Schulman Black & Katz, LLP

CERTIFIED PUBLIC ACCOUNTANTS

Subject: Engagement Letter for Your Individual Tax Returns

Schulman Black and Katz, LLP is pleased to provide you with the professional services described below. This letter confirms 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 the Agreement.

Engagement Objective and Scope

We will prepare your 2023 federal and all state income tax returns using information you provide to us. We will rely upon the completeness and accuracy of the information and representations you provide to us to prepare your tax returns. We have not been engaged to and will not prepare financial statements or valuations of any kind. 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 applicable state and local tax authorities. Our work is not intended to benefit or influence any third party, including any entity or investment which may seek to evaluate your creditworthiness or financial strength.

You agree to indemnify and hold us harmless from any and all claims arising from the use of the tax returns for any purpose other than complying with your tax filing obligations regardless of the nature of the claim, excepting claims arising from our gross negligence or intentional wrongful acts.

Our engagement does not include any procedures designed to detect errors, fraud, theft, or other wrongdoing. 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.

Assisting you with your compliance with the Corporate Transparency Act ("CTA"), including beneficial ownership information ("BOI") reporting, is not within the scope of this engagement. You have sole responsibility for your compliance with the CTA, including its BOI reporting requirements and the collection of relevant ownership information. We shall have no liability resulting from your failure to comply with CTA. Information regarding the BOI reporting requirements can be found at <https://www.fincen.gov/boi>. Consider consulting with legal counsel if you have questions regarding the applicability of the CTA's reporting requirements and issues surrounding the collection of relevant ownership information.

You may request that we perform additional services not contemplated in this engagement letter. If this occurs, we will communicate with you regarding the scope and estimated cost of these additional services. Engagements for additional services may necessitate that we amend the Agreement or issue a separate agreement to reflect the obligations of all parties. In the absence of any other written communications from us documenting additional services, our services will be limited to and governed by the terms of this Agreement.

CPA Firm Responsibilities

It is our duty to prepare your returns based on the same standard of care that a reasonable tax return preparer would exercise in this type of engagement. Unless otherwise noted, the applicable standard of care for a "reasonable tax return preparer" shall be based upon the following pronouncements:

- the Statements on Standards for Tax Services ("SSTS") issued by the American Institute of Certified Public Accountants ("AICPA");
- U.S. Treasury Department Circular 230 ("Circular 230"); and
- the Internal Revenue Code, Treasury Regulations, and any applicable state/local corollaries (collectively, "the Code").

As tax return preparers, these pronouncements also prohibit us from signing a tax return unless we have a reasonable belief that there is substantial authority for tax positions taken on the tax return, or we have a reasonable basis for tax return positions taken on the return which are disclosed as required by the Code. If you request that we report a tax position on your return which we feel is contrary to published guidance, frivolous, or a willful attempt to evade tax, we will be unable to proceed. If you are unwilling to disclose a position where required or we conclude that your failure to disclose does not permit us to sign your tax return, we will be unable to proceed.

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.

We will prepare your tax returns based upon your filing status (single, married filing jointly, married filing separately, head of household or qualifying widow(er) with dependent child) as reflected in your income tax returns for last year. If your filing status has changed, you wish to change your filing status, or you have questions about your filing status, please contact us immediately.

Schulman Black & Katz, LLP will not make any management decisions or perform management functions on your behalf.

Arguable positions

If there are conflicting interpretations of tax law, or if tax law is unclear, we will explain the possible positions that may be taken in order for us to sign your return. We will follow the position you request, provided it is consistent with our understanding of tax reference materials and our professional standards. Tax reference materials include, but are not limited to, the Code, Revenue Rulings, Revenue Procedures, court cases, and similar state and local guidance. If the IRS, state or local tax authorities later contest the position you select, additional tax, penalties, and interest may be assessed. You will be responsible for these amounts, as well as any related professional fees you may incur, to respond to the tax authority.

Confidentiality

If the tax returns prepared in connection with this engagement are filed using the married filing jointly filing status, both spouses are deemed to be clients of the firm under the terms of this Agreement. Both spouses acknowledge that any tax return information, including supporting documents provided to us, used in the preparation of your joint return, and any communications made to us by either of you in connection with the preparation of your joint return, may ultimately be shared with either spouse, without prior consent of the other.

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. In the event we conclude that such services are necessary to prepare your tax returns, we will advise you in writing before services are performed and bill you for the required services. These services will be billed at our standard hourly rates and will be subject to the terms of this Agreement.

Estimated tax payments

You may be required to make quarterly estimated tax payments in the tax jurisdictions. We will calculate these payments for the 2024 tax year based upon the information you provide to prepare your 2023 tax returns (the "safe harbor" rule). Updating recommended quarterly estimated tax payments to more closely reflect your actual current year's income is not within the scope of this engagement, unless requested by you, and agreed to by us, in writing. These services will be billed at our standard hourly rates and will be subject to the terms of the Agreement.

Tax planning services

Our engagement does not include tax advice which would impact future tax years. However, we may communicate potential tax strategies to you, and you may ask high-level questions of us. It is your responsibility to communicate to us, in writing, any interest in pursuing a tax strategy identified, or if you require more than a cursory response to your question. If we determine that assisting you with the implementation of any proposed tax strategy, or responding to your question requires additional research, analysis, discussion, or documentation, we will confirm our understanding with you in writing prior to proceeding.

We shall not be liable for any forgone tax or other benefits if you fail to advise us of your desire to investigate or pursue any tax strategy communicated to or by us. Any tax advice described in this paragraph and provided to you shall be governed by this Agreement and billed at our standard hourly rates.

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 other inquiry, you may request our assistance in responding to such an inquiry. If you ask us to represent you, and we agree, we will confirm this engagement in a separate written agreement.

Third party requests

We will not respond to any request from banks, mortgage brokers or others for verification of any information reported on these tax returns. We do not communicate with third parties or provide them with copies of tax returns.

Reliance on others

There may be times when you engage another advisor to assist you. If you wish to take a tax position based upon the advice of another advisor, before we are able to sign your tax return, we must comply with the applicable provisions of the Code and the SSTS.

We will review the other advisor's work, including a written statement from the advisor describing the statutory basis for the position and the suggested disclosure standard to appropriately report the position. If additional research or disclosure is required, you agree to pay for the additional charges necessary to complete the disclosure or research.

Moreover, you understand that the IRS, state or local tax authority may disagree with the position taken on the return. If this occurs, you will be responsible for any additional tax, penalties and interest, as well as any related professional fees, you may incur.

If, after review of the work prepared by your other advisor, we determine that we are unable to sign the tax return, we will be unable to proceed.

Aggressive tax strategies

Certain tax positions or strategies, while not currently identified as a reportable transaction by the IRS, may ultimately be determined to be so in the future. Consequently, you agree to advise us of any transaction you enter into that entitles you to disproportionate tax benefits (deductions, credits, or refunds), that generates significant income deferral or non-recognition, or that generates significant tax losses without corresponding cash impacts (“aggressive tax strategy”). If you fail to timely notify us, in writing, of any aggressive tax strategy you have entered into, you will be responsible for any liability, including but not limited to, additional tax, penalties, interest and related professional fees.

Client Responsibilities

You acknowledge and agree that your failure to comply with the responsibilities enumerated in this section may result in economic or other loss to you, such as disallowance of tax deductions or credits claimed, additional tax, penalties or interest assessed against you, or loss of administrative rights. You agree to accept responsibility for any consequences of your failure to fulfill your responsibilities.

We’ve enclosed an Organizer to help you compile and document the information necessary to prepare your income tax returns. Income from all sources, including those outside the U.S., is required to be reported. If you use the Organizer, it will help you avoid overlooking important information and contribute to efficient preparation of your returns. It helps keep the cost of our services as low as possible.

All your original records will be returned to you at the end of this engagement. You should keep the original records in secure storage for a period of seven years.

Documentation

You are responsible for maintaining adequate documentation to substantiate the accuracy and completeness of your tax returns. Our records are not a substitute for yours. You should retain all documents that provide evidence and support for reported income, credits, deductions, and other information on your returns, as required under applicable tax laws and regulations. You represent that you have such documentation and can produce it, if necessary, to respond to any examination, audit or inquiry by tax authorities. You will be responsible for any liability, including but not limited to, additional tax, penalties, interest and related professional fees, resulting from the disallowance of tax deductions due to inadequate documentation.

Gift tax returns

The IRS considers a gift to be any transfer to an individual, either directly or indirectly, where full consideration (measured in money or money’s worth) is not received in return. Under federal tax law, certain gifts are taxable and subject to an annual gift tax exclusion amount, which for 2023, is \$17,000 per taxpayer. You are responsible for informing us if gift tax returns are required to be filed. If you ask us to prepare these returns, and we agree, we will confirm this representation in a separate written agreement.

Gifts received from foreign persons

If you transferred property to or received property from a foreign person or trust, or are a U.S. person who “owns” assets in a foreign trust, you may be required to file a separate IRS Form 3520, *Annual Return To Report Transactions With Foreign Trusts and Receipt of Certain Foreign Gifts* or Form 3520-A, *Annual Information Return of Foreign Trust with a U.S. Owner*. You are responsible for providing us with details of any cash, property, or value exchanged with foreign persons or trusts, or of ownership of foreign assets, including access to foreign bank or investment accounts. If you ask us to prepare this return, and we agree, we will confirm this engagement in a separate written agreement.

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 documentation and 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

You are responsible for fulfilling your filing obligations with any state or local tax authorities, including but not limited to, income, franchise, sales, use, and property taxes or abandoned and unclaimed property. The preparation of any state or local tax return not listed above is not within the scope of our engagement. 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 will be responsible for tax due and penalties associated with the failure to file or untimely filing of any form for which we were not engaged to prepare.

U.S. filing obligations related to foreign investments

U.S. citizens and residents generally must report income and activities related to both domestic and foreign assets (worldwide income). You are responsible for fulfilling your filing obligations related to foreign activity where required. U.S. reporting requirements related to foreign activity are very complex. **Contact us immediately** if you have:

- Ownership of, investment in, or officer responsibilities for a corporation, partnership, or other business entity formed under the laws of another country;
- Fiduciary, grantor, or beneficiary relationships in connection with an entity formed under the laws of another country;
- Ownership of, signature authority over, or control over any financial account held in a financial institution located in another country;
- Citizenship or government-approved employment/visa status with a country other than the U.S. (including anyone in your immediate household, or your parents who live outside the U.S.);
- Transferred property, including cash, offshore either directly or through the purchase of or investment in an entity formed under the laws of another country;

- Received or have legally-recognizable rights to receive property, including cash, from a trust, business, or investment formed under the laws of another country or individual residing in another country;
- Conducted business with any entity or person physically located in another country, regardless of whether such business is for-profit, not for-profit, or informal/irregular;
- Received property, including cash, or income from a source outside of the U.S. which is not reported on a brokerage statement (such as a 1099-B or similar report); or
- Any other activity or economic arrangement which takes place outside of the U.S.

Based upon the information you provide, we will use this data to inform you of any additional filing requirements, which may include FinCEN Form 114, *Report of Foreign Bank and Financial Accounts* ("FBAR"). The FBAR is not a tax return and its preparation is not within the scope of this engagement.

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 in which you have a direct or indirect interest, or over which you have signature authority, during the above referenced tax year.

If you have any questions regarding the application of the reporting requirements for your foreign interests or activities, please ask us and we will respond in writing. You will be responsible for tax due, penalties, and interest 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.

Digital assets

There are specific tax implications of investing in digital assets (e.g., virtual currencies such as Bitcoin, non-fungible tokens, virtual real estate and similar assets). The IRS considers these to be property for U.S. federal income tax purposes. As such, any transactions in, or transactions that use, digital assets are subject to the same general tax principles that apply to other property transactions.

If you transacted in digital assets during the tax year, you may have tax consequences and/or additional reporting obligations associated with such transactions. Depending on the nature or volume of those transactions, a change to the scope of our services may be required. You are responsible for providing us with complete and accurate information, including basis, regarding any transactions in, or transactions that have used, digital assets during the applicable tax year. If you have any questions regarding your digital assets and/or transactions please ask us, and we will respond in writing.

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, 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, *IRS e-file Signature Authorization*, and any similar state and local equivalent authorization form before your returns can be filed electronically. For joint returns, both spouses must sign the e-file authorization in order to ensure its validity. We shall not be liable for any penalties or interest resulting from your failure to timely sign and return Form 8879 or state equivalents.

If we are unable to file your return(s) electronically, we will deliver to you a paper copy suitable for mailing to the taxing authorities. Once delivered to you, you bear full responsibility for reviewing the paper returns for accuracy, and either signing and timely filing them, along with any payments due, or notifying us of any issue which may need to be addressed prior to filing.

You have final responsibility for the payment of your taxes in whatever amount ultimately determined. If you choose, you may opt to have funds automatically withdrawn from a designated account and transmitted when your tax return is electronically filed. We will not transmit partial payments. It is your responsibility to provide us with correct account and routing numbers, to review this information for accuracy prior to submission of your return, and to ensure that sufficient funds are available at the time of payment. We shall have no liability for any tax due, penalties, interest, or overdraft charges which may result from your failure to ensure sufficient funds are available at the time of payment.

Once your return is complete (e-file acceptance or provision of a paper copy to you), we shall have no obligation to update your returns for subsequent legislative or administrative changes or future judicial interpretations under this Agreement.

Timing of the Engagement

We expect to begin our services upon receipt of this executed Agreement, the completed 2023 income tax Organizer and all documents requested either in the organizer or by our office.

Our services will conclude upon the earlier of:

- The filing and acceptance of your 2023 tax returns by the appropriate tax authorities and mailing or delivery of non-electronically filed tax returns (if any) to you for your review and your filing with the appropriate tax authorities, except for the calculation of quarterly estimated tax payments, which services will conclude upon delivery of each recommended estimated tax payment,
- written notification by either party that the engagement is terminated, or
- one (1) year from the execution date of the Agreement.

Extensions of Time to File Tax Returns

The original filing due dates for your tax returns are April 15, 2024 for federal, state and local.

Due to the high volume of tax returns prepared by our firm, you must provide the information needed to prepare the tax returns not later than April 1, 2024. Failure to do so may result in the inability to complete your returns 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 limit your ability to make certain elections, extend the time available for a government agency to undertake an examination of your return and/or extend the statute of limitations to file a legal action. If we apply for an extension of time to file because you have not provided us all of the information needed to prepare the tax

returns by the original due date, you agree to hold our firm harmless from any consequences arising from any election waived. 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.

If you wish to engage our firm to apply for extensions of time to file tax returns on your behalf, we will not file these applications unless and until we receive both an executed copy of this Agreement and your express written authorization to file for an extension. In some cases, your signature may be required 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.

Penalties and Interest Charges

Federal, state, and local tax authorities impose various penalties and interest charges for noncompliance with tax laws and regulations, including failure to file or late filing of returns, and underpayment of taxes. You will be responsible for the payment of any additional tax, penalties, and interest charges imposed by tax authorities.

Professional Fee

Our professional fee for the services outlined above will be based on the amount of time required and complexity of the work at standard billing rates. Circumstances may arise that impact our fee such as, but not limited to, issues encountered with the timely delivery, availability, quality, or completeness of the information you provide to us, changes in your personnel or operations that impact our services or other unanticipated items that arise during our engagement and that require additional time in order to complete the agreed-upon services. You agree that you will deliver all records required 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. All invoices are due and payable upon presentation.

Please call if you have questions regarding this letter. If the services outlined in this letter correctly summarized your understanding of the Agreement, please sign in the space indicated below and return it to us at the same time as you send us your tax information and the completed Organizer. We appreciate your confidence in us and to be of service to you.

Sincerely,

Schulman Black & Katz

Schulman Black & Katz, LLP

Both husband and wife must sign for preparation of joint returns.

Accepted by: Taxpayer Signature _____

Please Print Name _____

Spouse Signature _____

Please Print Name _____