



*Blair & Associates, LLC*

January 3, 2012

**2011 TAX RETURN ENGAGEMENT LETTER**

Dear Client:

We appreciate the opportunity to work with you. To minimize the possibility of a misunderstanding between us, we are setting forth pertinent information about the services we will perform for you.

We will prepare your 2011 Federal and State individual income tax returns from information you furnish us and we use an outside computer service to process them. 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 must receive all information to prepare your return by April 2, 2012, to ensure that your return will be completed by April 15, 2012. If we have not received all of your information by April 2, 2012, and your return is not completed by April 15, 2012, you may be subject to interest, late filing, or late payment penalties.

It is your responsibility to maintain, in your records, the documentation necessary to support the data used in preparing your tax returns, including but not limited to the auto, travel, entertainment, and related expenses and the required documents to support charitable contributions. 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 completed tax returns before we email them to the tax authorities. We are not responsible for the disallowance of doubtful deductions or inadequately supported documentation, nor for resulting taxes, penalties and interest.

If you have a financial interest in any foreign accounts, either directly or indirectly, Form TD-F-90-22- is required by the U.S. Department of the Treasury. You are responsible for providing our firm with all the information necessary to prepare Form TD-F-90-22-1 required by the U.S. Department of the Treasury

We are responsible for preparing only the returns listed above. Our fee does not include responding to inquires or examination by taxing authorities. However, we are available to represent you and our fees for such services are at our standard rates and would be covered under a separate engagement letter.

We will use our judgment to resolve questions in your favor where a 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 (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. We assume no liability for any such additional tax, interest, or penalties assessed.

In connection with this engagement, we may communicate with you or others via email transmission. As emails can be intercepted and read, disclosed, or otherwise used or communicated by an unintended third party, or may not be delivered to each of the parties to whom they are directed and only to such parties, we cannot guarantee or warrant that emails from us will be properly delivered and read only by the addressee. Therefore, we specifically disclaim and waive any liability or responsibility whatsoever for interception or unintentional disclosure of emails transmitted by us in connection with the performance of this engagement. In that regard, you agree that we shall have no liability for any loss or damage to any person or entity resulting from the use of email transmissions, including any consequential, incidental, direct, indirect, or special damages, such as loss of revenues or anticipated profits, or disclosure or communication of confidential or proprietary information.

Member: American Institute of Certified Public Accountants, New Jersey Society of Certified Public Accountants

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REPLY TO: 2911 Route 88, Suite 4, Building C • Point Pleasant, New Jersey 08742 • 732-899-3005 • Fax 732-899-4074  
2150 Highway 35, Brook 35 Plaza, 2nd Floor • Sea Girt, New Jersey 08750 • 732-449-9600

website: [www.blairassoc.net](http://www.blairassoc.net)

e-mail: [info@blairassoc.net](mailto:info@blairassoc.net)

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, you are each 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.

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 firm's policy to retain copies of your tax returns for five years, after which they will be destroyed. One copy is provided with your return. Additional copies can be provided for a fee of \$40 per return.

Fees for our services will be at our standard rates plus computer charges and out-of-pocket expenses. Payment for service is due when rendered and interim billings may be submitted as work progresses and expenses are incurred. We reserve the right to stop work on any account that is 30 days past due, in accordance with our firm's stated collection policy. All tax returns will be prepared for electronic filing unless circumstances dictate the preparation of a manually filed return. TAX RETURNS WILL NOT BE ELECTRONICALLY FILED UNTIL THE FEE IS PAID.

If any dispute arises among the parties, they agree to try first 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 final and binding arbitration in accordance with the Commercial Arbitration Rules of the AAA. Fees charged by any mediators, arbitrators, or the AAA shall be shared equally by all parties. IN AGREEING TO ARBITRATION, WE BOTH ACKNOWLEDGE THAT IN THE EVENT OF A DISPUTE OVER FEES, EACH OF US IS GIVING UP THE RIGHT TO HAVE THE DISPUTE DECIDED IN A COURT OF LAW BEFORE A JUDGE OR JURY AND INSTEAD WE ARE ACCEPTING THE USE OF ARBITRATION FOR RESOLUTION. 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.

If the above fairly sets forth your understanding, please sign the enclosed copy of this letter and return it to us. If this firm does not receive this letter from you, in fully executed form, but receives supporting documentation requested therein, 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.

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

Sincerely,

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Christopher J. Blair, CPA  
Blair & Associates, LLC

Accepted:

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Client Name/Date

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Client Spouse/Date