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2013 PRIVACY POLICY STATEMENT & TAX RETURN ENGAGEMENT LETTER

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Privacy Policy Statement

CPAs by law, like all providers of personal financial services, inform clients of their policies regarding privacy of client information. CPAs' professional standards of confidentiality are more stringent than those required by law. Therefore, we have always protected your right to privacy.

Types of Nonpublic Personal Information We Collect

We collect nonpublic personal information that you provide us or authorize us to receive.

Parties to Whom We Disclose Information

For current and former clients, we do not disclose any nonpublic personal information obtained in the course of our practice except as required or permitted by law. Permitted disclosures include, for instance, providing information to our employees, and in limited situations, to unrelated third parties who need to know that information to assist us in providing services to you. In all such situations, we stress the confidential nature of information sharing.

Protecting the Confidentiality & Security of Clients' Information

We retain records relating to professional services that we provide for current and former clients. Therefore, we are better able to assist you with your professional needs and, in some cases, to comply with professional guidelines. In order to guard your nonpublic personal information, we maintain physical, electronic, and procedural safeguards that comply with our professional standards. Please call if you have any questions, because your privacy, our professional ethics, and the ability to provide you with quality financial services are very important to us.

Tax Return Engagement Letter

The Engagement Letter ensures an understanding of our mutual responsibilities and our services.

I am required by Circular 230 to inform you that, unless otherwise expressly indicated, any tax advice contained in this communication, including attachments or enclosures, is not intended or written to be used (and may not be used) for the purpose of (i) avoiding tax, tax-related penalties and/or interest under any code including (but not limited to) the Internal Revenue Code and the California Revenue and Taxation Code or (ii) promoting, marketing or recommending to another party any tax-related matters addressed herein.

We will prepare your federal and state income tax returns from the data provided to us. You are responsible for providing data that is complete and accurate. A Data Checklist and an Organizer are useful for this purpose, reduces preparation fees and provides better tax return results. We may request additional information to perform calculations or clarify data.

We have available additional services for summarizing or preparing data for a tax return. For example, we can render Accounting or Bookkeeping services.

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Tax Return Engagement Letter (continued)

However, we normally do not Compile, Review, Audit or otherwise verify data or financial statements submitted to us. Therefore, we do not provide an opinion or other form of assurance regarding them. Preparation of your income tax returns does not include procedures designed to discover fraud, defalcations or other irregularities that exist before or after the tax return filing period. If you would like to learn more about Compilation, Review or Auditing services please visit our website at www.cjhcpa.com.

In case questions arise in the future, you need to retain all of your original documents (i.e. canceled checks, data that forms the basis of your income, deductions etc). These items may be necessary to prove the accuracy and completeness of the returns. Remember, the law requires a taxpayer to maintain detailed records for meals, entertainment, travel, gifts and vehicles expenses (i.e. dates, times, purpose, amount, reason, place & topic).

You are responsible for knowing the Due Dates of your returns, filing & mailing on time, and paying the correct amount of taxes throughout the year (this includes quarterly estimated tax payments). Please note, law changes can affect the amount of estimated taxes due each year. We recommend meeting to discuss tax law changes or to prepare a Tax Plan to adjust your estimated taxes or withholding to avoid incurring possible penalties and interest. A Tax Plan calculates your taxes for the following year. In one simple Tax Planning session (about 1 hour), we accomplish this and more. Remember to inquire about this type of service.

We estimate the tax return preparation fee upon receipt of complete and accurate data. This fee will include the billing rate plus out-of-pocket expenses. You can estimate your fee by using our Free Online Fee Estimator at www.cjhcpa.com

A 50% non-refundable deposit may be required upon acceptance of the Engagement. The balance due is payable upon presentation of the completed service. Any balance due that is unpaid at the completion of the engagement will be charged interest at the rate of 1 1/2% per month.

Fees

Return charges - Vary (Go to www.cjhcpa.com for a Free Return Charge estimate!)

Each extension - \$ 45 per Extension Form

Rerun charge - \$175 for recalculation of data

Appointment - \$350 fee for missed & non canceled appointments

(Appointments should be canceled 48 hours before the Appointment time)

The fee quoted for tax return preparation does not include Research, Audit Representation, Bookkeeping, Accounting or other services. We reserve the right to raise rates and cancel services for past due accounts. We reserve the right to withdraw from the Engagement, without written notice, if a complete and accurate return cannot be prepared for timely mailing due to insufficient or untimely delivery of data.

The law provides various penalties. For example, a minimum 20% penalty occurs when a taxpayer substantially understates a tax liability. For individual income tax returns, a substantial understatement may exist when the understatement of tax for the year exceeds the greatest of 10% of the tax required on the return or \$5,000. Adequate disclosure of the relevant facts on tax Form 8275 is important in these cases and may eliminate penalties.

You agree to advise us in writing and receive our signed acceptance to prepare disclosures to be included with the returns for any material tax issues or to perform further research. The purpose of this acceptance is to ascertain whether there is "substantial authority" or a "reasonable basis" for the position proposed on a return, as required by law.

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Tax Return Engagement Letter (continued)

We will use professional judgment in resolving questions where the tax law is unclear. When conflicts between the taxing authorities' interpretations of the law and other supportable positions exist, we will resolve questions in your favor as permitted by law, unless instructed by you otherwise.

Your tax return may require processing by an outside income tax computer processing center. All confidential software files and workpapers remain the property of this office. Efile returns require separate signature approval by you. All Government Efile regulations are applicable to your return preparation.

TAXPAYER DECLARATION & SIGNATURE AUTHORIZATIONS, FEDERAL, CALIFORNIA FORM 8879 AND THE COMPARABLE OTHER STATE FORM(S).

The Taxpayer(s) understand that the Forms 8879, or comparable, must be read, understood, signed and dated before the Return can be filed.

FORM 2848, U.S. POWER OF ATTORNEY & CA FORM 3520 POWER OF ATTORNEY; FOR TAX RETURN & FINANCIAL ISSUES RELATED TO TAX RETURNS, ONLY.

I authorize my CPA to prepare and provide a federal and state(s) Power of Attorney to me for signature related to my Tax Returns.

OTHER TYPES OF RETURNS

If there are other types of returns (i.e. gift, sales, payroll, personal property tax returns) you want prepared, list the returns in the space provided below the date line. A separate Engagement Letter signed by this office is required.

REVIEW OF RETURNS

Taxpayers have certain rights and recourse regarding return(s) selected for review by a tax agency. Time is of the essence, so contact us expeditiously.

The final income tax return is your responsibility. Review the return carefully before signing.

Note, if only one person (or authorized entity) signs this Privacy Policy Statement and Tax Return Engagement Letter, they represent that they have authority to sign for other Taxpayer(s). Therefore, in the case of a return requiring two or more signatures, one signature below legally binds the other party. Our office must acknowledge any exceptions to this policy in writing.

We want to express our appreciation for the opportunity to service your account.

Sincerely,

Cindy J. Harris, CPA

Taxpayer (1) _____
Print Name: Signature: Date:

Taxpayer (2) _____
Print Name: Signature: Date:

List Additional Returns Requested
(A separate Engagement Letter is required before proceeding)

1. _____ 2. _____