



GITTELMAN & company, p.c.

- CERTIFIED PUBLIC ACCOUNTANTS
- MANAGEMENT CONSULTANTS

"Tomorrow's knowledge today"

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January 1, 2018

Dear Client:

Gittelman & Company, P.C. ("firm", "we" or "our") 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 this Agreement.

Engagement Objective and Scope

We will prepare the following federal and state tax returns for the year ended December 31, 2017:

Form 1040
Form NJ-1040, NYS IT-201/203

U.S. Individual Income Tax Return
New Jersey/New York Individual Income Tax Returns

We will not prepare any tax returns except those identified above, without your written request, and our written consent to do so. We will prepare your tax returns based upon information and representations that you provide to us. We have not been engaged to and will not prepare financial statements. 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 state and local tax authorities as identified above. Our work is not intended to benefit or influence any third party, either to obtain credit or for any other purpose.

You agree to indemnify and hold us harmless with respect to any and all claims arising from the use of the tax returns for any purpose other than filing with the IRS and state and local tax authorities regardless of the nature of the claim, including the negligence of any party.

Our engagement does not include any procedures designed to detect errors, fraud, or theft. Therefore, our engagement cannot be relied upon to disclose such matters.

This engagement is limited to the professional services outlined above.

CPA Firm Responsibilities

Unless otherwise noted, we will perform our services in accordance with the Statements on Standards for Tax Services (“SSTS”) issued by the American Institute of Certified Public Accountants (“AICPA”) and U.S. Treasury Department Circular 230 (“Circular 230”). It is our duty to perform services with the same standard of care that a reasonable income tax preparer would exercise in this type of engagement. 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.

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 individuals acknowledge that there is no expectation of privacy from the other concerning our services in connection with this Agreement. We are at liberty to share with either of you, without prior consent of the other, documents and other information concerning the preparation of your tax returns.

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. We will request your approval in writing before rendering these services. Additional charges will apply for such services.

Estimated tax payments

You may be required to make quarterly estimated tax payments. We will calculate these payments for the 2018 tax year based upon the information you provide to prepare your 2017 tax returns and have no obligation to update recommended payments after the engagement is completed. If you ask us to update your estimated tax payments, we will confirm this update in a separate engagement letter.

Tax planning services

Our engagement does not include tax planning services. During the course of preparing the tax returns identified above, we may bring to your attention potential tax savings strategies for you to consider as a possible means of reducing your taxes in subsequent tax years. However, we have no responsibility to do so, and will take no action with respect to such recommendations, as the responsibility for implementation remains with you, the taxpayer. If you ask us to provide tax planning services, we will confirm this representation in a separate engagement letter.

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 audit, you may request our assistance in responding to such an inquiry. If you ask us to represent you, we will confirm this representation in a separate engagement letter.

Third-party verification requests

We will not respond to any request from banks, mortgage brokers or others for verification of any information reported on these tax returns.

Divorce

If you inform us of your pending divorce, we will advise each of you to seek independent tax advice. As you may have conflicting interests you will both be required to sign a conflict of interest waiver. We will not be able to advise either of you until your divorce is finalized. For example, your income tax return filing status is an item about which we will need instruction. Electing a filing status of married filing jointly establishes joint liability for taxes owed and requires that certain tax-related decisions be made prior to the preparation of income tax returns. Consequently, we will require a letter of instruction from both of your divorce attorneys identifying items needed to prepare your tax return and your agreement to same before the tax returns can be prepared. In the event you elect to file separate tax returns, you will both be required to sign new engagement letters prior to the preparation of your returns.

Tax Advice

Our advice is based upon tax reference materials, facts, assumptions, and representations that are subject to change. Tax reference materials include, but are not limited to the Internal Revenue Code (“IRC”), tax regulations, Revenue Rulings, Revenue Procedures, Private Letter Rulings and court decisions. We will not update our advice after the conclusion of the engagement for subsequent legislative or administrative changes or future judicial interpretations. To the extent we provide written advice concerning federal tax matters, we will follow the guidance contained in Circular 230, §10.37, Requirements for Written Advice.

Arguable Positions

We will use our judgment to resolve questions in your favor where a tax law is unclear, provided there is substantial support for doing so. If there are conflicting interpretations of the law, we will explain the possible positions that may be taken on your return. We will follow the position you request, provided it is consistent with our understanding of the Internal Revenue Code (“IRC”), tax regulations, Revenue Rulings, Revenue Procedures, Private Letter Rulings and court cases. If the IRS, state or local tax authorities later contest the position taken, additional tax, penalties, and interest may be assessed. We assume no liability, and you hereby release us from any liability for such additional tax, penalties, interest, and related professional fees.

Reliance on Others

If you wish to take a tax position based upon the advice of another tax advisor, you agree to obtain a written statement from the advisor confirming that the position should meet the “substantial authority,” or “more likely than not” standard, as applicable. In preparing your federal tax return, we are subject to a diligence as to accuracy regarding reliance on others standard, as defined in revisions to Circular 230, §10.22(b). To the extent a position is based upon the advice of another tax advisor, prior to preparing or signing the tax return, the AICPA SSTS No. 1 also requires our firm to have a good faith belief that the position has, at a minimum, a realistic possibility of being sustained administratively or judicially on its merits, if challenged. Additional charges will apply to such research.

Substantial Understatement Penalties

The IRS and many states impose penalties for substantial understatement of tax. To avoid the substantial understatement penalty, you must have substantial authority to support the tax treatment of the item challenged by the IRS or adequate disclosure of the item. To fulfill the adequate disclosure requirement, you may be required to attach to your tax return a completed IRS Form 8275, Disclosure Statement, or 8275-R, Regulation Disclosure Statement, which discloses all relevant facts. A disclosed tax position that meets the reasonable basis standard must have some authority supporting the position and be more than simply arguable.

You agree to advise us if you wish to disclose a tax treatment on your return. If you request our assistance in identifying or performing further research to ascertain if there is “substantial authority” for the proposed position to be taken on the tax item(s) in your returns, we will confirm this representation in a separate engagement letter. It is your responsibility to contact us if additional assistance is required.

If we conclude as a result of our research that you are required to disclose a transaction on your tax return, you consent to attach a completed Form 8275 or 8275-R to your tax return for filing after we discuss the situation with you. You also agree to hold our firm harmless from any and all actual and consequential damages (including but not limited to tax, penalties, interest, and professional fees) you incur as a result of including such disclosures with your filed tax return regardless of the nature of the claim, including the negligence of any party.

Unless an undisclosed tax position meets the "substantial authority" or "more likely than not" standard, as applicable, we will be unable to prepare the return and will withdraw from the engagement.

Listed Transactions and Other Reportable Transactions

The law imposes substantial penalties on taxpayers and tax advisors for failure to disclose listed and other reportable transactions on Form 8886, Reportable Transaction Disclosure Statement. In general, reportable transactions are potentially abusive transactions identified by the IRS whose primary purpose is tax avoidance, including but not limited to listed transactions, confidential transactions, transactions with contractual protection, loss transactions, and transactions of interest. You agree to advise us of any reportable transactions identified under tax laws and regulations. You agree that it is solely your decision to disclose any reportable transactions in the returns we prepare for you.

You acknowledge your responsibility to inform us of any listed transactions or other reportable transactions as designated by the IRS. You agree to hold our firm harmless with respect to any additional tax, penalties, interest and professional fees resulting from your failure to timely notify us, in writing, of all such transactions in order to facilitate the timely preparation and filing of your tax returns.

Client Responsibilities

We will provide you with an income tax organizer, upon your request, to help you compile and document the information necessary to prepare your income tax returns. You must complete the income tax organizer with accurate and complete information. Income from all sources, including those outside the U.S., is required. Otherwise, you agree to submit all tax information to us in a clear and concise format.

We rely upon the accuracy and completeness of both the information you provide in the income tax organizer and other supporting data you provide in rendering professional services to you.

Documentation

You are responsible for maintaining adequate documentation to substantiate the accuracy and completeness of your tax returns. You should retain all documents that provide evidence and support for reported income, credits, and deductions on your returns, as required under applicable tax laws and regulations. You are responsible for the adequacy of all information provided in such documents. You represent that you have such documentation and can produce it, if necessary, to respond to any audit or inquiry by tax authorities. You agree to hold our firm harmless with respect to any additional tax, penalties, interest and 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 2017, is \$14,000 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, we will confirm this representation in a separate engagement letter.

Personal expenses

You are responsible for ensuring that personal expenses, if any, are segregated from business expenses and that expenses such as meals, travel, entertainment, vehicle use, gifts, and related expenses are supported by necessary 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 determining your tax filing obligations with any state or local tax authorities, including, but not limited to income, franchise, sales, use, property or unclaimed property taxes. You agree that we have no responsibility to research these obligations or to inform you of them. 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 of this responsibility in writing and ask you to contact us. If you ask us to prepare these returns, we will confirm this representation in a separate engagement letter.

U.S. filing obligations related to foreign financial assets

As part of your filing obligations, you are required to report the maximum value of specified foreign financial assets, which include financial accounts with foreign institutions and certain other foreign non-account investment assets that exceed certain thresholds. You are responsible for informing us of all foreign assets, so we may properly advise you regarding your filing obligations.

These assets include any ownership interests you directly or indirectly hold in businesses located in a foreign country, and any assets or financial accounts located in a foreign country over which you have signature authority. Based upon the information you provide, this information will be used to calculate any applicable foreign tax credits. We will also use this data to inform you of any additional filing requirements, which may include Form 8938, Statement of Specified Foreign Assets, and FinCEN Form 114, Report of Foreign Bank and Financial Accounts (“FBAR”). Failure to file required forms can result in the imposition of both civil and criminal penalties, which may be significant. The FBAR is not a tax return and its preparation is not within the scope of this engagement. If you ask us to prepare the FBAR, we will confirm this representation in a separate engagement letter.

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.

Ultimate responsibility

You have final responsibility for 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 and 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.

In the event that you do not wish to have your tax returns filed electronically, please contact our firm. Additional procedures will apply. You will be responsible for reviewing the paper returns for accuracy, signing them, and filing them timely with the tax authorities.

Timing of the Engagement

We expect to begin our services upon receipt of the completed 2017 income tax organizer and or the submission of all complete documents requested either in the organizer or by our office.

If your federal return is electronically filed, our services will conclude upon the earlier of:

- the filing and acceptance of your 2017 tax returns by the appropriate tax authorities and mailing or delivery of non-electronically filed tax returns (if any) for your review and filing with the appropriate tax authorities, or
- written notification by either party that the engagement is terminated.

If you have the option to file a paper return and choose to do so, or if certain events do not allow us to e-file these returns, our services will conclude upon the earlier of:

- mailing or delivery of your 2017 tax returns for your review and filing with the appropriate tax authorities, or
- written notification by either party that the engagement is terminated.

Extensions of Time to File Tax Returns

The original filing due dates for your tax returns are April 15, 2018 for federal and state. **Due to the high volume of tax returns prepared by our firm, the information needed to complete the tax returns must be received no later than April 1, 2018 so that the returns may be completed 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 extend the time available for a government agency to undertake an audit of your return or may extend the statute of limitations to file a legal action. 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.

To the extent you wish to engage our firm to apply for extensions of time to file tax returns on your behalf, you must notify us of this request in writing. Our firm will not file these applications unless we receive an executed copy of this Agreement and your express written authorization to file for an extension. In some cases, your signature may be needed 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.

We are available to discuss this matter with you at your request. Additional charges will apply for such services.

Penalties and Interest Charges

Federal, state, and local tax authorities impose various penalties and interest charges for non-compliance with tax laws and regulations, including failure to file or late filing of returns, and underpayment of taxes. You, as the taxpayer, remain responsible for the payment of all tax, penalties, and interest charges imposed by tax authorities.

We rely on the accuracy and completeness of the information you provide to us in connection with the preparation of your tax returns. Failure to disclose or inadequate disclosure of income or tax positions may result in the imposition of penalties and interest charges.

Fees and Billings

An invoice for our fees will be included in your return.

Our professional fee for the services outlined above is based upon the complexity of the work to be performed and our professional time to complete the work. Additionally, this fee depends upon the availability, quality, and completeness of your records. You agree that you will deliver all records requested by our staff to complete this engagement on a timely basis.

In the event your records are not submitted in a timely manner, or are incomplete or unusable, we reserve the right to charge additional fees and expenses for services required to correct the problem. If this occurs, we will contact you to discuss the matter and the anticipated delay in completing our engagement prior to rendering further services.

We will bill you for our professional fees, expenses and out-of-pocket costs as of the date we deliver our work product to you. These include an e-file fee, computer fee, and other disbursements. Payment is due within 15 days of the date on the billing statement.

Should any additional state/city returns be required, you will be billed an additional fee per state/city.

Any additional time incurred for other projects not stipulated above will be billed at our firm's standard hourly rates. This includes response to and representation before IRS and state/city tax authorities, consulting services, gift and estate planning, bank financing meetings and business consulting services. Additionally, you hereby agree that if our Firm or professionals at our Firm are subpoenaed or otherwise required to provide documents, evidence and/or other testimony with respect to the Company, you will promptly (1) pay our Firm (at our Firm's standard hourly rates) for the actual time spent (a) responding to such subpoenas or other inquiries and (b) providing documents, evidence and/or other testimony; and (2) reimburse our Firm for its actual expenses.

You agree that in the event your payment of tax is not received by the due date of the tax return, we will not be responsible for your failure to meet government and other filing deadlines, for any penalties or interest that may be assessed against you resulting from your failure to meet the deadlines, and for any other damages (including, but not limited to consequential, indirect, lost profits, or punitive damages) incurred by you as a result of the late filing or non-filing of the tax returns.

It is our practice to issue invoices on a monthly basis. All invoices are payable upon presentation, and we expect prompt payment. In the absence of our receipt of a written objection to any invoice within thirty (30) days of the date the invoice is rendered, you will be deemed to have accepted and acknowledged, as correct, the services rendered as described in the invoice and the value thereof. You will be charged interest at the rate of 9% per annum on any invoice not paid within sixty (60) days. You agree to reimburse us for all costs of collection which may include, but not be limited to, attorneys' fees, costs of suit and/or filing fees. In accordance with our firm policies, services may be suspended, including current work on reports, returns or other documents not yet completed, if your account becomes sixty (60) days or more overdue and services will not be resumed until your account is paid in full or we have agreed to alternative payment arrangements. We shall have no obligation to provide you with copies of, or to release on your behalf, financial statements, tax returns, or other documents we have prepared in the course of our engagement to the extent we have not received full payment for the preparation of such documents. If payment has been received for current services, but an outstanding balance remains for prior services provided to you by this firm, we reserve the right not to perform future services for you, such as filing an already prepared tax return, until the balance is paid in full. In such case, you agree to hold this firm, its shareholders, principals and employees harmless and release us from any liabilities, losses and costs arising out of our failure to release documents or provide additional services due to non-payment.

Both you and this firm have the absolute right to terminate this engagement for any reason and at any time by notifying the other party in writing. In the event of a termination of this engagement, we will comply with applicable ethical requirements as set forth in the Statements on Standards for Tax Services issued by the AICPA, including the Ethics Interpretations, and other applicable law, and we agree to perform all actions necessary to complete our withdrawal. In the event of a termination of our engagement, original client records will be returned to you but our firm will be under no obligation to provide you with any documents that we have prepared for which we have not received payment. Once payment has been received for the preparation of these documents, said documents will be released upon request in accordance with AICPA guidelines or applicable law. Other documents and records in our files, such as "working papers" are our property and may be released in our discretion in accordance with

AICPA guidelines or applicable law, and you agree to hold this firm, its shareholders, principals and employees harmless and release us from any liabilities, losses and costs arising out of our failure to release documents in good faith in accordance with this provision. You agree to pay for all services rendered and expenses incurred on your behalf prior to the withdrawal and in connection with our withdrawal including, but not limited to, advance payment of the fees for the time and expense reasonably anticipated to be incurred to retrieve, copy and transmit the requested documents or records, to be finally reconciled upon completion of our withdrawal.

You hereby agree that our maximum liability to you and/or any third party for any reason, including our negligence, relating to the services performed pursuant to this engagement shall be limited to the fees actually paid by you for the service or work product giving rise to such liability; provided, however, that the foregoing limitation shall not apply to the extent such damages are finally determined to have resulted from our fraudulent behavior or willful misconduct.

It is our policy to keep records related to this engagement for a period of five (5) years after which such records will be destroyed. Please note that any original client records retained by us will be returned to you upon the completion of the services rendered in connection with this engagement, and you will provide us with a receipt for the return of such records. Any records in the file that are deemed to be our property may be provided to you at our discretion in accordance with AICPA guidelines or applicable law and only if we have been compensated for any time and costs associated with retrieving, copying and transmitting the documents or records. When records are returned to you, it is your responsibility to retain and protect such records for possible future use, including potential examination by any government or regulatory agency.

This letter shall be governed and interpreted under the laws of the State of New Jersey, without regard to its choice of law provisions. Both parties hereby consent to the exclusive jurisdiction of the Superior Court of New Jersey, Passaic County, and the United States District Court for the District of New Jersey for all disputes, claims, or controversies relating to the terms and conditions of this letter, including but not limited to the enforcement and interpretation thereof.

In the interest of facilitating our services to you, we may send data over the Internet, store electronic data via computer software applications hosted remotely on the Internet, or allow access to data through third-party vendors' secured portals or clouds. Electronic data that is confidential to you may be transmitted or stored using these methods. We may use third-party service providers to store or transmit this data, such as providers of tax return preparation software. In using these data communication and storage methods, our firm employs measures designed to maintain data security. We use reasonable efforts to keep such communications and data access secure in accordance with our obligations under applicable laws and professional standards. We also require all of our third-party vendors to do the same.

You recognize and accept that we have no control over the unauthorized interception or breach of any communications or data once it has been sent or has been subject to unauthorized access, notwithstanding all reasonable security measures employed by us or our third-party vendors. You consent to our use of these electronic devices and applications and submission of confidential client information to third-party service providers during this engagement.

Entire Agreement

This engagement letter, including any attachments, encompasses the entire agreement of the parties and supersedes all previous understandings and agreements between the parties, whether oral or written. Any modification to the terms of this engagement letter must be made in writing and signed by both parties.

If any portion of this engagement letter is deemed invalid or unenforceable, said finding shall not invalidate the remainder of the terms set forth in this engagement letter.

We appreciate the opportunity to be of service to you. To accept our firm's offer to perform services on the terms set forth in this engagement letter, forward the tax organizer and/or other tax return information requested to us. By doing so, you are agreeing to be bound by the terms set forth above. We will not commence work on the engagement until we receive the requested information. If you have any questions about the provisions of this letter, please feel free to contact us.

By signing and filing your 2017 Federal and State tax returns or by signing and returning related e-file authorization forms to us, you affirm that the foregoing accurately expresses your understanding of the nature and extent of our services and related fees.

Very truly yours,

GITTELMAN & COMPANY, P.C.

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