



**ALPERN ROSENTHAL**  
INSPIRING OPPORTUNITIES

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**IMPORTANT: PLEASE READ, SIGN & RETURN WITH YOUR TAX INFORMATION**

This letter confirms the arrangements for our tax return preparation services. We will prepare your individual Federal, State, and, when requested, Local income tax returns for 2009. We will also prepare these returns for your dependent children at your request. In addition, and only if you request, we will prepare other applicable returns such as payroll, sales, business privilege, or mercantile tax returns. We will prepare all of these returns in accordance with the appropriate tax laws. We will use our judgment in resolving questions where the law is unclear, or where there are conflicts between taxing authorities' interpretations of the law and other supportable positions.

It is your responsibility to provide us with all the information needed to prepare complete and accurate tax returns. This includes disclosure of any reportable transactions (typically tax shelters offering losses and credit against tax). We will not audit or otherwise verify the data you submit, although we may ask you to clarify some of it.

Soon, the Internal Revenue Service will require all individual tax returns to be filed electronically. Our firm offers and encourages the use of this service. You will receive a positive notification by email (usually within 48 hours) that the return is accepted. We will provide this service for all qualifying 2009 Federal and State returns. **As is the case with paper filing, you will receive your return for review and approval prior to electronic submission.**

There have been changes to the Internal Revenue Code again this year. These changes may impact your return. As a result, it is important that we get your information as early as possible. When you have the **majority** of your information accumulated, please send it to us with a note detailing the missing information to be sent at a later date. This will allow us to begin the preparation of your return rather than waiting until all information is submitted. We hope to receive your information before February 28, 2010. **Unless we have received all of your tax information prior to March 20, 2010, we cannot guarantee the completion of your tax returns prior to April 15, 2010.** If necessary, we can apply for an automatic extension of time to file your tax returns, however we will not do so without your request by April 1, 2010.

Fees for our tax preparation services are due upon presentation of our invoice to you.

Your returns are subject to examination by the taxing authorities. In the event of an audit, you may be requested to produce documents, records, or other evidence to substantiate the items of income and deduction shown on a tax return. If an examination occurs, we will represent you if you so desire; however, these additional services are not included in our fee for the preparation of your returns.

Although we are available to provide you with tax planning advice, we are not obligated to do so unless you specifically request it. Our policy is to put all tax planning advice in writing. Therefore, you should not rely on any unwritten advice because it may be tentative and not fully reviewed.

Certain communications involving tax advice between you and our firm may be privileged and not subject to disclosure to the IRS. By disclosing the contents of those communications to anyone, or by turning over information about those communications to the government, you may be waiving this privilege. To protect your rights, please consult with us or your attorney prior to disclosing any information about our tax advice.

We may, on occasion, use the services of unaffiliated third party vendors or subcontractors to perform certain duties including, but not limited to, data organization, data entry, processing, or data storage. Should we elect to outsource such services when working on your engagement, all of your information and data would remain strictly confidential as any such party is prohibited by written contract from using the information other than for the purposes for which the information was provided by us to that party.

The American Jobs Creation Act of 2004 amended certain disclosure and penalty rules that apply to tax avoidance transactions for transactions with respect to which material aid, assistance, or advice is provided after October 22, 2004. The new rules require certain disclosures of reportable transactions by material advisors and list-maintenance with respect to advisees under Code §6112. Reportable transactions are defined as one of the following:

- A Listed Transaction (or a Transaction that Is Substantially Similar to a Listed Transaction) as defined by the Internal Revenue Service from time to time;
- A Transaction Offered under Conditions of Confidentiality (restricting your right to disclose the strategy to third parties);
- A Transaction with Contractual Protection (the fee you paid is refunded if the position with the Service is not successful);
- Certain Loss Transactions (for corporations, \$10 million or more for any single taxable year or an aggregate of \$20 million over the five succeeding years; for individuals, \$2 million in any taxable year or an aggregate of \$4 million for the year of the transaction and the five succeeding years;
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A Transaction Creating a Book/Tax Difference Exceeding \$10 Million;

A Transaction that results in a tax credit of more than \$250,000 and wherein you hold the underlying asset giving rise to the credit for 45 days or less.

You are required to inform us of your participation in any such transaction. If you need assistance in determining whether or not these rules apply to you, please advise us at the inception of the engagement.

U.S. Persons (U.S. citizens and resident aliens as well as domestic partnerships and corporations) are required to file a Foreign Bank and Financial Account Report (FBAR) for any foreign account that holds liquid assets or marketable securities for which they have a financial interest or control. U.S. Persons are also required to file this report if they have signature authority over financial accounts of other U.S. Persons. The report is filed on form TD F 90-22.1 and is due on June 30th of each calendar year. There are substantial penalties for failure to comply with these rules. We would be pleased to assist you with FBAR filing requirements. However, we shall only do so if you advise us that you have such accounts, provide the requisite information and specifically engage us for this purpose.

If you have an IRA into which you have made non-deductible contributions you are required to file Form 8606. Because non-deductible contributions can eventually be withdrawn in a tax-free fashion, it is important to keep track of these contributions. We will prepare Form 8606 if the contribution information is provided to us.

In 2010 the Roth conversion income limitation will be lifted. It may be advantageous for you to convert all or part of your IRA(s) to Roth IRA(s). There are a variety of factors that could influence your decision. Please contact us if you would like an analysis performed.

We will be preparing your tax returns based on information you provide and/or representations that you make. Regulations have recently been adopted that permit the Internal Revenue Service to penalize tax return preparers in the event a taxpayer does not have the evidence to support a position taken or sufficient documentation to support deductions claimed. By providing information to us regarding your circumstances or deductions, you are representing to us that those circumstances are true and that you have the documentation necessary to support your positions or deductions. In the event that you are unable to provide such evidence or documentation to the Service when requested, and if that failure results in the Service assessing penalties against Alpern Rosenthal that we are unable to have abated, you agree to indemnify Alpern Rosenthal to the extent of such penalty and related costs, including the cost to defend any action or assessment.

If the tax services and terms outlined above are in accordance with your understanding of our engagement, you should sign this letter in the space provided and return it to us with your Tax Information in the enclosed envelope. **It is our desire that you sign and return this engagement letter to us. However, if you do not, we will assume that by sending the information to us necessary to prepare your returns, you agree to the terms of this letter.**

This letter sets forth the entire understanding of the parties with respect to the specifics of the engagement undertaken by Alpern Rosenthal. Any previous description of available services in marketing pieces, brochures and the like and any previous agreements or understandings between the parties regarding the scope and subject matter of this engagement are superseded in their entirety by this engagement letter.

We appreciate this opportunity to serve you. If you have any questions regarding the completion of the Tax Organizer or your tax returns, please do not hesitate to contact us.

Sincerely,

Alpern Rosenthal

ACCEPTED:

By: \_\_\_\_\_

Date: \_\_\_\_\_

**PLEASE READ - THIS IS IMPORTANT INFORMATION REGARDING USE OF YOUR TAX RETURN INFORMATION.**

Effective January 1, 2009, there are new rules relating to what we can and cannot do with the information you provide to us for the preparation of your individual income tax returns. The rules emanate from legislation passed by Congress and the subsequent regulations adopted by the IRS. The rules are designed to protect your confidential information, something we think is very important.

HOWEVER, literally applied, the rules also restrict the services that we may provide on your behalf, some of which you very well may expect us to provide. As a result, it is very important that you read the following and, if you desire, *return to us the attached consent form.*

THE RULE - We are not permitted to make unauthorized disclosures of information we obtain in connection with the preparation of your return or to use that information for an unauthorized purpose. One of the few permitted uses is the actual preparation of your return. We are also permitted to disclose information within our firm for the purpose of providing other accounting services. This type of use is necessary so that we may be able to, for instance, prepare a tax return for a retirement plan you may have.

THE ISSUE - We take the issue of confidentiality very seriously. However, the rules have some potentially unintended results. As the rules read, we are NOT permitted to use the information to make a recommendation for something as basic as whether or not you should make an IRA contribution or retirement plan contribution. As you may clearly have come to expect advice from us in conjunction with the preparation of your return, it is important that you understand that, except as noted below, we cannot now provide certain advice.

Another issue relates to the frequent requests we get to send copies of tax returns to third parties (such as a bank). Effective January 1, 2009, except as noted below, we are not permitted to do so.

THE RESOLUTION - There is an exception to the rule above - namely, if you provide an *affirmative consent* to our use of the information and such consent is provided PRIOR to our preparation of the return, we may use the information within the scope of your consent.

THE DETAILS - Please refer to the attached consent form. We have listed the potential areas that may be of concern to you. You may choose to consent to our disclosure or use for any, all, or none of these purposes. You are under no obligation to respond. However, please note that absent your written consent, we will not be able to take certain actions as noted in the consent form.

QUESTIONS - If you have any questions regarding the attached, do not hesitate to contact your Alpern Rosenthal representative.



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Federal law requires this consent form be provided to you. Unless authorized by law, we cannot disclose, without your consent, your tax return information to third parties for purposes other than the preparation and filing of your tax return. If you consent to the disclosure of your tax return information, Federal law may not protect your tax return information from further use or distribution.

You are not required to complete this form. If we obtain your signature on this form by conditioning our services on your consent, your consent will not be valid. If you agree to the disclosure of your tax return information, your consent is valid for the amount of time that you specify. If you do not specify the duration of your consent, your consent is valid for one year.

Unless authorized by law, we cannot use, without your consent, your tax return information for purposes other than the preparation and filing of your tax return.

If you believe your tax return information has been disclosed or used improperly in a manner unauthorized by law or without your permission, you may contact the Treasury Inspector General for Tax Administration (TIGTA) by telephone at 1-800-366-4484, or by email at [complaints@tigta.treas.gov](mailto:complaints@tigta.treas.gov).

Specific consents to disclose are noted below. You may consent to any, all, or none of the items noted. Should you desire, please indicate your consent by dating and signing your name where indicated. Your consent will be valid only where indicated by your signature and date.

I (sign your name here) \_\_\_\_\_, on \_\_\_\_\_, 2010 consent to Alpern Rosenthal's: (*You must circle each of the following that apply*)

- Yes No** 1. use of my tax return information (namely, my name and address), for the purpose of sending its periodic newsletters which may contain both tax and non-tax information.
- Yes No** 2. use of my tax return information (namely, my name and address), for the purpose of sending invitations to seminars, educational or social events.
- Yes No** 3. use of my tax return information for the purpose of providing tax and financial advice including, but not limited to estate, retirement and financial planning.
- Yes No** 4. disclosure of my tax return information to third parties (such as a bank) understanding that such disclosure will only be made at my subsequent request and only to those parties to whom I indicate.

The consent that I have provided above is valid for (initial one): \_\_\_\_\_ one year; \_\_\_\_\_ until my revocation of consent but not later than the termination of our relationship.