

LAWRENCE & ASSOCIATES, INC.

dba Lawrence Tax Service

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2025 ENGAGEMENT LETTER

Dear Lawrence Tax Service Client:

Thank you for choosing Lawrence Tax Service (LTS) to assist you with your tax preparation, planning and audit representation needs. This letter describes the terms of our engagement with you and the nature and extent of the services we will provide.

During the calendar year 2025, we will prepare your 2024 Federal and all state income tax returns you request using information you provide to us. We may ask for clarification of some items, per IRS Circular 230 Due Diligence Standards but will not audit or otherwise verify the data you submit.

It is your responsibility to provide information required for preparation of complete and accurate returns including all items on the LTS data collection sheets and "Things to Bring List". You should keep all documents, canceled checks and other information that support your reported income and deductions for a period of no less than eight years from filing. They may be necessary to prove accuracy and completeness of the returns to a taxing authority. You are responsible for the returns, so you should review them carefully before signing. Client represents that all payments (income reported) are from legal source income and that all cash or digital receipts and expenses are included in reported data provided LTS for tax preparation.

Our work will not include any procedures to discover defalcations or other irregularities. The only accounting or analysis work we will do is that which is necessary for the preparation of your income tax returns. Nor do we customarily prepare payroll, sales tax or pension returns.

We will use our judgment in resolving questions where the tax law is unclear, or where there may be conflicts between the taxing authorities' interpretations of the law and other supportable positions. Unless you instruct us otherwise, we will apply the "REASONABLE BELIEF THAT THE TAX TREATMENT OF THE POSITION WAS MORE LIKELY THAN NOT THE PROPER TREATMENT" standard to resolve such issues in your favor whenever possible.

The law imposes penalties when taxpayers understate their tax liability. If you have concerns about such penalties or receive any notices from the taxing authorities, please contact us. When executing this Agreement, you agree to grant your tax preparer an access to IRS and FTB taxpayer account.

Your returns may be selected for audit by a taxing authority. Any proposed adjustments are subject to appeal. Any tax, penalties and interest deficiencies are entirely your obligation. In the event of a tax examination, we can arrange to be available to represent you. Our fees for such representation will be based on the hourly rate charged by the LTS personnel assigned to your case. Fees and expenses for defending the returns will be invoiced monthly and due upon receipt in accordance with the terms we agree on for that engagement.

Our fee for preparation of your tax return is normally based on the attached minimum fee schedule that is updated on a yearly basis. Our tax preparation fee will be greater than the minimum fee per schedule in the event that the time involved in preparing your return, charged at the hourly rate of the personnel assigned to your case, exceeds the minimum fee per schedule. In addition, tax planning and consultation services are charged at the hourly rate of the LTS tax personnel assigned to your case. All invoices are due and payable upon presentation. To the extent permitted by state law, an interest charge may be added to all accounts not paid within thirty (30) days. In addition, we may notify the taxing authorities to remove our name as a paid preparer of your return, thus avoiding the responsibility as a paid preparer, should your invoice remain unpaid by year end. This Agreement will be interpreted according to the federal and California law.

We will retain copies of records you supplied to us along with our work papers for your engagement for a period of not to exceed four years or the standard statute of limitations, if shorter. After such time, our work papers and engagement files will be destroyed. All of your original records will be returned to you at the end of this engagement when the services rendered are initially completed. You should keep the original records in secure storage for future reference.

Client Privacy/Data Security Policy: Located on our website and provided in a separate document available upon request. Please know that we do not share your private tax information with anyone (e.g. lenders, mtg brokers, etc.) without obtaining your written permission according to the law. Furthermore, LTS maintains cyber-risk security procedures to protect client data. For this, we encourage all clients to use our encrypted portal. However, client agrees that 100% perfect security is impossible and cannot be guaranteed.

Foreign Asset Disclaimer: LTS has made you aware that U.S. taxpayers are required to report their worldwide income, that is, income from both U.S. and foreign sources. In addition, taxpayers who own, have an interest in, or signature or other authority over, assets in a foreign country, may be required to report the existence of the asset. Client agrees and indemnifies LTS that client has reported to LTS any and all foreign assets of which client has either ownership or signatory authority including but not limited to funds in foreign financial institutions, real estate, rights to foreign pension plans, rights to distributions from foreign estates or trusts, life insurance with cash surrender values or any other foreign assets. Failure to comply with these U.S. laws could result in severe penalties.

Worker Classification Disclaimer: Client agrees that LTS will not be responsible for advising client with respect to independent contractor status as part of the LTS services. If client has any questions regarding the classification of employees versus independent contractors, LTS strongly encourages client to consult with legal counsel experienced in employment practice matters.

Corporate Transparency Act Disclaimer: In accordance with the Corporate Transparency Act, timely submission of the initial Beneficial Ownership Information filing and any subsequent changes pertaining to your company is your sole responsibility. For more information regarding Beneficial Ownership Information filing requirement, please go to www.fincen.gov/boi.

Additional conditions of this engagement, if applicable, are attached or referenced below: _____

Related Entity Returns to be prepared for which the parties waive potential conflicts: 990/706/709 _____

1040 _____ 1065 _____

1041 _____ 1120/S _____

To indicate that this letter correctly summarizes your understanding of the arrangements for this work, please sign the enclosed copy of this letter in the space indicated and return it to us in the envelope provided. We appreciate your confidence in us. Please call if you have questions.

AGREED TO and ACCEPTED BY CLIENT:

Signature(s): _____ Date: _____

Client(s) Name: _____

Address: _____

Minimum Fee Schedule for Income Tax Return Preparation (2025)

PERSONAL INCOME TAX RETURN		FEE/(ITEM)	OTHER SCHEDULES		FEE/(ITEM)
Form 1040 (& one State)	\$	300.00	Accounting Method (3115)	\$	500.00
Schedule A (Fed or State)	\$	100.00	Moving Expenses (3903)	\$	60.00
Out of State Return	\$	150.00	Employee Bus. Exp. (2106)	\$	90.00
Form 8995 (and A)	\$	150.00	Add. Medicare Tax (8959)	\$	50.00
Form 1045	\$	300.00	Casualty Loss (4684)	\$	200.00
State/Fed non-conformity		variable	Underpayment. Pen. Com (2210)	\$	50.00
SCHEDULE C & F		FEE/(ITEM)	Ext Time File (4868/7004)	\$	50.00
Business or Farm Income	\$	300.00	Net Inv Inc Tax (8960)	\$	100.00
Self-Employment Tax (Sch. SE)	\$	50.00	Net Operating Losses (172 & 461)	\$	200.00
Depreciation Schedule	\$	10.00	At Risk Limitation (6198)	\$	75.00
Home Office Comp. (8829)	\$	100.00	Investment Interest (4952)	\$	100.00
SCHEDULE D TRANSACTIONS		FEE/(ITEM)	Deceased Taxpayer Ref (1310)	\$	100.00
Schedule D	\$	50.00	Alternative Min. Tax (6251)	\$	75.00
Form 8949	\$	20.00	Kiddie Tax (8615/CA3800)	\$	150.00
Form 8453 Spc Attachment	\$	50.00	Parent's Election (8814)	\$	75.00
Qualified Small Business Stock	\$	150.00	Non-Cash Contributions (8283)	\$	75.00
Sale of Residence	\$	150.00	Household Employees (Sch. H)	\$	100.00
4797 Trans. / Recap	\$	75.00	Health Savings Acct (8889)	\$	100.00
Installment Sale (6252)	\$	100.00	Install Agreement Req (9465)	\$	100.00
Deferred Exch (8824)	\$	400.00	TAX CREDIT		FEE/(ITEM)
CA Form 3840	\$	150.00	Child Tax Credit (8812)	\$	100.00
Foreclosure, Short Sale, COD, Income & Repos (982)	\$	500.00	Due Diligence Checklist (8867)	\$	75.00
OTHER INCOME ITEMS		FEE/(ITEM)	Child Care Credit (2441)	\$	100.00
Schedule B (Int/Div)	\$	5.00	Recapture of Inv Tax Cr (4255)	\$	50.00
Rental Property (Sch. E)	\$	150.00	Earned Inc Cr (EIC)	\$	150.00
Depreciation Schedule	\$	10.00	Tax Paid to Other State	\$	100.00
Partnership, S-Corp, Trust (K-1)	\$	150.00	Energy Credit (5695)	\$	100.00
Passive Loss limit (8582)	\$	100.00	Minimum Tax Credit (8801)	\$	75.00
PENSION ITEMS		FEE/(ITEM)	Education Cr (8863)	\$	100.00
IRA (8606)	\$	75.00	OTHER ITEMS		FEE/(ITEM)
Keogh-SEP-Simple-Solo 401k-DB/DC	\$	100.00	Amended Prior Yr Tax Return	\$	400.00
Early Distrib (5329)	\$	75.00	Compute W-4	\$	30.00
Roth, Reg., Ed	\$	50.00	Extra Copy of Return	\$	25.00
RMD calculation	\$	40.00	Postage-Handling	\$	20.00
Rollover/Conversion (8606)	\$	75.00	Form 1099 or W-2 Prep.	\$	50.00
FOREIGN INCOME TAX ITEMS		FEE/(ITEM)	Minimum Fee per Appt.	\$	450.00
Foreign Tax Credit (1116)	\$	50.00	Client change rerun	\$	50.00
Foreign Income (2555)	\$	300.00	Trust Return (1041)	\$	900.00
Form 114 (was TD F90-22.1)	\$	200.00	Corporate Return (1120)	\$	1,300.00
Form 8938	\$	300.00	Partnership Return (1065)	\$	1,300.00
ADMINISTRATION CHARGES		FEE/(ITEM)	CONSULTING & AUDIT REP		RATE (/HR)
Est. Tax Payment Service	\$	100.00	Miles Lawrence, EA, Esq.	\$	450.00
POA (2848) & managing IRS/FTB acct.	\$	300.00	Richard Moore, EA	\$	340.00
General Admin incl Computer and E-filing	\$	350.00	Brett Strother, EA, CPA	\$	340.00
			Randa Ibrahim, EA	\$	240.00
			Minji Jo, EA	\$	180.00

- (1) There will be an additional charge for any forms or schedules not listed.
- (2) The LTS fee charged to clients will be equal to the practitioner's hourly rate multiplied by the hours worked, unless the total derived from the Minimum Fee Schedule, based on the required forms and schedules to complete the return, results in a higher charge.
- (3) Payment due at the time of the service is rendered and considered late if not remitted within 30 days of invoicing. LTS reserves the right to charge a finance charge equal to 1% per month for all late accounts receivable. Furthermore, unpaid invoices outstanding as of December 31, 2025, may be reported to the IRS, so that LTS can be removed as the preparer of such filed returns.