

MONEY BREEDERS TAX & ACCOUNTING INC.

RE: Policy Changes, Preparation Fees & Assurance Insurance

To All Valued Clients of Money Breeders Tax & Accounting Inc.:

Enclosed with copies of your tax returns are copies of Money Breeders policies and procedures. Please familiarize yourself with them and if needed, refer to them.

A comment on our preparation fees:

The preparation fees charged by Money Breeders are inclusive fees that not only cover the preparation of all forms, schedules and worksheets required by federal and state agencies, but the fees also compensate Money Breeders for liabilities incurred in the protection and defense of the returns prepared. The preparation fees are computed based on the experience Money Breeders has accumulated, the proficiency of the preparation, and assistance over the life of the return including, but not limited to, audit assistance. A discounted return degrades the full coverage service Money Breeders can provide to its clients. In the event of a discount in the preparation fees, Money Breeders may be unable to completely fulfill the standard obligation of its practice. Moreover, a client may not be eligible for year-round services or audit assistance without incurring additional charges.

Also, charges for the Assurance Insurance are mandatory for all tax returns and cannot be reduced or waived by any agent of Money Breeders. If Money Breeders prepares a tax return and does not charge a preparation fee, the Assurance Insurance is not included. However, a client may opt for Assurance Insurance.

As always, we are available to assist you and answer any questions you may have concerning your tax preparations.

Money Breeders Tax & Accounting Inc.
259 S Indian Hill Blvd
Claremont, CA 91711
909.399.1959 / 1.504.910.0075 (fax)
www.moneybreeders.com

MONEY BREEDERS TAX & ACCOUNTING INC.

DUE DILIGENCE ACKNOWLEDGEMENT

I/We acknowledge that Money Breeders Tax & Accounting, Inc. is a corporation doing business as tax preparers. I/We further acknowledge that Money Breeders Tax & Accounting, Inc. solely relies on information, forms and documents provided by the taxpayer when preparing the taxpayer's tax return.

I/We, the undersigned, declare that I/We provided all information, forms and documents, including but not limited to, all amounts, figures and other financial details to Money Breeders Tax & Accounting, Inc. for purposes of preparing our tax return. I/We further acknowledge and agree that Money Breeder's performed its due diligence as follows:

1. Money Breeder(s) fully reviewed the return(s) with the taxpayer, spouse or authorized agent and that I/We understood the contents of the tax return(s);
2. Money Breeders provided copies of the tax return(s) to the taxpayer, spouse or authorized agent;
3. Money Breeders reviewed its internal policies with the taxpayer, spouse or authorized agent and provided copies of such policies with the tax return(s);
4. Money Breeders reviewed its tax return preparation, filing and storage procedures with the taxpayer, spouse or authorized agent;
5. Money Breeders reviewed its tax return defense procedures and provided copies of all related policies to the taxpayer, spouse or authorized agent.

I/We acknowledge and warrant that Money Breeders did not provide any guarantees whatsoever against an audit or any other future action from the Internal Revenue Service, Franchise Tax Board or any other governmental entity.

Primary Taxpayer

Date

Secondary Taxpayer (Spouse)

Authorized Agent

Money Breeders Authorized Agent

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Email Consent

I/We give consent to Money Breeders Tax & Accounting Inc. to use our email address to send information regarding our direct tax situation, information that would be helpful or of interest to our ongoing financial/tax health, and any updates or corporate information that clients of Money Breeders should be made aware (including but not limited to annual client letters, appointment confirmations, client appreciation information, and other such correspondences). I/We understand that we always retain the option of notifying Money Breeders in writing, email, fax or telephone in order to change our current status on this matter.

I/We chose not to allow Money Breeders Tax & Accounting Inc. to use our email for general correspondence purposes. I/We understand that if we have given Money Breeders our email address that Money Breeders may use the email to send us direct information, specifically information requested or needed to prepare a pending tax return.

Primary Taxpayer Date

Secondary Taxpayer (Spouse) Date

Authorized Agent Date

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MONEY BREEDERS TAX & ACCOUNTING INC.

MONEY BREEDERS ASSURANCE INSURANCE

Standard Coverage

As part of each client's tax preparation package, Money Breeders provides all clients with Standard Coverage Assurance Insurance. Assurance Insurance is an independent escrow based tax return coverage program. Standard Coverage Assurance Insurance pays up to a maximum amount of \$2,500.00 per tax return per taxable year, for errors, omissions, and/or interpretations inadvertently made by the client through Money Breeders from information the client provided at the time Money Breeders prepared the tax return. This coverage may be applied to any additional taxes, penalties & interest levied by the IRS or FTB. Assurance Insurance does not cover any levies of additional taxes, penalties or interest that are the result of a taxpayer's, spouse's and/or agent's advertent or inadvertent misrepresentation of information contained in individual tax return, including but not limited to, omitted income, status and/or unverifiable exemptions.

EXTENDED COVERAGE

FOR AN ADDITIONAL FEE, EQUAL TO THE COST OF THE STANDARD COVERAGE, A CLIENT MAY ELECT TO EXTEND THE STANDARD COVERAGE. EXTENDED COVERAGE PROVIDES AN ADDITIONAL \$2,500 IN MAXIMUM COVERAGE FOR THE BENEFITS PROVIDED UNDER THE STANDARD COVERAGE PROGRAM AS OUTLINED HEREIN ABOVE. IF CLIENT ELECTS TO EXTEND CLIENT'S COVERAGE, THE FEE FOR ASSURANCE INSURANCE IS DOUBLED.

CLAIMS

AUDITS: ALL CLAIMS FOR ASSURANCE INSURANCE MUST BE MADE IN WRITING DIRECTLY TO MONEY BREEDERS WITHIN 14 DAYS OF THE FIRST AUDIT NOTICE FROM THE IRS OR FTB. UPON ISSUANCE OF A SECOND AUDIT NOTICE BY THE IRS OR FTB, CLIENT'S ASSURANCE INSURANCE IS VOID AND THUS, UNAVAILABLE FOR COVERAGE. UPON CLIENT'S ASSURANCE INSURANCE BECOMING VOID, MONEY BREEDERS WILL NOT OWE ANY FURTHER DUTY TO CLIENT.

LEVIES: ALL CLAIMS FOR ASSURANCE INSURANCE MUST BE MADE IN WRITING TO MONEY BREEDERS WITHIN 90 DAYS OF THE LEVY. ANY LEVY PLACED AGAINST A MONEY BREEDERS TAX RETURN THAT WAS NOT HANDLED BY MONEY BREEDERS DURING AUDIT IS EXCLUDED FROM COVERAGE.

FEES

MONEY BREEDERS INCLUDES THE COST OF STANDARD COVERAGE ASSURANCE INSURANCE WITH ALL TAX PREPARATIONS. THE INCLUDED FEES ARE AS FOLLOWS: FOR EACH TAX RETURN, A CHARGE OF \$100 IS ADDED FOR MONEY BREEDER'S ASSURANCE INSURANCE. AN ADDITIONAL \$50 IS INCLUDED FOR EACH OF THE FOLLOWING: C (SMALL BUSINESS), D, (CAPITAL GAINS/LOSSES), E (RENTAL PROPERTY) AND/OR F (FARMING OPERATIONS); ADDITIONALLY, A CHARGE OF \$50 IS ASSESSED FOR COVERAGE OF A 1040-X (AMENDMENT TO FILED RETURNS) AND/OR A RETURN FILED ON EXTENSION. IF CLIENT ELECTS EXTENDED COVERAGE, CLIENT IS CHARGED DOUBLE FEES AS QUOTED HEREIN.

*ASSURANCE INSURANCE IS IN EFFECT FOR THE LIFE OF MONEY BREEDERS PLUS THREE YEARS; AFTER WHICH, MONEY BREEDERS IS NEITHER LIABLE FOR ANY CLAIMS NOR A TAX RETURN(S) PREPARED BY MONEY BREEDERS. INDIVIDUAL TAX RETURNS ARE COVERED FOR OPEN TAX YEARS (AS DEFINED BY THE IRS/FTB). IF A TAX YEAR IS CONSIDERED A CLOSED YEAR, THE ASSURANCE INSURANCE IS NOT APPLICABLE.

**IN THE EVENT OF THE DEATH OF MARK CHARLES LINNARTZ, MONEY BREEDERS ASSURANCE INSURANCE BECOMES IMMEDIATELY NULL AND VOID.

***THERE IS NO ASSURANCE INSURANCE COVERAGE FOR ANY CLIENT WHO FAILED TO PAY ALL FEES TO MONEY BREEDERS ON THE SUBJECT TAX RETURN.

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MONEY BREEDERS TAX & ACCOUNTING INC.

MONEY BREEDERS ASSURANCE INSURANCE: BUSINESS

Standard Coverage

As part of each business's tax preparation package, Money Breeders provides all businesses with Standard Coverage Assurance Insurance. Assurance Insurance is an independent escrow based tax return coverage program. Standard Coverage Assurance Insurance pays up to a maximum amount of \$2,500.00 per tax return per taxable year, for errors, omissions, and/or interpretations inadvertently made by the business through Money Breeders from information the business provided at the time Money Breeders prepared the tax return. This coverage may be applied to any additional taxes, penalties & interest levied by the IRS or FTB. Assurance Insurance does not cover any levies of additional taxes, penalties or interest that are the result of a business's and/or agent's advertent or inadvertent misrepresentation of information contained in individual tax return, including but not limited to, omitted income, status and/or unverifiable exemptions.

EXTENDED COVERAGE

FOR AN ADDITIONAL FEE, EQUAL TO THE COST OF THE STANDARD COVERAGE, A BUSINESS MAY ELECT TO EXTEND THE STANDARD COVERAGE. EXTENDED COVERAGE PROVIDES AN ADDITIONAL \$2,500 IN MAXIMUM COVERAGE FOR THE BENEFITS PROVIDED UNDER THE STANDARD COVERAGE PROGRAM AS OUTLINED HEREIN ABOVE. IF BUSINESS ELECTS TO EXTEND BUSINESS'S COVERAGE, THE FEE FOR ASSURANCE INSURANCE IS DOUBLED.

CLAIMS

AUDITS: ALL CLAIMS FOR ASSURANCE INSURANCE MUST BE MADE IN WRITING DIRECTLY TO MONEY BREEDERS WITHIN 14 DAYS OF THE FIRST AUDIT NOTICE FROM THE IRS OR FTB. UPON ISSUANCE OF A SECOND AUDIT NOTICE BY THE IRS OR FTB, BUSINESS'S ASSURANCE INSURANCE IS VOID AND THUS, UNAVAILABLE FOR COVERAGE. UPON BUSINESS'S ASSURANCE INSURANCE BECOMING VOID, MONEY BREEDERS WILL NOT OWE ANY FURTHER DUTY TO BUSINESS.

LEVIES: ALL CLAIMS FOR ASSURANCE INSURANCE MUST BE MADE IN WRITING TO MONEY BREEDERS WITHIN 90 DAYS OF THE LEVY. ANY LEVY PLACED AGAINST A MONEY BREEDERS TAX RETURN THAT WAS NOT HANDLED BY MONEY BREEDERS DURING AUDIT IS EXCLUDED FROM COVERAGE.

FEES

MONEY BREEDERS INCLUDES THE COST OF STANDARD COVERAGE ASSURANCE INSURANCE WITH ALL TAX PREPARATIONS. THE INCLUDED FEES ARE AS FOLLOWS: FOR EACH TAX RETURN, A CHARGE OF \$250 IS ADDED FOR MONEY BREEDER'S ASSURANCE INSURANCE. AN ADDITIONAL \$100 IS INCLUDED FOR EACH OF THE FOLLOWING: D, (CAPITAL GAINS/LOSSES), E (RENTAL PROPERTY) AND/OR F (FARMING OPERATIONS); ADDITIONALLY, A CHARGE OF \$100 IS ASSESSED FOR COVERAGE OF A 1040-X (AMENDMENT TO FILED RETURNS) AND/OR A RETURN FILED ON EXTENSION. IF BUSINESS ELECTS EXTENDED COVERAGE, BUSINESS IS CHARGED DOUBLE FEES AS QUOTED HEREIN.

*ASSURANCE INSURANCE IS IN EFFECT FOR THE LIFE OF MONEY BREEDERS PLUS THREE YEARS; AFTER WHICH, MONEY BREEDERS IS NEITHER LIABLE FOR ANY CLAIMS NOR A TAX RETURN(S) PREPARED BY MONEY BREEDERS. INDIVIDUAL TAX RETURNS ARE COVERED FOR OPEN TAX YEARS (AS DEFINED BY THE IRS/FTB). IF A TAX YEAR IS CONSIDERED A CLOSED YEAR, THE ASSURANCE INSURANCE IS NOT APPLICABLE.

**IN THE EVENT OF THE DEATH OF MARK CHARLES LINNARTZ, MONEY BREEDERS ASSURANCE INSURANCE BECOMES IMMEDIATELY NULL AND VOID.

***THERE IS NO ASSURANCE INSURANCE COVERAGE FOR ANY BUSINESS WHO FAILED TO PAY ALL FEES TO MONEY BREEDERS ON THE SUBJECT TAX RETURN.

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AUDIT ASSISTANCE

Money Breeders provides limited audit defense assistance with each tax return prepared by Money Breeders. This audit defense assistance is provided only to those returns that were paid in full and if a power of attorney is on file. Our assistance includes, but is not limited to, presenting documents; evidence and information supplied by client to the IRS or FTB and will appear, if necessary on client's behalf before the IRS or FTB.

Other than the documents the client provided to Money Breeders for purposes of the preparing the Client's tax return, Money Breeders is not responsible for maintaining any other documentation. It is solely client's responsibility to provide all necessary documentation to the IRS or FTB during an audit.

FEES AND REQUESTS FOR AUDIT ASSISTANCE

If a client wishes audit assistance, client must contact Money Breeders prior to receiving a second notice of audit. Money Breeders will not conduct any investigation or defend an audit without prior notification from client. All clients may choose to undertake the audit alone or through enlisting outside assistance. Money Breeders is not liable for any actions or inactions of outside assistance. If Client enlists assistance from Money Breeders for audit defense, client has a duty to remain in contact and cooperate with Money Breeders at all times while in audit. In the event there is no client contact for 30 days or more, Money Breeders reserves the right to cease audit assistance.

Money Breeders charges its normal fees for audit assistance. Money Breeders will waive audit fees to the extent that said fees do not exceed the preparation fees collected by Money Breeders for the tax return in question. Fees for Money Breeders Assurance Insurance, Accounting Fees, and/or Specialty Charges are not part of the calculable waiver. Money Breeders has the discretion to request a deposit prior to commencing any audit assistance.

CLIENT CONTACT OF GOVERNMENT AGENCIES DURING AUDIT

Money Breeders does not forbid its clients to contact any government agency concerning client's tax return. However, If Money Breeders is providing audit defense assistance, Money Breeders requests that client NOT contact said agencies without first speaking to Money Breeders. The government agencies place restrictions on the "point of contact." The restriction limits to whom government agencies are allowed to disclose and discuss confidential information. Top priority is always given to the actual taxpayer and spouse, with all other authorized agents taking secondary priority. Although Money Breeders may have a tax specific power of attorney currently on file, once a taxpayer or spouse directly contacts the agency, a power of attorney may be nullified. In the event a client's communication to the government agency nullifies Money Breeder's power of attorney, serious delays may occur that are beyond Money Breeder's control.

*Please be advised that audit defense is client's responsibility at all times. Money Breeders cannot be held liable under any circumstances related to an audit.

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MONEY BREEDERS AUDIT ASSISTANCE ADDENDUM

WITH EACH TAX RETURN PREPARED BY MONEY BREEDERS TAX & ACCOUNTING, INC. IS INCLUDED A LIMITED AUDIT ASSISTANCE. MONEY BREEDERS WILL ASSIST IN THE AUDIT OF ANY OF ITS PREPARED RETURNS THAT HAVE BEEN PAID-IN-FULL AND ARE COVERED UNDER A STANDING POWER-OF-ATTORNEY. THIS ASSISTANCE INCLUDES APPEARING BEFORE THE IRS OR FRANCHISE TAX BOARD AND PRESENTING ALL DOCUMENTS PROVIDED BY YOU. THE ASSISTANCE WILL LAST UNTIL A FINAL DETERMINATION IS RECEIVED FROM THE INTERNAL REVENUE SERVICE OR THE FRANCHISE TAX BOARD ON THE AUDIT FROM THE YEAR IN QUESTION. AFTER A FINAL DETERMINATION IS RECEIVED, MONEY BREEDERS' ASSISTANCE WILL CEASE IMMEDIATELY. SHOULD YOU CHOOSE TO CONTINUE CHALLENGING THE AUDIT AND DETERMINATION, MONEY BREEDERS' WILL REFER YOU TO A QUALIFIED TAX ATTORNEY. AT THAT POINT, YOU ARE RESPONSIBLE FOR ANY ATTORNEY FEES AND EXPENSES RELATED TO YOUR PROTEST. AT ALL TIMES, MONEY BREEDERS IS NOT RESPONSIBLE FOR MAINTAINING ANY EVIDENCE OTHER THAN THOSE PERTAINING TO CERTAIN WAGES/EARNED INCOME AND WITHHOLDING RECORDS; ANY MISSING, MISPLACED OR OTHERWISE ABSENT DOCUMENTATION, EVIDENCE OR INFORMATION IN AN AUDIT IS THE RESPONSIBILITY OF THE CLIENT TO MAINTAIN OR POSSESS. **MONEY BREEDERS IS RELIEVED OF ALL LIABILITY IN AN AUDIT WHEREIN MONEY BREEDERS WAS NOT CONTACTED PRIOR TO THE ISSUANCE OF A SECOND AUDIT NOTICE; AND/OR, WHEN THERE HAS BEEN NO CLIENT CONTACT FOR 30 CALENDAR DAYS OR MORE ONCE AN AUDIT HAS BEEN REPORTED TO MONEY BREEDERS.**

MONEY BREEDERS NORMAL FEES FOR AUDIT ASSISTANCE APPLY, HOWEVER, A CLIENT IS ENTITLED TO A WAIVER OF AUDIT FEES TO THE EXTENT THAT SAID FEES DO NOT EXCEED THE PREPARATION FEES COLLECTED ON BEHALF OF THE PREPARATION OF THE RETURN IN QUESTION; FEES FOR THE MONEY BREEDERS ASSURANCE INSURANCE, ACCOUNTING FEES, AND/OR SPECIALTY CHARGES ARE NOT APPLICABLE AND ARE NOT PART OF THE CALCULABLE WAIVER. MONEY BREEDERS WILL INVOICE FOR ALL FEES OUTSTANDING AND MAY REQUIRE A DEPOSIT TO COVER ADDITIONAL FEES.

MONEY BREEDERS INCLUDES A POWER-OF-ATTORNEY WITH EACH RETURN; HOWEVER, A CLIENT IS STILL LIABLE FOR CONTACTING MONEY BREEDERS IN THE CASE OF AN AUDIT BEFORE MONEY BREEDERS WILL CONDUCT ANY INVESTIGATION AND/OR DEFENSE. A CLIENT ALWAYS RETAINS THE OPTION OF UNDERTAKING THE AUDIT THEMSELVES AND/OR ENLISTING OTHER OUTSIDE ASSISTANCE; HOWEVER, MONEY BREEDERS IS NOT LIABLE FOR ANY ASSISTANCE OTHER THAN ITS OWN AND CANNOT BE HELD ACCOUNTABLE FOR ASSISTANCE THAT IT DID NOT PROVIDE, INCLUDING BUT NOT LIMITED TO ASSOCIATED COSTS.

MONEY BREEDERS WILL INVOICE CLIENTS FOR ANY AUDIT CHARGES, NOTING ANY AMOUNTS WAIVED, TO BE PAID-IN-FULL UNDER THE TERMS OF THE INVOICING POLICIES OF MONEY BREEDERS TAX & ACCOUNTING, INC.

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