



January 1, 2010

TO THE SHAREHOLDERS  
ACME, INC.  
2003 N. CARSON STREET, #100  
CARSON CITY, NV 89706

This letter is to confirm our understanding of the terms and objectives of our engagement and the nature and limitations of the services we will provide.

We will perform the following services:

1. We will compile, from information you provide, the annual and interim balance sheets and related statement of income of ACME, INC. for the year ended December 31, 2009, and each year thereafter, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. We will not audit or review such financial statements. If, for any reason, we are unable to complete the compilation of the Company's financial statements, we will not issue a report on such statements as a result of this engagement.
2. We will also prepare the federal and state tax return for ACME, INC. for the fiscal year ended December 31, 2009, and each year thereafter, at your request.
3. We will also provide accounting, tax planning, and general consultation services on an as-needed basis.

The Company's tax return(s) are subject to examination by federal, state and local tax authorities. In the event of an audit, management may be requested to produce documents, records, or other evidence to substantiate the items of income and expense shown on the Company's tax return(s). If an examination occurs, we will represent the Company, upon request. However, these additional services are not included in our fee for the preparation of the Company's tax return(s).

Management should also be aware that IRS audit procedures usually include questions on bartering transactions and deductions that require strict documentation, such as travel and entertainment expenses and expenses for business usage of autos and computers. In preparing the Company tax return(s), we rely on management's representations that we have been informed of all bartering transactions and that responsible Company personnel understand and have complied with the documentation requirements for expenses and deductions. By your signature below, you are confirming to us that unless we are otherwise advised, the travel, entertainment, gifts, and related expenses are supported by the necessary records required under Section 274 of the Internal Revenue Code.

We will use our professional judgment in preparing the Company's return(s). Whenever we are aware that a possible applicable tax law is unclear or that there are conflicting interpretations of the law by authorities (e.g., tax agencies and courts) we will explain the possible positions that may be taken on the Company's return. We will follow whatever position management requests, so long as it is consistent with

the codes and regulations and interpretations that have been promulgated. If the Internal Revenue Service should later contest the position taken, there may be an assessment of additional tax plus interest and penalties. We assume no liability for any such additional penalties or assessments.

If, during our work, we discover information that affects the Company's prior year returns, we will notify management of the facts. However, we cannot be responsible for identifying all items that may affect prior year returns. If management becomes aware of such information, please contact us to discuss the best resolution of the issue.

You should be aware that the federal tax law practitioner-client privilege can only be asserted in non-criminal tax proceedings before the IRS, and in federal court with regard to non-criminal tax matters in which the IRS is a party. Thus, we could be compelled to testify against you about anything you tell us, anything we learn during the preparation of the Company's return(s), or about documents provided to us.

We may provide checklists, questionnaires or worksheets to guide the Company's accounting personnel in organizing the information we need to prepare the Company's financial statements and tax return(s). You represent that the information being supplied to us is accurate and complete to the best of your knowledge. We will not verify the information given us; however, we may ask for additional clarification of some information.

As outlined in this letter, we will assist in the preparation of the Company's financial statements and we may advise management about appropriate accounting principles and their application, but the responsibility for the financial statements remains with you. Also, as part of our engagement, we may propose standard, adjusting, or correcting journal entries to the financial statements. Management however, has final responsibility for reviewing the proposed entries and understanding the nature and impact of the proposed entries to the financial statements. It is our understanding that management may designate qualified individuals with the necessary expertise, to be responsible and accountable for overseeing all the services performed as part of this engagement. By your signature below, you acknowledge that management agrees to evaluate the adequacy of, and accept responsibility for, the results of all the services performed as part of this agreement. In addition, the Company's management personnel are responsible for establishing and maintaining internal controls, including monitoring ongoing activities.

Our engagement cannot be relied upon to disclose errors, fraudulent financial reporting, and misappropriation of assets, or illegal acts that may exist. However, we will inform the appropriate level of management of any material errors and of any evidence or information that comes to our attention during the performance of our engagement that fraud may have occurred. We will also report to the appropriate level of management any evidence or information that comes to our attention regarding illegal acts that may have occurred, unless they are clearly inconsequential. By your signature below, you understand that we have no responsibility to identify and communicate deficiencies in the Company's internal control policies or procedures as part of this engagement. ACME, INC. agrees to release, indemnify, and hold Mark Borel & Associates, Inc. (its' partners, personal representatives, successors, and assigns) harmless from any liability and costs resulting from knowing misrepresentations by management and/or fraud caused by or participated in by management.

Our professional fees for this work will be billed at our regular hourly rates, ranging from \$50/hr. to \$225/hr., for the individual staff members involved. This amount includes costs for copies, postage and telephone charges. It does not include, and you may be billed for, courier or other out-of-pocket expenses which may arise as a result of this engagement, including an initial set up fee of \$250-\$350 for accounting files setup, collection of contact information, mailing instructions and initial documents,

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reviewing information, preparing work orders, scheduling specific project tasks and timelines, scheduling tax deadlines, and any other tasks specific to your situation. The range of total fees charged will vary with the amount of time required to perform these services in a responsible manner. We will commence our work upon receipt of a retainer deposit of \$1,500, along with the documents we have requested. The Company's retainer deposit will be held in trust and applied toward fees and costs as earned and incurred. As the retainer is applied and depleted, an additional retainer deposit may be requested to continue our work.

Payments for services are due when invoices are rendered, and interim billings may be submitted as work progresses and expenses incurred. Billings become past due if not paid within 30 days of the invoice date. Invoices are payable on presentation and are subject to an interest charge of 15% if unpaid after 60 days. If billings are past due in excess of 90 days, all work will be suspended until the account is brought current. If no attempt is made to bring the account current then the invoice may be subject to collection proceedings. Management further acknowledges and agrees that in the event we stop work or withdraw from this engagement as a result of management's failure to pay on a timely basis for services rendered as required by this engagement letter, we shall not be liable to the Company for any damages that occur as a result of our ceasing to render services. At our discretion, final work product will not be released until payment is made in full (mandatory for new clients for up to three years).

Thank you for placing your trust and confidence in our firm. We hold your questions and inquiries in high regard, and encourage you to give us a call if you wish to discuss this agreement. If the services and terms outlined above are in accordance with your understanding of our engagement, please sign this letter in the space provided below and return it to us to begin services.

Sincerely,



Mark G. Borel, CPA  
MARK BOREL & ASSOCIATES, INC.

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The foregoing is in accordance with my understanding of your engagement to provide accounting, tax preparation, and consulting services. The terms described in this letter are acceptable and are hereby agreed to.

**AGREED TO AND ACCEPTED:**

Signature: .....

OFFICER/SHAREHOLDER NAME, AS TITLE AND INDIVIDUALLY

Date: .....

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### CONSENT TO USE OF TAX RETURN INFORMATION

Federal law requires this consent form be provided to you. 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.

You are not required to complete this form. If we obtain your signature on this form by conditioning our service on your consent, your consent will not be valid. 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.

Taxpayer hereby consents to the use by Mark Borel & Associates, Inc. of any and all tax return information contained in the taxpayer's federal income tax returns (Forms 1120, 1120S, 1065, 1040, 1040NR, 1040A, 1040EZ, etc. and supporting schedules) for the purpose of mailing, including electronic transmission, to the taxpayer information pertaining to:

- Newsletters of accounting firm
- Emails concerning tax related reminders, general tax deadlines, announcements of new tax laws/legislation affecting the taxpayer, referrals to other financial advisors, office hours, and new services.
- Upcoming webinars and/or webcasts

The tax information may not be disclosed or used by Mark Borel & Associates, Inc. for any purpose other than that permitted by this consent document.

This consent will be valid for a period of three years beginning on January 1, 2010 and expire on December 31, 2010.

Alternative expiration date requested if not December 31, 2010: \_\_\_\_\_.

Signed this \_\_\_\_ day of \_\_\_\_\_, 2010

Name (please print) \_\_\_\_\_

Signature \_\_\_\_\_

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 by email at [complaints@tigta.treas.gov](mailto:complaints@tigta.treas.gov).

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## **MARK BOREL & ASSOCIATES, INC.**

### **Privacy Policy**

Certified Public Accountants, like all providers of personal financial services, are now required by law to inform their clients of their policies regarding privacy of client information. CPA's have been and continue to be bound by professional standards of confidentiality that are even more stringent than those required by law. Therefore as a long standing tradition, we have always protected your right to privacy.

#### **Types of Nonpublic Personal Information We Collect**

We collect nonpublic personal information about you that is provided to us by you or obtained by us from third parties with your authorization.

#### **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 very 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 being shared.

#### **Protecting the Confidentiality and Security of Current and Former Clients' Information**

We retain records relating to professional services that we provide so that 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 stringent professional standards.

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Please call if you have any questions regarding this policy. Your privacy, our professional ethics, and the ability to provide you with quality financial services are very important to us.

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