

Re: Service Agreement

Dear Mr. and Mrs. _____,

We appreciate this opportunity to be of service to you and thank you for the confidence you have placed in Authority Tax Services, LLC ("ATS") by choosing us to assist you in connection with the matters referred to below.

A. Services Retained:**Taxing Authorities involved:****Federal:**

Type of Tax:

Tax Period/Years limited to:

State Tax Liability:

Type of Tax:

Tax Period/Years limited to:

This letter agreement sets forth the terms under which ATS will provide tax representation, mediation and dispute resolution services for you.

B. Scope of Representation

ATS has agreed to assist you with Section A, page one, of this letter agreement. Any services not specifically identified in Section A of this agreement, or on a separate addendum attached to this agreement are outside the scope of this agreement, and not ATS's

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responsibility. If ATS and you mutually agree that the scope of ATS' services should be expanded, a separate service agreement will be executed that may result in an additional fee.

Having relied on these facts, ATS will prepare and file a power of attorney with the appropriate taxing authority to begin the representation.

C. The ATS Method

ATS employs a team of in-house tax attorneys, Certified Public Accountants (CPAs), IRS enrolled agents and other professionals to perform its tax resolution, mediation and preparation services. The first step in our representation is to file a power of attorney (POA) on your behalf with the appropriate taxing authority(ies). This document is necessary to provide notification of our representation to the respective taxing authority and to authorize us to resolve your account. It is critical that you provide us with a signed and dated POA immediately. Without it, taxing authorities will not discuss your account with us and the amount of work ATS can perform on your case will be substantially limited.

After receiving your signed POA, ATS will request account transcripts from the taxing authority in order to determine what your outstanding tax liability is and whether there are any outstanding tax returns which must be filed. ATS will need your cooperation during this process, particularly with respect to the timely return of all requested documents. Your efforts in this regard are paramount to ATS' ability to successfully represent you before the taxing authorities. Accordingly, we will need your commitment to provide us with the documentation that we request, at our discretion, in a timely fashion. Failure to do so may result in termination of this agreement as set forth below.

Once ATS obtains all necessary documentation to perform a review of your financial condition, ATS' team of professionals will analyze your tax collection situation to determine the pacing and timing for the case, whether collection holds can or should be obtained, and the best form of case resolution for which the case may be eligible. Once a comprehensive case resolution plan is developed for your case, ATS will communicate its recommendations to you.

D. Case Resolution

Each taxing authority decides the outcome of all requests made before it. Although ATS cannot guarantee a specific resolution, ATS will represent you in a professional manner utilizing the taxing authority's guidelines and the information you provide. None of the services can be relied upon to detect errors, irregularities or illegal acts that may exist. However, we will inform you of any such matters that come to our attention. Unless otherwise specified, we will

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represent you through the initial administrative level of the appropriate taxing authority's collections department. Should an appeal or protest of a matter be desired, a separate service agreement will be required, which may result in an additional fee. Based on thorough review and analysis, we will prepare the appropriate resolution documents for what we determine to be the best tax resolution program for which you qualify. These may include, but are not limited to:

- Installment agreement;
- Offer in compromise;
- Currently Not Collectible status; or
- Any similar resolution offered by the relevant taxing authority.

E. Interest and Penalties

Interest and penalties will continue to accrue on your tax liability as long as a balance remains outstanding. ATS makes no representation that it can or will stop or prevent this accrual, and you remain solely liable for such statutory additions.

F. Responsibilities of Client

You will timely make any payments required by this agreement. In addition to your other responsibilities set forth in this agreement, you will be truthful, candid, and cooperative with ATS and will keep ATS informed with complete and accurate factual information, documents, and other communications relevant to the subject matter of ATS' representation or as otherwise reasonably requested by ATS. You will also assist ATS by making the necessary personal, business, and strategic decisions appropriate to enable ATS to represent you under the terms of this agreement.

You are responsible for getting and reviewing your mail and will promptly inform ATS of any correspondence or notices issued to you by any tax authority whether federal or state. Although ATS may be serving as your agent before a tax authority, you cannot assume ATS has received correspondence or notices from the tax authority, and you will promptly inform ATS whenever such correspondence or notices are received.

ATS must be able to communicate with you at all times in order to competently render the services provided for under the terms of this agreement. Therefore, you agree to inform ATS, in writing, of any changes in your address, telephone, facsimile numbers, and e-mail addresses, or any relevant changes regarding ATS' ability to communicate with you. If ATS is

not able to effectively communicate with you, then ATS can neither properly perform nor represent your interests with respect to the services called for under this agreement.

Further, as previously mentioned, you must commit to promptly provide ATS with complete and accurate financial or other documentation as requested so that ATS can properly perform the services called for under this agreement. You understand that time may be of the essence, as the documents so requested may be required for submission to the relevant taxing authority by a specific date. Failure to adhere to certain deadlines could compromise ATS' ability to achieve the tax resolution sought. Therefore, you agree to comply with all deadlines set by ATS. You also agree to notify ATS of any significant changes to your financial situation.

Finally, you agree to make payments and file any and all required returns as required by law and any agreements and compromises entered into with the relevant taxing authority. You also agree to refrain from contacting the taxing authority, unless specifically instructed to do so by ATS.

G. Importance of accuracy in financial disclosures

In accordance with *Circular 230 §10.22*, ATS will exercise due diligence in preparation of documents and forms using financial information supplied by you. In accordance with *Circular 230 §10.34(d)*, ATS may rely in good faith without verification upon information furnished by you whenever possible. You remain responsible for the accuracy and completeness of the financial disclosure, and fully indemnify ATS of any damages or consequences resulting directly or indirectly from ATS' reliance upon your representation. Per *Circular 230 §10.22*, ATS may require verification of financial information before contacting taxing authorities and any time subsequent to contact. ATS will represent you in accordance with our professional and ethical policies. Understanding that ATS must rely on representations by client regarding your own finances, you will defend and hold ATS harmless for any errors, misstatements and omissions resulting from the financial information provided to ATS by you.

H. Term of Contract

Contract shall remain in effect until the earlier of the fulfillment of the parties' respective duties, eighteen (18) months, or termination. Your refusal or inability to perform any one of your responsibilities as outlined above will result in termination of this contract and relieve ATS of any obligations or duties hereunder, including but not limited to preparing forms, negotiating on your behalf, reopening or modifying resolution after case closure, or achieving the resolution that may have been possible had you complied. Termination may cause you to become subject to additional fees in the event of reinstatement.

You understand that the taxing authorities may continue with involuntary collection actions while you are suspended or terminated from representation, and that ATS is not required to expedite or prioritize your case upon re-instatement or lifting of suspension due to collection actions taken during your suspension or termination. Penalties and interest will continue to accrue and be assessed on any balance you have outstanding with the respective taxing authority, and you remain solely liable for said statutory additions.

I. Professional Fees

As agreed, the fees for the services herein described are _____, the entire amount of which will be charged against your [Visa/MC/Amex] account, unless you have been approved for a payment plan, in which case your credit card will be charged according to *Addendum 1*, hereto.

In the event the charge we make against your credit card is declined, we will break the payment amount into two or more lesser charges, not to exceed in total the payment you have already agreed to pay us, and we will submit these charges for payment against the credit card you authorized us to charge. By signing below, you agree that we may charge the amount you agreed to pay us either in one lump sum, or several smaller amounts, whichever is necessary for us to receive the full payment amount.

All fees for services are earned when paid, and you agree to pay all fees owed ATS irrespective of the success or failure of services provided by ATS. You agree that ATS is not obligated to begin work until the first payment required under this letter agreement, or *Addendum 1* if applicable, is received in full. Failure to pay any service fees by the agreed upon dates shall cause ATS to immediately suspend services without further notice.

J. Non-Sufficient Funds and Credit Card Surcharge

In the event that any payments by bank draft are returned as Non-sufficient Funds ("NSF") or for any other reason, you agree to an NSF Fee of \$30.00. Payments made by credit card are subject to a 3% surcharge for use. Should Client cancel within a 3-day rescission period, Client agrees to a \$250 Processing Fee.

K. Rescission

You are entitled to a three-day rescission period during which time you may cancel this agreement. The rescission period begins on the date of this letter agreement. Should you wish

to exercise your right to rescission, ATS will refund any payments made subject to a \$250 Rescission Fee.

L. Termination

In the event ATS decides to terminate this letter agreement for one or more of the reasons provided herein, you will receive a termination letter from us advising you of this decision. We will also take efforts to revoke any POA's submitted on your behalf to the tax authority(ies). Should you request to be reinstated as a client of ATS, if ATS decides in its sole discretion to reinstate you, you will be required to enter into a new letter agreement and subject to a Reinstatement Fee of 15% of the original fee or \$250, whichever is greater.

M. Complaints

In order to ensure that each client receives the best possible care and attention, ATS has established a complaint department which can be reached at 1-800-634-2024. In the event that you have a complaint regarding ATS' services, we encourage you to contact this department prior to contacting any third party. ATS will operate in good faith to resolve the dispute. This will ensure the promptest resolution of your issue.

N. Miscellaneous Provisions

Severability: This Agreement shall be deemed severable, and the invalidity or unenforceability of any term or provision hereof shall not affect the validity or enforceability of this Agreement or of any other term or provision hereof.

Arbitration: Any controversy or claim arising out of or relating to this contract, or the breach thereof, shall be settled by an independent arbiter, to be chosen by ATS, and judgment on the award rendered by the arbitrators may be entered in any court having jurisdiction thereof.

Entire Agreement: This Agreement contains the entire agreement between the parties hereto with respect to the subject matter hereof and supersedes all prior agreements and understandings, oral or written, with respect to such matters.

Assignability: Neither this Agreement nor any of the rights, interests or obligations hereunder shall be assigned by either party without the prior written consent of the other party, provided, however, that ATS may (i) assign this Agreement to any entity that acquires all or substantially all of its assets or its business that is the subject hereof, or (ii) upon written notice to other party, assign this Agreement to any entity that is owned by ATS or its parent entity.

Force Majeure: In the event that either parties' performance under this Agreement is subject to acts of God, war, government regulation, threats or acts of terrorism or similar acts, civil disorder, fire, loss or breakdown of all ordinary methods of communication, or any other

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cause beyond the parties' control, making it illegal or impossible to perform its obligations under the Agreement, such party may cancel the Agreement upon written notice to the other.

Choice of Law: This Agreement and any claim, controversy or dispute arising from the relationship between the parties to this Agreement shall be governed by and construed under and according to California law, excluding any laws that direct the application of another jurisdiction's laws.

Mediation: Any claim, controversy or dispute in law or equity arising out of this Agreement or any resulting transaction, including disputes or claims involving the parties to this Agreement, their officers, agents, or employees, shall be submitted to neutral, non-binding mediation prior to the commencement of arbitration, litigation, or any other proceeding before a trier of fact. The parties to the claim, controversy or dispute agree to act in good faith to participate in mediation, and to identify a mutually acceptable mediator. If a mediator cannot be agreed upon by the parties, each party shall designate a mediator and those mediators shall select a third mediator who shall act as the neutral mediator, assisting the parties in attempting to reach a resolution. All parties to the mediation shall share equally in its cost. If the claim, controversy or dispute is resolved successfully through the mediation, the resolution will be documented by a written agreement executed by all parties. If the mediation does not successfully resolve the claim, controversy or dispute, the mediator shall provide written notice to the parties reflecting the same, and the parties may then proceed to seek an alternative form of resolution of the claim, controversy or dispute, in accordance with the remaining terms of this agreement and other rights and remedies afforded to them by law.

Arbitration: Should any mediation commenced pursuant to the immediately preceding paragraph hereinabove not successfully resolve the claim, controversy or dispute which is the subject of said mediation, upon receipt of the notice provided by the mediator referred to in said paragraph, should a party wish to further pursue such claim, controversy or dispute, said claim, controversy or dispute shall be submitted to binding arbitration in accordance with the Rules of the American Arbitration Association (the "Association") in Los Angeles County, California. Although the arbitrator shall have the authority to award injunctive relief, nothing in this Agreement shall limit the Parties' rights to apply to a court of competent jurisdiction for any provisional remedies under Section 1281.8 of the California Code of Civil Procedure.

The parties shall have the right to conduct discovery in the arbitration in accordance with Section 1283.05 of the California Code of Civil Procedure. The proceedings shall also be transcribed by a court reporter.

Any judgment upon the award rendered by the arbitrator may be entered in any court having jurisdiction thereof.



The parties agree to pay the fees and costs of the arbitration relating to their designated party arbitrator. All fees and costs relating to the neutral arbitrator will be paid by the parties in equal shares, except that the Arbitrators may award such fees and costs to the prevailing party. Each party's attorneys' fees and costs shall be borne by that party, except that if the Arbitrators determine a party's claim, controversy or dispute to be without substantial justification, they shall award attorneys' fees and costs to the other party.

Please print (Unless E-Signed) and return to me one originally executed counterpart of this letter, signed by you. Be sure to retain a second executed counterpart for your files.

Authority Tax Services, LLC



Agreed to and accepted:

Client

Date

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ADDENDUM 1

As agreed, the fees for the services herein described are _____, to be paid on the following days in the following amounts:

Unless other arrangements are made, on each date indicated above on which a payment is to be made, the amount so indicated will be charged against your [Visa/MC/Amex] account.

In the event a given payment for which we run a charge against your credit card is declined, we will break the payment amount into two or more lesser charges, not to exceed in total the payment you have already agreed to pay us, and we will submit these charges for payment against the credit card you authorized us to charge. By signing the letter agreement, you agree that we may charge the amount you agreed to pay us either in one lump sum, or several smaller amounts, whichever is necessary for us to receive the full payment amount.

All fees for services are earned when paid, and you agree to pay all fees owed ATS irrespective of the success or failure of services provided by ATS. You agree that ATS is not obligated to begin work until the first payment required under this *Addendum 1* is received in full. Failure to pay any service fees by the agreed upon dates shall cause ATS to immediately suspend services without further notice.

ATS may, at your request, modify payment dates; for every modification, you agree to pay an additional fee of \$150, rather than suspension or termination of contract.

EXPRESS WRITTEN CONSENT

Occasionally, ATS initiates prerecorded telephone messages to its current clients in order to remind them of deadlines, outstanding documentation and other important matters. This allows us to keep our costs low and charge clients lower fees. By signing below, you hereby expressly authorize ATS to call you with prerecorded messages on the contact number you provided us, which may include your mobile telephone.

Agreed to and accepted:

Client

Date