

TAX CORRESPONDENCE - IRS NOTICES

Summit Digital Solutions, Inc.

Period: 2021-2023

Last Updated: January 9, 2024

1. NOTICE SUMMARY LOG

1.1 Notice CP2100 (March 15, 2023)

Notice Type: B-Notice (Backup Withholding)

IRS Reference: TINS-2023-0472

Status: Resolved

Description: Notice regarding potential TIN/name mismatch for 1099 contractors

Resolution: Submitted corrected information for 3 contractors via Form W-9 update

Response Date: April 12, 2023

1.2 Notice CP216B (September 22, 2022)

Notice Type: Quarterly Employment Tax Return Discrepancy

IRS Reference: EMP-2022-9847

Status: Resolved

Description: Discrepancy in Form 941 reporting for Q2 2022

Resolution: Filed amended return Form 941-X

Response Date: October 15, 2022

1.3 Notice LTR 226J (May 4, 2022)

Notice Type: ACA Employer Shared Responsibility Payment

IRS Reference: ACA-2022-3361

Status: Resolved

Description: Proposed employer shared responsibility payment for 2021

Resolution: Provided documentation of qualifying health coverage

Response Date: June 1, 2022

2. CORRESPONDENCE DETAILS

2.1 CP2100 Notice Resolution

The Company received notice CP2100 regarding potential TIN/name mismatches for three independent contractors engaged for the Peak Performance Platform development project. The following actions were taken:

- a) Conducted internal audit of 1099 reporting procedures
- b) Obtained updated W-9 forms from affected contractors
- c) Implemented enhanced TIN verification protocol
- d) Submitted response package to IRS with corrected information

Resolution confirmed via IRS Notice CP2101 dated May 1, 2023.

2.2 CP216B Notice Resolution

Quarterly employment tax return discrepancy identified for Q2 2022 related to:

- a) Remote worker state tax allocation adjustment
- b) Bonus payment timing reconciliation
- c) Software development tax credit calculation

Amended return filed with supporting documentation demonstrating proper allocation of multi-state payroll taxes and R&D credit qualification criteria.

2.3 LTR 226J Notice Resolution

ACA compliance review for 2021 reporting year resolved through:

- a) Submission of corrected Forms 1094-C and 1095-C
- b) Documentation of qualifying health plan offerings
- c) Verification of full-time employee calculations
- d) Demonstration of safe harbor compliance

3. PREVENTIVE MEASURES IMPLEMENTED

3.1 Enhanced Compliance Procedures

Implemented automated TIN matching system

Established quarterly payroll tax reconciliation process

Enhanced ACA compliance monitoring dashboard

Created dedicated tax notice response protocol

3.2 Internal Controls

Designated Tax Notice Response Team

Implemented 48-hour initial review requirement

Established escalation procedures

Created centralized notice tracking system

4. CURRENT STATUS CERTIFICATION

The undersigned hereby certifies that as of January 9, 2024:

All IRS notices received during the period 2021-2023 have been fully resolved

No outstanding compliance issues remain

All required amendments and corrections have been filed

Preventive measures have been implemented and documented

5. DOCUMENT RETENTION

All correspondence, responses, and supporting documentation are maintained in accordance with the Company's document retention policy for a minimum of seven (7) years from the date of resolution.

6. AUTHORIZATION

CERTIFIED AS COMPLETE AND ACCURATE:

/s/ Sarah Blackwell

Sarah Blackwell

Chief Operating Officer

Summit Digital Solutions, Inc.

Date: January 9, 2024

/s/ Marcus Rodriguez

Marcus Rodriguez

Director of Tax Compliance

Summit Digital Solutions, Inc.

Date: January 9, 2024

7. CONFIDENTIALITY NOTICE

This document contains confidential tax information of Summit Digital Solutions, Inc. Unauthorized disclosure or distribution is strictly prohibited. This document is provided solely for due diligence purposes and may not be used for any other purpose without express written consent.