[Date]

[Client]

[Company] Profit Sharing Plan

[Client Address]

[Client City + State + Zip]

Dear \_\_\_\_\_:

This letter confirms our mutual understanding with respect to the engagement of [CPA Firm] (hereinafter “[CPA]”, “we”, or “us”), by [Client]. 401(k) Profit Sharing Plan (hereinafter “you” or “the Plan”) to provide professional services in connection with its annual reporting obligation under the Employee Retirement Income Security Act of 1974 (ERISA). The term “the Plan” includes the Plan and its management, which includes the Plan’s officers and managers.

**Audit Scope and Objectives**

Except as described below, we will audit the financial statements of the Plan, an employee benefit plan subject to the Employee Retirement Income Security Act of 1974 (ERISA), as permitted by ERISA Section 103(a)(3)(C) (ERISA Section 103(a)(3)(C) audit). The financial statements comprise the statement of net assets available for benefits as of \_\_\_\_\_\_ and the related statement of changes in net assets available for benefits for the year then ended, and the disclosures (collectively, the “financial statements”). We will also report on the supplemental schedules of the Plan for the year ended \_\_\_\_\_. The following supplementary information accompanying the financial statements, as applicable, will be subjected to the auditing procedures applied in our audit of the financial statements and certain additional procedures:

1. Assets (Held at End of Year) and Assets (Acquired and Disposed of Within Year).
2. Loans or Fixed Income Obligations in Default or Classified as Uncollectible.
3. Leases in Default or Classified as Uncollectible.
4. Reportable Transactions.
5. Nonexempt Transactions.
6. Delinquent Participant Contributions.

These financial statements and supplemental schedules are required to be included in the Plan’s Form 5500 filing with the Employee Benefits Security Administration (EBSA) of the Department of Labor (DOL).

Except as described in the following paragraph, the objectives of our audit are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and issue an auditor’s report that includes our opinion about whether your financial statements are fairly presented, in all material respects, in conformity with accounting principles generally accepted in the United States of America. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in the United States of America (GAAS) will always detect a material misstatement when it exists. Misstatements, including omissions, can arise from fraud or error and are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment of a reasonable user made based on the financial statements.

You have determined it is permissible in the circumstances and elected to have the audits of the Plan’s financial statements performed in accordance with ERISA Section 103(a)(3)(C) pursuant to 29 CFR 2520.103-8 of the DOL’s Rules and Regulations for Reporting and Disclosure under ERISA. As permitted by ERISA Section 103(a)(3)(C), our audit need not extend to any statements or information related to assets held for investment of the Plan (investment information) by [CPA Firm], the custodian, which is a bank or similar institution or insurance carrier that is regulated, supervised, and subject to periodic examination by a state or federal agency, that prepared and certified the statements or information regarding assets so held in accordance with 20 CFR 2520.103-5. Our audit will not extend to the certified investment information, except for obtaining and reading the certification, comparing the certified investment information with the related information presented and disclosed in the financial statements and supplemental schedules, and reading the disclosures relating to the certified investment information to assess whether they are in accordance with the presentation and disclosure requirements of accounting principles generally accepted in the United States of America. Accordingly, the objective of an ERISA Section 103(a)(3)(C) audit is not to express an opinion about whether the financial statements as a whole are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America.

**Auditor’s Responsibilities for the Audit of the Financial Statements**

Except as described above, we will conduct our audit in accordance with GAAS and will include tests of your accounting records and other procedures we consider necessary, except that assets and related transactions certified by the custodian will not be tested. As part of an audit in accordance with GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit.

We will evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management. We will also evaluate the overall presentation of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation. We will plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations, including prohibited transactions with parties in interest or other violations of ERISA rules and regulations, that are attributable to the Plan or to acts by management or employees acting on behalf of the Plan.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is an unavoidable risk that some material misstatements may not be detected by us, even though the audit is properly planned and performed in accordance with GAAS, except as previously noted. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. However, we will inform the appropriate level of management of any material errors, fraudulent financial reporting, or misappropriation of assets that comes to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequentialand will include prohibited transactions in the supplemental schedule of nonexempt transactions as required by the instructions to Form 5500. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

We will obtain an understanding of the Plan and its environment, including internal control relevant to the audit, sufficient to identify and assess the risks of material misstatement of the financial statements, whether due to error or fraud, and to design and perform audit procedures responsive to those risks and obtain evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentation, or the override of internal control. An audit is not designed to provide assurance on internal control or to identify deficiencies in internal control. Accordingly, we will express no such opinion. However, during the audit, we will communicate to you and those charged with governance internal control related matters that are required to be communicated under professional standards.

Errors, fraud or illegal acts are considered to be material only if their magnitude, individually or in aggregate with others, is such that a reasonable person relying on the presentation of the Plan’s financial statements would be influenced by their inclusion or omission. Materiality is applied on an annual basis. Materiality is a concept that applies to the engagement and the Plan overall. Services designed to detect errors or fraud that are not material to the Plan’s financial statements are available at substantial additional cost.

We have identified and communicated any significant risks of material misstatement to those charged with governance and/or management as part of our audit planning.

We will also conclude, based on the audit evidence obtained, whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Plan’s ability to continue as a going concern for a reasonable period of time.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts and direct confirmation of investments except those certified to by the custodian and certain other assets and liabilities by correspondence with financial institutions and other third parties. We will also request written representations from your attorneys as part of the engagement and they may bill you for responding to this inquiry.

We may, from time to time and depending on the circumstances, use third-party service providers in serving your account. We may share confidential information about you with these service providers but remain committed to maintaining the confidentiality and security of your information. Accordingly, we maintain internal policies, procedures, and safeguards to protect the confidentiality of your personal information. In addition, we will secure confidentiality agreements with all service providers to maintain the confidentiality of your information and we will take reasonable precautions to determine that they have appropriate procedures in place to prevent the unauthorized release of your confidential information to others. In the event that we are unable to secure an appropriate confidentiality agreement, you will be asked to provide your consent prior to the sharing of your confidential information with the third-party service provider. Furthermore, we will remain responsible for the work provided by any such third-party service providers.

In addition, we will perform certain procedures directed at considering the Plan’s compliance with applicable Internal Revenue Service (IRS) requirements for tax exempt status and ERISA plan qualification requirements. However, you should understand that our audit is not specifically designed for and should not be relied upon to disclose matters affecting plan qualifications or compliance with the ERISA and IRS requirements. If during the audit we become aware of any instances of any such matters or ways in which management practices can be improved, we will communicate them to you.

**Reporting**

We will issue a written report upon completion of our audit of the Plan’s financial statements. Our report will be addressed to the Plan Administrator of the Plan. Circumstances may arise in which our report may differ from its expected form and content based on the results of our audit. Depending on the nature of these circumstances, it may be necessary for us to further modify our report, add a separate section, or add an emphasis-of-matter or other-matter paragraph to our auditor’s report, or if necessary, withdraw from this engagement. If our report will include other modifications, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the engagement, we may decline to issue a report or withdraw from this engagement.

**Other Services**

We will prepare the financial statements of the Plan in conformity with accounting principles generally accepted in the United States of America based on information provided by you.

We will assist with cash to accrual conversions from the Plan's reporting to accounting principles generally accepted in the United States of America, as applicable.

We will perform the services in accordance with applicable professional standards issued by the American Institute of Certified Public Accountants. The other services are limited to the financial statement and other services previously defined. We, in our sole professional judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities.

You agree to assume all management responsibilities for the financial statement preparation services and any other nonattest services we provide; oversee the services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of the services; and accept responsibility for them.

**Responsibilities of Management for the Financial Statements**

Our audit will be conducted on the basis that you acknowledge and understand your responsibility for designing, implementing, and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, including monitoring ongoing activities; for the selection and application of accounting principles; for establishing an accounting and financial reporting process for determining appropriate value measurements and for the preparation and fair presentation of the financial statements in conformity with accounting principles generally accepted in the United States of America. You are also responsible for making drafts of financial statements, all financial records, and related information available to us and for the accuracy and completeness of that information (including information from outside of the general and subsidiary ledgers). You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, identification of all related parties and all related-party relationships and transactions, and other matters; (2) additional information that we may request for the purpose of the audit; and (3) unrestricted access to persons within the Plan from whom we determine it necessary to obtain audit evidence. You are also responsible for maintaining a current plan instrument, including all plan amendments; and for administering the Plan and determining that the Plan’s transactions that are presented and disclosed in the financial statements are in conformity with the Plan’s provisions, including maintaining sufficient records with respect to each of the participants to determine the benefits due or which may become due to such participants. You are also responsible for determining whether (1) an ERISA Section 103(a)(3)(C) audit is permissible under the circumstances; (2) the investment information is prepared and certified by a qualified institution as described in 29 CFR 2520.103-8; (3) the certification meets the requirements in 29 CFR 2520.103-5; and (4) the certified investment information is appropriately measured, presented, and disclosed in accordance with the applicable financial reporting framework. You are also responsible for providing to us, prior to the dating of our report, a draft of the Plan’s Form 5500 that is substantially complete. At the conclusion of our audit, we will require certain written representations from you about the financial statements and related matters.

Your responsibilities include adjusting the financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the Plan involving (1) Plan management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the Plan received in communications from employees, former employees, regulators, or others. In addition, you are responsible for identifying and ensuring that the Plan complies with applicable laws and regulations. You are responsible for the fair presentation of the supplemental schedules and the form and content of the supplemental schedules in conformity with the DOL’s Rules and Regulations for Reporting and Disclosure under ERISA. You agree to include our report on the supplementary information in any document that contains, and indicates that we have reported on, the supplementary information. You also agree to include the audited financial statements with any presentation of the supplementary information that includes our report thereon.

[CPA], in its sole professional judgment, reserves the right to refuse to do any procedure or take any action that could be construed as making management decisions or performing management functions, including determining account codings and approving journal entries.

You should be aware that certain communications involving tax advice between you and members of our firm who are authorized tax practitioners or their agents may be privileged from disclosure to the IRS. The privilege may be waived, however, by voluntarily disclosing the contents of those communications to a third party. The privileged information might be used by you in preparing your financial statements and, consequently, disclosed to us in auditing those statements. In addition, professional standards require us to discuss matters that may affect the audit with our firm personnel responsible for tax services, who may disclose the privileged information to us. The IRS might take the position that such communication results in a waiver of privilege.

You shall upon the receipt of written notice indemnify [CPA] and its affiliates, and their partners, principals, and personnel, against all costs, fees, expenses, damages, and liabilities (including legal defense costs) associated with any third-party claim arising from or relating to any knowing misrepresentation to [CPA] by you or the intentional withholding or concealment of information from [CPA] by you. In addition, the Company shall upon receipt of written notice indemnify [CPA] and its affiliates, and their partners, principals and personnel, against all punitive damages associated with any third-party claim arising from or relating to: (i) any services, work product, or deliverables from [CPA] that you or your management uses or discloses to others; or (ii) this engagement generally. The terms of this paragraph shall apply regardless of the nature of any claim asserted (including those arising from contract law, statutes, regulations, or any form of negligence of you, whether arising out of tort, strict liability, or otherwise) and whether or not [CPA] was advised of the possibility of the damage or loss asserted. Such terms shall also continue to apply after any termination of this agreement by either party and during any dispute between the parties. To the extent that the conduct giving rise to such punitive damages arose out of [CPA]’s gross negligence or willful misconduct, this paragraph shall not apply.

Either party may terminate this engagement, with or without cause, by providing written notice to the other party. In the event of early termination for any reason, the Company will be invoiced and agrees to remit payment for time and expenses incurred up to the end of the notice period together with reasonable time and expenses incurred to bring the engagement to a close in a prompt and orderly manner, not to exceed the estimate in this letter. [CPA] shall have no liability to you for any loss or consequential damage arising from early termination by either you or by [CPA].

With respect to any services, work product, or other deliverables hereunder, or this engagement generally, [CPA]’s liability to you shall in no event exceed the fees that it receives for the portion of the work giving rise to liability except where the liability arises from [CPA]’s gross negligence or willful misconduct, nor shall [CPA]’s liability include any special, consequential, incidental, or exemplary damages or loss, including any lost profits, savings, or business opportunity.

While this letter relates to specific services indicated, from time to time, we may be asked by you to provide additional services and/or routine advice for which no separate arrangement has been made. To the extent that we provide additional services and/or routine advice to you without separate arrangement, those services and/or routine advice are governed by the same terms and conditions set forth in this letter, and will be invoiced separately.

**Engagement Administration, Fees, and Other**

We understand that your personnel will prepare schedules and analyses and type all confirmations we request and will locate any invoices or other documents selected by us for testing.

The audit documentation for this engagement is the property of [CPA] and constitutes confidential information. However, we may be requested to make certain audit documentation available to the U.S. Department of Labor pursuant to authority given to it by law. If requested, access to such audit documentation will be provided under the supervision of [CPA] personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the U.S. Department of Labor. The U.S. Department of Labor may intend, or decide, to distribute the copies of information contained therein to others, including other governmental agencies.

Rachel L. Retos is the engagement partner and is responsible for supervising the engagement and signing the report or authorizing another individual to sign it.

We will schedule the engagement based in part on deadlines, working conditions, and the availability of your key personnel. Our audit engagement ends on the delivery of our audit report.

To facilitate the timely completion of the engagement contemplated in this letter, you authorize us to send to or receive from you certain information, including correspondence via electronic means (i.e., email, Sharefile, etc.). This authorization extends to the electronic transmission of information to or from any third parties we may engage to assist us in the completion of the engagement. The text of such correspondence, as well as any attachments thereto such as draft or final financial statements or other documents, may contain information of a sensitive nature. We represent to you that we have made a good faith effort to ensure that the security of our information technology infrastructure and our policies and procedures for handling client information meet customary standards. However, due to the inherent limitations of currently available security systems, we cannot provide absolute assurance that any information transmitted to or from us via electronic means will not be compromised as a result of unauthorized access to our files. As such, you agree to hold us harmless with respect to any loss you may suffer as a result of such compromise.

You are responsible to notify us in advance of your intent to reproduce our report for any reason, in whole or in part, and to give us the opportunity to review any printed material containing our report before its issuance. Such notification does not constitute an acknowledgement on our part of any third party's intent to rely on the financial statements. With regard to financial statements published electronically on your internet website, you understand that electronic sites are a means to reproduce and distribute information. We are not required to read the information contained in your sites, or to consider the consistency of other information in the electronic site with the original document.

The potential for conflicts of interest exists in any engagement. In the event that we in our sole discretion believe that a conflict has arisen affecting our ability to service your account in accordance with either the ethical standards of our firm or the ethical standards of our profession, we may be required to suspend or terminate our services.

All audit documentation for this engagement remains the property of [CPA] and constitutes confidential information.

All information you provide to us in connection with this engagement will be maintained by us on a strictly confidential basis. In the event we receive a subpoena or summons requesting that we produce documents from this engagement or testify about the engagement, we will notify you prior to responding to it if we are legally permitted to do so. You may, within the time permitted for our firm to respond to any request, initiate such legal action as you deem appropriate to protect information from discovery. If you take no action within the time permitted for us to respond or if your action does not result in a judicial order protecting us from supplying requested information, we may constitute your inaction or failure as consent to comply with the request. Time incurred in connection with subpoenas, and/ or other related legal matters involving you, and or your account(s), will be billed at our normal per diem rates.

We estimate that our fees for these services will be $10,000 - $12,000 for this engagement. The fee estimate is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the work performed. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs (see Exhibit A). You will also be billed for out-of-pocket costs such as report production, word processing, postage, travel, etc. Our invoices for services are due when rendered and interim billings may be submitted as work progresses and as expenses are incurred.

We reserve the right to suspend our services or to withdraw from this engagement in the event that any of our invoices are deemed delinquent. In the event that any collection action is required to collect unpaid balances due us, you agree to reimburse us for our costs of collection, including attorneys’ fees if we are the prevailing party. If we elect to terminate our services for nonpayment, or for any other reason provided for in this letter, our engagement will be deemed to have been completed upon written notification of termination, even if we have not completed our report. You will be obligated to compensate us for all time expended, and to reimburse us for all of our out-of-pocket costs, through the date of termination, not to exceed the amounts described in this letter.

Parties to this engagement agree that any dispute that may arise regarding the meaning, performance or enforcement of this engagement will, prior to resorting to litigation, be submitted to mediation upon the written request of any party to the engagement subject to the selection of a mutually agreed upon mediator. All mediations initiated as a result of this engagement shall be administered pursuant to the mediation rules of the American Arbitration Association (AAA). The results of this mediation shall be binding only upon agreement of each party to be bound. Costs of any mediation proceeding shall be shared equally by both parties. The mediation shall be confidential in all respects, as allowed or required by law, except our final settlement positions at mediation shall be admissible in litigation solely to determine the prevailing party's identity for purposes of the award of attorney's fees. If any portion of this agreement is deemed invalid or unenforceable, said finding shall not operate to invalidate the remainder of the terms set forth in this engagement letter. This section shall survive completion or termination of this Agreement, but under no circumstances shall either party call for mediation of any claim or dispute arising out of this Agreement after such period of time as would normally bar the initiation of legal proceedings to litigate such claim or dispute under the laws of the Commonwealth of Massachusetts.

If mediation fails to resolve the dispute or claim, the parties hereby agree to submit any action, claim or counterclaim whether based in contract, tort, statutory rights or otherwise to the Superior Court of the Commonwealth of Massachusetts, Business Litigation Section of Suffolk County. The parties also agree that the laws of the Commonwealth of Massachusetts shall govern all legal proceedings arising from this engagement.

The limitation on liability provisions of this engagement letter will apply to the fullest extent of the law, whether in contract, statute, tort (such as negligence), or otherwise. The parties' agreements and undertakings contained in this engagement letter, such as those pertaining to the limitation on liability, will survive the completion or termination of this engagement. The parties agree that their rights and obligations hereunder will be construed and governed under the law of the Commonwealth of Massachusetts.

The party(ies) signing this engagement letter authorize and represent that they have the legal authority to bind the person(s) and/ or entity(ies) listed on this contract. All parties to this agreement acknowledge and agree that facsimile, electronic and multi-party signatures used to execute this document will legally bind each party to the terms of this agreement.

You agree not to solicit for your employment, either directly or indirectly, any of the current employees of [CPA] for your business or personal operations.

In connection with this engagement, we may communicate with you or others via email transmission. As emails can be intercepted and read, disclosed, or otherwise used or communicated by an unintended third party, or may not be delivered to each of the parties to whom they are directed and only to such parties, we cannot guarantee or warrant that emails from us will be properly delivered and read only by the addressee. Therefore, we specifically disclaim and waive any liability or responsibility whatsoever for interception or unintentional disclosure of emails transmitted by us in connection with the performance of this engagement. In that regard, you agree that we shall have no liability for any loss or damage to any person or entity resulting from the use of email transmissions, including any consequential, incidental, direct, indirect, or special damages, such as loss of revenues or anticipated profits, or disclosure or communication of confidential or proprietary information.

It is our policy to retain engagement documentation for a period of 7 years, after which time we will commence the process of destroying the contents of our engagement files. To the extent we accumulate any of your original records during the engagement, those documents will be returned to you promptly upon completion of the engagement, and you will provide us with a receipt for the return of such records. The balance of our engagement file, other than the audited financial statements, which we will provide to you at the conclusion of the engagement, is our property, and we will provide copies of such documents at our discretion and if compensated for any time and costs associated with the effort.

At the conclusion of this engagement, we will return all original records you supplied to us. Your company records are the primary records for your operations and comprise the backup and support for your financial reports and tax returns. Our records and files are our property and are not a substitute for your own records. Our firm destroys our client files and all pertinent work papers after a retention period of seven years, after which time these items will no longer be available. Catastrophic events or physical deterioration may result in our firm's records being unavailable. You should make and retain copies of original records given to us which may be needed after our retention period (e.g. basis information, agreements). By your signature below, you acknowledge and agree that upon the expiration of the seven year period [CPA] shall be free to destroy our records relating to this engagement.

We appreciate the opportunity to be of service to you and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us.

Sincerely,

\_\_\_\_\_\_, CPA

\_\_\_/aes

Approval:

The above meets with our approval. You are hereby authorized to proceed with the services outlined.

Date: By:

Exhibit A

*Information About Our Fees*

We want our clients to receive the maximum value for our professional services and to perceive that our fees are reasonable and fair. In working to provide you with such value, we find there are certain circumstances that can cause us to perform inefficiently. Please see below for some of the more common reasons. If we encounter any of these issues and expect that there will be an impact on our fee, we will immediately discuss the issue with you in order to make the necessary adjustments to our work schedule and engagement fee.

***Changing Laws and Regulations***

There are many governmental and regulatory boards that routinely add or change their requirements. Although we attempt to plan our work to anticipate the requirements that will affect our engagement; there are times when the timing of such additions or changes make this not possible.

***Incorrect Accounting Methods or Errors in Client Records***

We base our fee estimates on the expectation that client accounting records are in order so that our work can be completed using our standard testing and auditing procedures. However, should we find numerous accounting errors, incomplete records, or the incorrect application of accounting standards, we may have to do additional work to make the corrections and reflect these changes in the financial statements.

***Failure to Prepare for the Engagement***

In an effort to maximize value to you, we assign responsibility for the preparation of schedules and documents needed for the engagement to you. We also discuss matters such as availability of your key personnel, deadlines, and work space. If your personnel are unable, for whatever reasons, to provide these materials as previously agreed to, it might substantially increase the work we must do to complete the engagement within the schedule time.

***Starting and Stopping Our Work***

If we must withdraw our staff because the condition of the company's records, or the failure to provide agreed upon materials within the established timeline for the engagement, we will not be able to perform our work in a timely, efficient manner as established by our engagement plan. This will result in additional fees as we must reschedule our personnel and incur additional start-up costs.