

Zhai Financial & Tax, LLP

CERTIFIED PUBLIC ACCOUNTANT
2051 Junction Ave, Suite 200
San Jose, CA 95131
(408) 383-9870

INDIVIDUAL TAX PREPARATION ENGAGEMENT LETTER

Dear _____ and _____:

We appreciate the opportunity to work with you. To minimize the possibility of a misunderstanding between us, we are setting forth pertinent information about the services we will perform for you.

We will prepare your 2023 federal and California state (or the State you live in) individual income tax returns from information you furnish us. To assist you in gathering and organizing the necessary information required for the preparation of your individual income tax returns, we will furnish you with a tax organizer. Providing us with the completed tax organizer will help to ensure that you are not overlooking important information that may be necessary for complete and accurate returns, as well as may help to minimize our fees.

We must receive all information to prepare your returns by March 31, 2024, to ensure that your returns will be completed by April 15, 2024. If we have not received all of your information by March 31, 2024, we cannot guarantee that your returns will be completed before the deadline. If we are unable to complete the returns, we will assume that you want us to prepare an extension of time to file your returns; however, you will need to provide us with an authorization before we can file the extension on your behalf. You should keep in mind that this would be an extension of time to file the returns; however, any tax estimated to be due would need to be paid with the extension request. We assume no liability for late filing or late payment penalties.

You are confirming that you will furnish us with all the information required for preparing the returns. This includes, but is not limited to, providing us with the information necessary to identify (1) all states and foreign countries in which you “do business” or derive income (directly or indirectly) and (2) the extent of business operations in each relevant state and/or country. We will not audit or verify the data you submit, although we may ask you to clarify it, or furnish us with additional data. You should retain all the documents, books, and records that form the basis of your income and deductions. The documents may be necessary to prove the accuracy and completeness of the returns to a taxing

authority. If you have any questions as to the type of records required, please ask us for advice in that regard.

Please note that the Internal Revenue Service (IRS) considers virtual currency (e.g., Bitcoin) as property for U.S. federal tax purposes. As such, any transactions in, or transactions that use, virtual currency are subject to the same general tax principles that apply to other property transactions. If you had virtual currency activity during the 2023 tax year, you may be subject to tax consequences associated with such transactions, and may have additional foreign reporting obligations.

You agree to provide us with complete and accurate information regarding any transactions in, or transactions that have used, virtual currency during the applicable tax year. Please ask us for advice if you have any questions regarding the type of records required for virtual currency transactions.

We will use our professional judgment in preparing your returns. Given the magnitude of the economic tax relief provisions the U.S. stimulus packages have contained, as well as some new concepts introduced in the law, additional stated guidance from the Internal Revenue Service, and possibly from Congress in the form of technical corrections on certain income tax provisions may be forthcoming. We will use our professional judgment and expertise to assist you given the guidance as currently promulgated at the time our services are rendered. Subsequent developments issued by the applicable tax authorities may affect the information we have previously provided, and these effects may be material. Whenever we are aware that a possibly applicable tax law is unclear or that there are conflicting interpretations of the law by authorities (e.g., tax agencies and courts), we will share our knowledge and understanding of the possible positions that may be taken on your return. In accordance with our professional standards, we will follow whatever position you request, as long as it is consistent with the codes, regulations, and interpretations that have been promulgated.

If a taxing authority should later contest the position taken, there may be an assessment of additional tax, interest and penalties. We assume no liability for any such assessment of additional tax, penalties or interest. In the event, however, that you ask us to take a tax position that in our professional judgment will not meet the applicable laws and standards as promulgated, we reserve the right to stop work and shall not be liable for any damages that occur as a result of ceasing to render services.

The law provides for a penalty to be imposed where a taxpayer makes a substantial understatement of their tax liability. Taxpayers may seek to avoid all or part of the penalty by showing (1) that they acted in good faith and there was reasonable cause for the understatement, (2) that the understatement was based on substantial authority, or (3) there was a reasonable basis for the position

taken on the return and the relevant facts affecting the item's tax treatment were adequately disclosed on the return. You agree to advise us if you wish disclosure to be made in your returns or if you desire us to identify or perform further research with respect to any material tax issues for the purpose of ascertaining whether, in our opinion, there is "substantial authority" for the position proposed to be taken on such issue in your returns.

If you and/or your entity have a financial interest in, or signature authority over, any foreign accounts, you may be subject to certain filing requirements with the U.S. Department of the Treasury, in addition to the IRS. Filing requirements may also apply to taxpayers that have direct or indirect control over a foreign or domestic entity with foreign financial accounts, even if the taxpayer does not have foreign account(s). By your signature below, you agree to provide us with complete and accurate information regarding any foreign accounts that you and/or your entity may have had a direct or indirect interest in, or signature authority over, during the above referenced tax year. The foreign reporting requirements are very complex, so if you have any questions regarding the application of the U.S. Department of the Treasury and/or the IRS reporting requirements to your foreign interests or activities, please ask us for advice in that regard. Failure to disclose the required information to the U.S. Department of the Treasury and the IRS may result in substantial civil and/or criminal penalties. We assume no liability for penalties associated with the failure to file or untimely filing of any of these forms.

Taxing authorities require us to electronically file all federal and California state (or the State you live in) individual income tax returns ("e-filing"). However, you do have the right to "opt out" of the e-filing program. Please notify our firm immediately should you desire not to have your returns e-filed, so that we may provide you with the form(s) necessary for opting out of the e-file program. Please note that unless you notify us of your desire to not e-file your returns, we will prepare your returns to be e-filed.

Although e-filing requires both you and our firm to complete additional steps, the same filing deadlines will apply. You must therefore ensure that you complete the additional requirements well before the due dates in order for our firm to be able to timely transmit your returns. We will provide you with a paper copy of the income tax returns for your review prior to electronic transmission. After you have reviewed the returns, you must provide us with a signed authorization indicating that you have reviewed the returns and that, to the best of your knowledge, you feel they are correct. We cannot transmit the returns to the taxing authorities until we have the signed authorization. Therefore, if you have not provided our firm with your signed authorization by April 1, 2024, we will place your returns on extension, even though they might already have been completed. In that event, you will be responsible for ensuring that any payment due with the extension is timely sent to the appropriate taxing authorities. You

will also be responsible for any additional costs our firm incurs arising from the extension preparation.

Finally, please note that although our firm will use our best efforts to ensure that your returns are successfully transmitted to the appropriate taxing authorities, we will not be financially responsible for electronic transmission or other errors arising after your returns have been successfully submitted from our office.

By your signature below, you understand and agree that you are responsible for the accuracy and completeness of the records, documents, explanations, and other information provided to us for purposes of this engagement. You have the final responsibility for the income tax returns; therefore, you should review them carefully before you sign the e-file authorization forms, or sign and submit your income tax returns directly to the appropriate taxing authorities. You agree that our firm is not responsible for a taxing authority's disallowance of deductions or inadequately supported documentation, nor for resulting taxes, penalties, and interest.

Fees for our services will be at our standard rates plus computer charges and out-of-pocket expenses. Payment for service is due when rendered and interim billings may be submitted as work progresses and expenses are incurred. If we have not received payment within 7 business days of our invoice, all work will be suspended until your account is brought current. Client acknowledges and agrees that in the event we stop work or withdraw from this engagement as a result of client's failure to pay on a timely basis for services rendered as required by this engagement letter, we shall not be liable for any damages that occur as a result of our ceasing to render services.

We are responsible for preparing only the returns listed above. Our fee does not include responding to inquiries or examination by taxing authorities. However, we are available to represent you. Our fees for such services are at our standard rates and would be covered under a separate engagement letter.

Our fees for tax preparation services are based on a basic tax package fee of \$400, with a surcharge ranging from \$75-\$150 per form if you have any business, foreign activity or special event related tax schedules. Please see our major fee schedule listed below:

- \$175 for each self-employed business on Sch C form
- \$80 for each rental property on Sch E form
- \$150 for each real estate property sales reporting
- \$100 for unreported sold stock options cost basis
- \$150 for each Expatriate tax return on form 2555 or form 1116
- \$50 for foreign bank account reporting (FBAR) on form 114 per 10 institutions
- \$100 for foreign financial interest (FATCA) form 8938 per 10 assets reporting
- \$250-\$400 for various types of foreign entity ownership disclosure
- \$200 for second state income tax return preparation

Under very rare circumstance, we may charge the amount of time required at our standard billing rates plus out-of-pocket expenses. We also reserve the right to impose expedited fee for late submitted tax documents after our standard cut-off date (normally by April 1). All invoices are due and payable upon presentation. You agree to authorize Zhai Financial & Tax, LLP to initiate an electronic debit or to create and process a demand draft against your bank account. This authorization remains in effect until you revoke it in writing. If you want to opt out this ACH transaction, please mark the following box. However, please note, your tax returns will not be filed electronically until fees are paid.

Opt-out ACH Payment

Included services: Our fee includes government letter review and certain tax inquiry. For our monthly business or financial advisory clients, we provide tax planning services at no charge. For all other engaged tax preparation clients, we will provide one complimentary consultation (30-minute appointment or up to two 15-minute phone calls) during the year. Any additional consultation time will be billed at our standard rate of \$375 per hour for partner and \$250 per hour for manager.

In connection with this engagement, we may communicate with you or others via email transmission. We take reasonable measures to secure your confidential information in our email transmissions. However, 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 to and read only by the addressee. Therefore, we specifically disclaim and waive any liability or responsibility whatsoever for interception or unintentional disclosure or communication of email transmissions, or for the unauthorized use or failed delivery 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 sales or anticipated profits, or disclosure or communication of confidential or proprietary information.

We may from time to time and depending on the circumstances and nature of the services we are providing, share your confidential information with third-party service providers, some of whom may be cloud-based, but we 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 terms with all service providers to maintain the confidentiality of your information and 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 appropriate confidentiality terms with a third-party service provider, you will be asked to provide your consent prior to the sharing of your confidential information with the third-party service provider. Although we will use our best efforts to make the sharing of your information with such third parties secure from unauthorized access, no completely secure system for electronic data transfer exists. As such, by your signature below, you understand that the firm makes no warranty, expressed or implied, on the security of electronic data transfers.

It is our policy to keep records related to this engagement for seven years. However, Zhai Financial & Tax, LLP does not keep any original client records, so we will return those to you at the completion of the services rendered under this engagement. It is your responsibility to retain and protect your records (which includes any work product we provide to you as well as any records that we return) for possible future use, including potential examination by any government or regulatory agencies. Zhai Financial & Tax, LLP does not accept responsibility for hosting client information; therefore, you have the sole responsibility for ensuring you retain and maintain in your possession all your financial and non-financial information, data and records.

By your signature below, you acknowledge and agree that upon the expiration of the seven-year period, Zhai Financial & Tax, LLP shall be free to destroy our records related to this engagement.

Because of the importance of oral and written representations to the effective performance of our services, Client releases and indemnifies our firm and its personnel from any and all claims, liabilities, costs and expenses attributable to any misrepresentation by you and your representatives.

If any dispute arises among the parties hereto, the parties agree to first try in good faith to settle the dispute by mediation administered by the American Bar Association under its applicable rules for resolving professional accounting and related services disputes before resorting to litigation. Costs of any mediation proceeding shall be shared equally by all parties.

Client and accountant both agree that any dispute over fees charged by the accountant to the client will be submitted for resolution by arbitration in accordance with the applicable rules for resolving professional accounting and related services disputes of the American Bar Association, except that under all circumstances the arbitrator must follow the laws of California (or the State you live in). Such arbitration shall be binding and final. IN AGREEING TO ARBITRATION, WE BOTH ACKNOWLEDGE THAT, IN THE EVENT OF A DISPUTE OVER FEES CHARGED BY THE ACCOUNTANT, EACH OF US IS GIVING UP THE RIGHT TO HAVE THE DISPUTE DECIDED IN A COURT OF LAW

BEFORE A JUDGE OR JURY AND INSTEAD WE ARE ACCEPTING THE USE OF ARBITRATION FOR RESOLUTION. The prevailing party shall be entitled to an award of reasonable attorneys' fees and costs incurred in connection with the arbitration of the dispute in an amount to be determined by the arbitrator.

Please note that you are affirming to Zhai Financial & Tax, LLP your understanding of, and agreement to, the terms and conditions of this engagement letter by any one of the following actions: returning your signed engagement letter to our firm; providing your income tax information to us for use in the preparation of your returns; the submission of the tax returns we have prepared for you to the taxing authorities; or the payment of our return preparation fees.

We are pleased to have you as a client and look forward to a long and mutually satisfying relationship.

Sincerely,



Zhai Financial & Tax, LLP

Acknowledged by:

Taxpayer Signature: _____; Spouse Signature: _____

Taxpayer Print Name: _____; Spouse Print Name: _____

Date: _____

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CONSENT TO DISCLOSURE OF TAX RETURN INFORMATION

To provide you with the best service and value possible, Zhai Financial & Tax, LLP continuously evaluates opportunities to streamline the preparation of your return. For the purpose of assisting us in preparing your tax return, our firm must send your 2023 tax return information (“Tax Information”) to a company that performs data entry, Zhai Financial & Tax - China (“ZhaiFT-CN”, our China affiliate).

Federal law requires this consent form be provided to you. Unless authorized by law, we cannot disclose, without your consent, your tax return information to third parties for purposes other than the preparation and filing of your tax return and, in certain limited circumstances, for purposes involving tax return preparation. If you consent to the disclosure of your tax return information, Federal law may not protect your tax return information from further use or distribution.

You are not required to complete this form. Because our ability to disclose your tax return information to another tax return preparer affects the service that we provide to you and its cost, we may decline to provide you with service or change the terms of service that we provide to you if you do not sign this form. If you agree to the disclosure of your tax return information, 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 from the date of signature.

This consent to disclose may result in your tax return information being disclosed to a tax return preparer located outside the United States.

If you agree to allow our firm to disclose your tax return information to ZhaiFT-CN for purposes of providing assistance in the preparation of your individual income tax return, please provide the information requested and sign and date your consent to the disclosure of your tax return information.

AUTHORIZATION GRANTED

Unless I mark at following, I have read the above information concerning the disclosure of my (our) Tax Information. By signing below, I hereby authorize the Service Provider to disclose the Tax Information to ZhaiFT-CN. The disclosure

is for the purpose of allowing ZhaiFT-CN to assist Preparer in the preparation of my 2023 income tax return.

<input type="checkbox"/>	I do not consent to disclose the Tax Information for this purpose.
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Primary Taxpayer's Signature	Date Signed
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Secondary Taxpayer's Signature	Date Signed
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Consent Valid Until:

LIMITATION OF DISCLOSURE

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, or by email at complaints@tigta.treas.gov.

Please feel free to inquire if you would like additional information regarding our privacy and confidentiality policies.

Zhai Financial & Tax LLP

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Consent for Use of Tax Return Information

Tax and Financial Planning Services. This engagement does not include tax and financial planning services. While preparing the tax returns identified above, we may bring to your attention potential tax savings and financial planning strategies for you to consider as a possible means of reducing your taxes in subsequent tax years while improving your financial well being. Tax Planning minimizes surprises at tax time. Everyone has an occasional change that affects income tax, including new employment, W-4 adjustments, mortgage application, marriage or divorce, retirement plan changes, IRA distributions, sales and/or purchase of property, inheritance, capital gain and stock option issues, estimated tax payments, birth/adoption, etc. Since we have no responsibility to do so, and will take no action with respect to such recommendations as the responsibility for implementation remains with you, the tax payer. If you ask us to provide tax and financial planning services, we will confirm this representation in a separate engagement letter. Therefore, we ask your consent to engage with our firm's tax and financial planning services separately.

Federal law requires this consent form be provided to you. Unless authorized by law, we cannot use your tax return information for purposes other than the preparation and filing of your tax return without your consent.

You are not required to complete this form to engage our tax return preparation services. If we obtain your signature on this form by conditioning our tax return preparation services 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 from the date of signature.

Zhai Financial & Tax, LLP and its tax preparers (the "Firm") request your consent to use your Tax Return Information which includes but may not be limited to, all communications with my Tax Preparer ("Preparer") and any information Preparer derives or generates from Tax Return Information in connection with my tax returns for the purpose of providing you with information about various tax planning strategies and financial services and products, which may include, but is not limited to: individual and business tax planning, estate and gift tax planning, business consulting, bookkeeping services, retirement planning,

investment advice, investment products and services (e.g., stocks, bonds, mutual funds, insurance, and annuities) and long-term care and life insurance. Services are dependent upon the licenses held by your tax preparer. The Firm will distribute information in various ways including, but not limited to: newsletter, email, postal mail, website, phone, or other means of communication.

I understand that Preparer may use all of my Tax Return Information in connection with his affiliation with (a) Avantax Investment Servicessm; (b) Avantax Advisory Servicessm (AAS), a registered investment adviser; and/or (c) affiliates of those entities (collectively, "Avantax"), all of which are headquartered at 3200 Olympus Blvd, Suite 100, Dallas, TX 75019. Avantax does not offer, provide or supervise tax advice or tax preparation services, and any services provided by Avantax will be pursuant to a written agreement directly with the relevant Avantax entity.

I understand that Zhai Financial & Tax, LLP is not a registered broker-dealer or a registered investment adviser.

I acknowledge that if I make an investment through Avantax that Preparer will receive a part of any management fees, commissions, or other fees paid on investments I make. I understand that I am under no obligation whatsoever to follow any recommendations made or to purchase any other products or services offered by or through Preparer.

Bin Zhai, CPA, CFP[®] is affiliated with Avantax Wealth Management and its affiliates ("Avantax") as independent contractors solely for the purpose of providing clients with financial products and services.

Unless I mark at following, I **consent** to the use of my tax return information for this purpose.

I **do not consent** to the use of my tax return information for this purpose.

The duration of this consent is three years from the date of signature, unless a more limited duration is specified here: I specify the duration of the above consent to be three years from the date of signature.

If the Firm also prepares tax returns for your *minor* children (under age 18), please print their names below. This consent also applies to their Tax Return Information.

Sign by _____

Name: _____

Date: _____