



**SWC BUSINESS
ENTERPRISES, P C .**

Dear Client:

We appreciate this opportunity to work with you and advise you regarding your income taxes. To ensure a complete understanding between us, we are setting forth the pertinent information about the services that we will perform on your behalf.

Returns we will prepare/Tax information required

We will prepare your federal and state(s) income tax returns with the information which you will provide to us. We will make no audit or other verification of the data you have submitted and we perform our consulting and tax services under the assumption that all the information you submit to us is true, complete and accurate according to documents and other information retained in your files (particularly auto, travel and entertainment expenses). While it is not necessary that you provide us with support documents at the time we prepare your returns and review, you should retain all necessary written support and documentation should it be required by an IRS, AZDOR, or other state authority examination at a later date. We reserve the right to withdraw from this engagement if requested information is not received in a reasonable period of time. We will furnish you with questionnaires and/or worksheets to guide you in gathering the necessary information. If you prefer to assemble data in your own organized manner, please do so. Complete, and organized data will help to minimize our fee.

We will advocate positions in your favor

We will use our professional judgment to resolve any questions involving application or interpretation of tax laws. We will resolve such questions in your favor if there is reasonable justification for it. You have the final responsibility for the income tax and sales tax returns and, therefore, you should review them carefully before you sign them and or agree to any changes made.

Penalties

You should note that the taxing authorities provide for interest and penalties which may be imposed on you. Most of these penalties provide for assessment in the event of some wrongdoing or negligence on the part of the taxpayer. However, penalties may be imposed even though there is no fraud, negligence or willfulness on your part. The only way to avoid certain penalties is to show that there was either "substantial authority" for the position taken or to make "adequate disclosure" on the return. You are fully responsible for penalties and interest charges on your account unless they are due to our mistake. Once we prepare your return, and return it to you, any changes you make thereafter are not mistakes and you are subject to any penalties and interest imputed.

Tax planning and tax notices

5743 E THOMAS RD #6 SCOTTSDALE, AZ 85251

PHONE: 602-357-3275 FAX: 602-532-7088 • EMAIL: INFO@SWCBE.COM

S:\DATA\FILES\SWC BUSINESS ENTERPRISES, PC\OFFICE - 2008\TAX RETURN ENGAGEMENT
LETTER -_080320.DOC

The most important part of the tax return is done when you plan and have control over the return's ultimate results. We urge you to call us during the year if you are about to enter into important transactions or make important business decisions. The questions you ask us before you make decisions could result in large fees for our services, and our time will be billed at our standard rates for tax matters.

Our fees are \$175 per hour for Tax Matters.

Generally, we will bill you after we complete the returns, for time spent plus out-of-pocket expenses and reasonable collection costs incurred on your behalf. However, progress billings may be prepared for returns that cannot be completed due to incomplete information from you. Our invoices are due and payable on presentation. In fairness to our clients who pay promptly we charge a late payment service charge on all accounts unpaid after 30 days from billing date at the rate of 2% (2 percent) per month on all delinquent balances. Any dispute over fees may be submitted for resolution by arbitration in at our sole discretion.

Our fees may be paid by check, cash, Visa, Mastercard, or debit/check card.

Your Fees MUST be paid in Full before the tax return will be released to you or filed with the IRS / State Governments.

Privacy

As your CPA, we collect information provided by you from your tax organizer, worksheets, documents and discussions and information that we develop as part of the engagement. We are required to keep all information about our engagement confidential so we will not make any disclosure about you unless we have your approval or are required/permitted by law. This applies even if you are no longer a client. We are committed to the safekeeping of your confidential information and we maintain physical, electronic, and procedural safeguards to protect it.

General

Your original records, which will be returned to you, comprise the backup and support for your income tax returns. Our records and files are our property and not a substitute for your own records. Our firm destroys client files after a retention period of seven (7) years, after which time these items will no longer be available. Also, catastrophic events or physical deterioration may result in our records being unavailable.

If you are no longer a client of SWC Business Enterprises, PC and you have lost originals or copies of the information you provided to us, or the tax returns as prepared, you may request a copy of this information for a \$25 administrative fee.

Mailing of your Tax Returns

Historically, SWC Business Enterprises, PC has mailed out tax returns for our clients at no additional fee. Going forward, we will require an administrative fee of \$25.00 per return (Federal & State, as well as any other states you have filed in) to be paid in advance of this service provided by SWC Business

Enterprises, PC. If you prefer, SWC Business Enterprises, PC will make your returns available for pick up at our office so that you may mail them yourself.

Receipt of your Final Returns

You may choose the form in which you will receive your returns. You may choose to have your returns provided to you electronically, on CD, or in paper format (which will include electronic versions of your tax returns, copies of your original information, and a copy of your signed engagement letter.

We are pleased to have you as a client and look forward to a long and mutually satisfying relationship. If the above fairly sets forth your understanding, please sign on the line below and return it to us. This letter will be in effect regarding our engagement until superseded by a subsequent understanding.

Beginning the Work on Your Tax Return

The work on your tax return will NOT begin until SWC Business Enterprises, PC has a SIGNED copy of this engagement letter on file.

We will notify you if we have not received your engagement letter at the time the preparation of your return is scheduled to begin.

The Staff of SWC Business Enterprises, PC

The above agreement is accepted by:

Signature

Name of Business

PRINT: Approved by (NAME)

Date

- 7 Notices and communications.** Original notices and other written communications will be sent to you and a copy to the first representative listed on line 2.
- a** If you also want the second representative listed to receive a copy of notices and communications, check this box
 - b** If you do not want any notices or communications sent to your representative(s), check this box

8 Retention/revocation of prior power(s) of attorney. The filing of this power of attorney automatically revokes all earlier power(s) of attorney on file with the Internal Revenue Service for the same tax matters and years or periods covered by this document. If you **do not** want to revoke a prior power of attorney, check here.

YOU MUST ATTACH A COPY OF ANY POWER OF ATTORNEY YOU WANT TO REMAIN IN EFFECT.

9 Signature of taxpayer(s). If a tax matter concerns a joint return, **both** husband and wife must sign if joint representation is requested, otherwise, see the instructions. If signed by a corporate officer, partner, guardian, tax matters partner, executor, receiver, administrator, or trustee on behalf of the taxpayer, I certify that I have the authority to execute this form on behalf of the taxpayer.

▶ IF NOT SIGNED AND DATED, THIS POWER OF ATTORNEY WILL BE RETURNED.

Signature	Date	Title (if applicable)
Print Name	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> PIN Number	Print name of taxpayer from line 1 if other than individual
Signature	Date	Title (if applicable)
Print Name	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> PIN Number	

Part II Declaration of Representative

Caution: *Students with a special order to represent taxpayers in Qualified Low Income Taxpayer Clinics or the Student Tax Clinic Program, see the instructions for Part II.*

Under penalties of perjury, I declare that:

- I am not currently under suspension or disbarment from practice before the Internal Revenue Service;
- I am aware of regulations contained in Treasury Department Circular No. 230 (31 CFR, Part 10), as amended, concerning the practice of attorneys, certified public accountants, enrolled agents, enrolled actuaries, and others;
- I am authorized to represent the taxpayer(s) identified in Part I for the tax matter(s) specified there; and
- I am one of the following:
 - a** Attorney—a member in good standing of the bar of the highest court of the jurisdiction shown below.
 - b** Certified Public Accountant—duly qualified to practice as a certified public accountant in the jurisdiction shown below.
 - c** Enrolled Agent—enrolled as an agent under the requirements of Treasury Department Circular No. 230.
 - d** Officer—a bona fide officer of the taxpayer’s organization.
 - e** Full-Time Employee—a full-time employee of the taxpayer.
 - f** Family Member—a member of the taxpayer’s immediate family (i.e., spouse, parent, child, brother, or sister).
 - g** Enrolled Actuary—enrolled as an actuary by the Joint Board for the Enrollment of Actuaries under 29 U.S.C. 1242 (the authority to practice before the Service is limited by section 10.3(d) of Treasury Department Circular No. 230).
 - h** Unenrolled Return Preparer—the authority to practice before the Internal Revenue Service is limited by Treasury Department Circular No. 230, section 10.7(c)(1)(viii). You must have prepared the return in question and the return must be under examination by the IRS. See **Unenrolled Return Preparer** on page 2 of the instructions.

▶ IF THIS DECLARATION OF REPRESENTATIVE IS NOT SIGNED AND DATED, THE POWER OF ATTORNEY WILL BE RETURNED. See the Part II instructions.

Designation—Insert above letter (a–h)	Jurisdiction (state) or identification	Signature	Date

Please enter all pertinent 2008 amounts. Last year's amounts are provided for your reference.

GENERAL INFORMATION

Principal business/profession.....	<input style="width:95%;" type="text"/>
Principal business code.....	<input style="width:95%;" type="text"/>
Business name, if different from Form 1040.....	<input style="width:95%;" type="text"/>
Business address, if different from Form 1040.....	<input style="width:95%;" type="text"/>
City, state, ZIP code, if different from Form 1040.....	<input style="width:95%;" type="text"/>
Employer identification number.....	<input style="width:95%;" type="text"/>
Other accounting method.....	<input style="width:95%;" type="text"/>

Accounting method: 1=cash, 2=accrual.....	<input style="width:95%;" type="text"/>	
Inventory method: 1=cost, 2=lower c/m, 3=other.....	<input style="width:95%;" type="text"/>	
1=change of inventory method.....	<input style="width:95%;" type="text"/>	
1=spouse, 2=joint.....	<input style="width:95%;" type="text"/>	
1=first Schedule C filed for this business.....	<input style="width:95%;" type="text"/>	
1=W-2 earnings as statutory employee.....	<input style="width:95%;" type="text"/>	
1=not subject to self-employment tax.....	<input style="width:95%;" type="text"/>	
1=did not "materially participate".....	<input style="width:95%;" type="text"/>	
1=personal services is not a material income producing factor.....	<input style="width:95%;" type="text"/>	
1=investment.....	<input style="width:95%;" type="text"/>	
1=minister's Schedule C.....	<input style="width:95%;" type="text"/>	
1=single member limited liability company.....	<input style="width:95%;" type="text"/>	

INCOME

	2008 Amount	2007 Amount
Gross receipts or sales (Form 1099-MISC, box 7).....	<input style="width:95%;" type="text"/>	<input style="width:95%;" type="text"/>
Returns and allowances.....	<input style="width:95%;" type="text"/>	<input style="width:95%;" type="text"/>
Other income:		
_____	<input style="width:95%;" type="text"/>	<input style="width:95%;" type="text"/>
_____	<input style="width:95%;" type="text"/>	<input style="width:95%;" type="text"/>
_____	<input style="width:95%;" type="text"/>	<input style="width:95%;" type="text"/>
_____	<input style="width:95%;" type="text"/>	<input style="width:95%;" type="text"/>
_____	<input style="width:95%;" type="text"/>	<input style="width:95%;" type="text"/>
_____	<input style="width:95%;" type="text"/>	<input style="width:95%;" type="text"/>
_____	<input style="width:95%;" type="text"/>	<input style="width:95%;" type="text"/>

COST OF GOODS SOLD

Inventory at beginning of the year.....	<input style="width:95%;" type="text"/>	<input style="width:95%;" type="text"/>
Purchases.....	<input style="width:95%;" type="text"/>	<input style="width:95%;" type="text"/>
Cost of items for personal use.....	<input style="width:95%;" type="text"/>	<input style="width:95%;" type="text"/>
Cost of labor.....	<input style="width:95%;" type="text"/>	<input style="width:95%;" type="text"/>
Materials and supplies.....	<input style="width:95%;" type="text"/>	<input style="width:95%;" type="text"/>
Other costs:		
_____	<input style="width:95%;" type="text"/>	<input style="width:95%;" type="text"/>
_____	<input style="width:95%;" type="text"/>	<input style="width:95%;" type="text"/>
_____	<input style="width:95%;" type="text"/>	<input style="width:95%;" type="text"/>
_____	<input style="width:95%;" type="text"/>	<input style="width:95%;" type="text"/>
_____	<input style="width:95%;" type="text"/>	<input style="width:95%;" type="text"/>
_____	<input style="width:95%;" type="text"/>	<input style="width:95%;" type="text"/>
Inventory at end of the year.....	<input style="width:95%;" type="text"/>	<input style="width:95%;" type="text"/>

Please enter all pertinent 2008 amounts. Last year's amounts are provided for your reference.

EXPENSES

	2008 Amount	2007 Amount
Accounting		
Advertising		
Answering service		
Bad debts from sales or service		
Bank charges		
Car and truck expenses (not entered elsewhere)		
Commissions		
Contract labor		
Delivery and freight		
Dues and subscriptions		
Employee benefit programs		
Insurance (other than health)		
Mortgage interest (paid to banks, etc.)		
Other interest (not entered elsewhere)		
Janitorial		
Laundry and cleaning		
Legal and professional		
Miscellaneous		
Office expense		
Outside services		
Parking and tolls		
Pension and profit sharing plans - contributions		
Pension and profit sharing plans - admin. and education costs		
Postage		
Printing		
Rent - vehicles, machinery, & equipment (not entered elsewhere)		
Rent - other		
Repairs		
Security		
Supplies		
Taxes - real estate		
Taxes - payroll		
Taxes - sales tax included in gross receipts		
Taxes - other (not entered elsewhere)		
Telephone		
Tools		
Travel		
Total meals and entertainment in full (50%)		
Department of Transportation meals in full (75%)		
Uniforms		
Utilities		
Wages		

Other expenses:

NOTE: If you purchased or disposed of any business assets, please complete Sheet 22.

Please enter all pertinent 2008 amounts. Last year's amounts are provided for your reference.

GENERAL INFORMATION

Kind of property	<input style="width:95%;" type="text"/>
Location of property	<input style="width:95%;" type="text"/>

Percentage of ownership if not 100% (.xxxx)	<input style="width:95%;" type="text"/>	
Percentage of tenant occupancy if not 100% (.xxxx)	<input style="width:95%;" type="text"/>	
1=spouse, 2=joint	<input style="width:95%;" type="text"/>	
1=nonpassive activity, 2=passive royalty	<input style="width:95%;" type="text"/>	
1=did not actively participate	<input style="width:95%;" type="text"/>	
1=real estate professional	<input style="width:95%;" type="text"/>	
1=rental other than real estate	<input style="width:95%;" type="text"/>	
1=investment	<input style="width:95%;" type="text"/>	
1=single member limited liability company	<input style="width:95%;" type="text"/>	

INCOME

	2008 Amount	2007 Amount
Rents received (Form 1099-MISC, box 1)	<input style="width:95%;" type="text"/>	<input style="width:95%;" type="text"/>
Royalties received (Form 1099-MISC, box 2)	<input style="width:95%;" type="text"/>	<input style="width:95%;" type="text"/>

DIRECT EXPENSES

NOTE: Direct expenses are related only to the rental activity. These include rental agency fees, advertising, and office supplies.

Advertising	<input style="width:95%;" type="text"/>	<input style="width:95%;" type="text"/>
Association dues	<input style="width:95%;" type="text"/>	<input style="width:95%;" type="text"/>
Auto and travel (not entered elsewhere)	<input style="width:95%;" type="text"/>	<input style="width:95%;" type="text"/>
Cleaning and maintenance	<input style="width:95%;" type="text"/>	<input style="width:95%;" type="text"/>
Commissions	<input style="width:95%;" type="text"/>	<input style="width:95%;" type="text"/>
Gardening	<input style="width:95%;" type="text"/>	<input style="width:95%;" type="text"/>
Insurance	<input style="width:95%;" type="text"/>	<input style="width:95%;" type="text"/>
Legal and professional fees	<input style="width:95%;" type="text"/>	<input style="width:95%;" type="text"/>
Licenses and permits	<input style="width:95%;" type="text"/>	<input style="width:95%;" type="text"/>
Management fees	<input style="width:95%;" type="text"/>	<input style="width:95%;" type="text"/>
Miscellaneous	<input style="width:95%;" type="text"/>	<input style="width:95%;" type="text"/>
Mortgage interest (paid to banks, etc.)	<input style="width:95%;" type="text"/>	<input style="width:95%;" type="text"/>
Qualified mortgage insurance premiums	<input style="width:95%;" type="text"/>	<input style="width:95%;" type="text"/>
Excess mortgage interest	<input style="width:95%;" type="text"/>	<input style="width:95%;" type="text"/>
Other interest (not entered elsewhere)	<input style="width:95%;" type="text"/>	<input style="width:95%;" type="text"/>
Painting and decorating	<input style="width:95%;" type="text"/>	<input style="width:95%;" type="text"/>
Pest control	<input style="width:95%;" type="text"/>	<input style="width:95%;" type="text"/>
Plumbing and electrical	<input style="width:95%;" type="text"/>	<input style="width:95%;" type="text"/>
Repairs	<input style="width:95%;" type="text"/>	<input style="width:95%;" type="text"/>
Supplies	<input style="width:95%;" type="text"/>	<input style="width:95%;" type="text"/>
Taxes - real estate	<input style="width:95%;" type="text"/>	<input style="width:95%;" type="text"/>
Taxes - other (not entered elsewhere)	<input style="width:95%;" type="text"/>	<input style="width:95%;" type="text"/>
Telephone	<input style="width:95%;" type="text"/>	<input style="width:95%;" type="text"/>
Utilities	<input style="width:95%;" type="text"/>	<input style="width:95%;" type="text"/>
Wages and salaries	<input style="width:95%;" type="text"/>	<input style="width:95%;" type="text"/>
Other:		
<input style="width:95%;" type="text"/>	<input style="width:95%;" type="text"/>	<input style="width:95%;" type="text"/>
<input style="width:95%;" type="text"/>	<input style="width:95%;" type="text"/>	<input style="width:95%;" type="text"/>
<input style="width:95%;" type="text"/>	<input style="width:95%;" type="text"/>	<input style="width:95%;" type="text"/>

NOTE: If you purchased or disposed of any business assets, please complete Sheet 22.

Please enter all pertinent 2008 amounts. Last year's amounts are provided for your reference. The indirect expense column should only be used for vacation homes or less than 100% tenant occupied rentals.

OIL AND GAS

	2008 Amount	2007 Amount
Production type (preparer use only)		
Cost depletion		
Percentage depletion rate or amount		
State cost depletion, if different (-1 if none)		
State % depletion rate or amount, if different (-1 if none)		

VACATION HOME

Number of days rented at fair market value		
Number of days personal use		
Number of days owned (if optional method elected)		

INDIRECT EXPENSES

NOTE: Indirect expenses are related to operating or maintaining the dwelling unit. These include repairs, insurance, and utilities.

Advertising		
Association dues		
Auto and travel (not entered elsewhere)		
Cleaning and maintenance		
Commissions		
Gardening		
Insurance		
Legal and professional fees		
Licenses and permits		
Management fees		
Miscellaneous		
Mortgage interest (paid to banks, etc.)		
Qualified mortgage insurance premiums		
Excess mortgage interest		
Other interest (not entered elsewhere)		
Painting and decorating		
Pest control		
Plumbing and electrical		
Repairs		
Supplies		
Taxes - real estate		
Taxes - other (not entered elsewhere)		
Telephone		
Utilities		
Wages and salaries		

Other:

2008	1040	US	Partnership and S corporation Information	20.1,20.2
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Please add, change or delete 2008 information as appropriate. Be sure to attach all Schedule K-1s.

PARTNERSHIP INFORMATION (20.1)

No.	Name of Partnership	Employer Identification Number	Tax Shelter Registration Number	Additional Amounts Invested in Partnership

S CORPORATION INFORMATION (20.2)

No.	Name of S corporation	Employer Identification Number	Tax Shelter Registration Number	Additional Amounts Invested in S corporation

2008	1040	US	Estate or Trust and REMIC Information	20.3,20.4
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Please add, change or delete 2008 information as appropriate.
 Be sure to attach all Schedule K-1s and Schedule Qs.

ESTATE OR TRUST INFORMATION (20.3)

No.	Name of Estate or Trust	Employer Identification Number	Tax Shelter Registration Number

REMIC INFORMATION (20.4)

No.	Name of REMIC	Employer Identification Number

				20.3,20.4
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Please enter all pertinent 2008 amounts. Last year's amounts are provided for your reference.

GENERAL INFORMATION

	2008 Amount	2007 Amount
Description of vehicle		
1=no evidence to support your deduction		
1=no written evidence to support your deduction		
1=vehicle is available for off-duty personal use		
1=no other vehicle is available for personal use		
1=vehicle used primarily by more than 5% owner		
Number of months your job required a vehicle (if not 12 months)		

AUTOMOBILE MILEAGE

Total mileage		
Business mileage (1/1/08 - 6/30/08)		
Business mileage (7/1/08 - 12/31/08)		
Commuting mileage		
Average daily round-trip commute		

ACTUAL EXPENSES

Parking fees and tolls (business portion only)		
Gasoline, lube, oil		
Repairs		
Tires		
Insurance		
Miscellaneous		
Auto license (other than personal property taxes)		
Personal property taxes (based on car's value)		
Interest (car loan) (for Schedule C, E & F)		
Vehicle rent or lease payments		
Inclusion amount (enter as positive)		
Value of employer-provided vehicle on Form W-2 (2106)		

Please enter 2008 indirect expenses in full. Nonbusiness portion will carry to Schedule A.
Business percentage will be applied to indirect expenses only.

BUSINESS USE OF HOME

	2008 Amount	2007 Amount
Form.....		
Number of form (e.g., enter 2 for Schedule C number 2).....		
Business use area (square footage).....		
Total area of home (square footage).....		
Total hours facility used (for daycare facilities only).....		
Total hours available (if not 8,760).....		
% (.xx) or amount of gross income from home if not 100% (-1 if none).....		
% (.xx) or amount of expenses from home if not 100% (-1 if none).....		

INDIRECT EXPENSES

NOTE: Indirect expenses are for keeping up and running your entire home. They benefit both the business and personal parts of your home.

Mortgage interest.....		
Real estate taxes.....		
Qualified mortgage insurance premiums.....		
Casualty losses.....		
Insurance.....		
Miscellaneous.....		
Rent.....		
Repairs and maintenance.....		
Utilities.....		
Excess mortgage interest.....		
Other indirect expenses:		

DIRECT EXPENSES

NOTE: Direct expenses benefit only the business part of your home. They include painting or repairs made to specific areas or rooms used for business.

Mortgage interest.....		
Real estate taxes.....		
Qualified mortgage insurance premiums.....		
Casualty losses.....		
Insurance.....		
Miscellaneous.....		
Rent.....		
Repairs and maintenance.....		
Utilities.....		
Excess mortgage interest.....		
Excess casualty losses.....		
Allowable casualty losses.....		
Other direct expenses:		

