

2013 PERSONAL INCOME TAX

ENGAGEMENT LETTER

Dear Sir or Madam:

Re: Our Services - 2013 and Subsequent Years Personal Tax Return Preparation

We thank you for allowing us to prepare your 2013 personal tax return(s).

About this Engagement Letter

Please ensure you read this letter carefully, include all signatures listed at the end, and return it to us at your very earliest convenience, *before* you send us your tax information (by fax 613.228.8284 or by scan/email at office@logankatz.com). **We will not start any work on your tax return until this letter is signed and returned to us.**

Required Information

During our engagement, we will rely on you to provide us with complete and accurate information so that we may prepare your return(s) in a timely manner. We wish to emphasize that you are responsible for the accuracy and completeness of the information included in your return(s).

To ensure accuracy and completeness of the information to be reported in your tax return, we strongly encourage you to use or follow the TAX CHECKLIST which will be forwarded to you in early March.

As part of the information reported in your return, you are required to include details with respect to the ownership of all your assets in foreign countries which exceed CAD \$100,000 (i.e. foreign bank accounts, other indebtedness, shares of foreign corporations, real and other tangible property situated outside Canada, etc.). *We will assume that you have no such possessions if you do not provide any information.* For 2013, a new form containing additional information has been introduced by the Canada Revenue Agency (CRA). A blank form will be sent to you to allow you to prepare the required information accurately, and in a timely fashion.

This form will not be electronically filed as it is required to be paper-filed to CRA by April 30. Penalties for failure to file this form are significant.

Limitations of Services

Our services will not result in an audit of any information provided to us. We will rely entirely on your representations. Unless informed differently, we are not aware of any illegal or possibly illegal acts for which you have not disclosed to us all facts related thereto.

Electronic Filing (e-filing)

The CRA requires all tax preparers in Canada to e-file all tax returns on behalf of their clients. Logan Katz adheres to this requirement. There are cases where a return will not qualify for electronic transmission for technical reasons. Should this apply to you, we will inform you of the need to paper-file your return, and make arrangements for timely filing.

Consent to E-File (Form T183)

Prior to e-filing a tax return, we are required by the CRA to obtain a signed consent form (T183) from you (as well as for each member of your family for whom we are also preparing a return). Please ensure you are available to provide us with the signed form, enabling us to file your return on a timely basis. In particular, you need to work out logistics, for example, if you are planning to travel while we complete your return, out-of-town students, etc.

If you do not provide us with signed forms T183 prior to April 30, your return may be filed late, resulting in late-filing penalties.

Fees for Services

An invoice indicating our fees will be provided with your return and is payable upon receipt. For your convenience, invoices may be paid by Visa, MasterCard, Interac or cheque. We would be happy to provide an estimate of our fee in advance of our preparation of your return.

Please note that our fee for the preparation of your return(s) does not include any representations made by LOGAN KATZ LLP in the event of an audit by a government tax authority nor does it include various requests by a government tax authority for documents and slips subsequent to the filing of your return, detailed research exercises which are specific to your situation and follow up time with respect to erroneous assessments by a government tax authority.

One invoice will be issued, which will include the aggregate fees applicable to all the returns we have prepared on your behalf. If you require separate invoices for various family members (i.e. spouse; parent; adult children), please indicate this in the space below.

Please prepare a separate invoice for the following individuals:

Final Product

Upon completion of your return, a package containing the return and other important information will be provided to you. You are responsible to open this package, verify the contents, and address all matters enclosed, within the required deadlines.

Failure to do this may result in significant interest and penalties, for which we are not responsible. For example, if your tax return is required to be paper-filed with the CRA, ensure you have made clear arrangements with us in terms of how your return will be signed, and filed in a timely fashion. In the absence of such clear direction, please do not assume that we will file your return on your behalf.

A copy of your tax return, and those of all your family members, will be password-protected and included on one USB jump drive.

All your original documents will be returned to you.

CRA Requests for Receipts

As indicated previously, your tax returns will be e-filed with CRA. As part of its administrative procedures, CRA, on a sample random basis, subsequently requests receipts from certain taxpayers to corroborate certain information reported in the tax return. This process is not considered a CRA audit of your return. You are required to respond to these requests in a timely fashion. As stated above, all your original documents will be returned to you, thereby enabling you to respond to such requests with relative ease. However, should you choose to seek our assistance to respond to such requests, minimum fees of \$175 + HST will apply. When receipts are more voluminous, such as donations and/or medical receipts, fees will range from \$250 to \$295 + HST. If you seek our assistance for this, we will assume your understanding of the application of these fees.

Typically, these requests occur in the summer and fall months. If you are planning extensive travels, please ensure someone has access to your mail, with particular attention to correspondence from the CRA.

CRA Audits

In our opinion, the CRA is increasingly active with full scope audits of certain areas of taxpayer’s tax returns (real estate; business; carrying charges; etc.). When asked to provide assistance in such situations, it is understood that we will be billing you at our standard hourly rates. We suggest you keep this in mind when seeking our assistance with CRA matters in order to avoid unpleasant surprises. It is also important to note that our fees will apply whether or not our involvement yields favourable results with the CRA. Because of the uncertain nature and unpredictability of CRA audits, we will not be able to provide fixed fee estimates at the start of the audit.

Our fees to prepare your tax return exclude any services pertaining to CRA audits, objections, appeals, etc.

Harmonized Sales Tax

If you are self-employed and require us to prepare your 2013 HST return, please indicate so below.

Please prepare my business’s 2013 HST return (√)

Adjustments to Tax Return

If additional information or facts arise subsequently to filing your tax return, you will need to file a request for adjustment to your return with CRA. If you seek our assistance for such requests, minimum fees of \$250 + HST will apply.

Completeness of Information

By signing this letter, you are expressly confirming that you are providing all information with respect to income earned in 2013, and all the deductions you wish to be claimed were incurred for the purposes of earning income.

BY SIGNING BELOW, YOU CONSENT TO THE FOLLOWING:

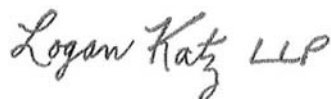
- Having all filings made by Logan Katz on your behalf be transmitted electronically to the CRA (or, if applicable, Agence du Revenu du Québec). This includes personal tax, information slips and any other documents that can be transmitted electronically;
- Being included on our e-mailing list; and
- To all terms included in this letter.

In connection with this engagement, we may communicate with you or others via telephone, facsimile, post, courier and email transmission. As all communications can be intercepted 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 communications from us will be properly delivered only to the addressee. Therefore, we specifically disclaim and waive any liability or responsibility whatsoever for interception or unintentional disclosure of communications 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: communications, including any consequential, incidental, direct or indirect; special damages, such as loss of revenues or anticipated profits; or disclosure or communication of confidential or proprietary information.

If you are in agreement with the above noted terms, please sign and date this letter at the bottom of page 4, and return it to us.

If you have any questions concerning this matter, please do not hesitate to contact us.

Yours very truly,



LOGAN KATZ LLP
CHARTERED ACCOUNTANTS

