



**FLOTT
& Co.**
ATTORNEYS

A Virginia
Professional
Corporation

Terms and Conditions of Individual Tax Representation

(current as of January 1st, 2011)

Introduction

It is the firm's practice to set out the scope and terms of our engagement for a client at the start of the relationship. Accordingly, we have prepared this document to ***explain the general terms and conditions that will apply to our representation of US persons on US tax compliance matters***. Please read these general terms and conditions carefully. We want you to be aware in advance of our customary fee charges and how we calculate them, our billing practices, and our payment terms.

Responsibility

Stephen Flott is principally responsible for the representation, assisted by Benjamin Snipes, Jeanne Franklin and Ji Zhang. Law clerks and others may be used to perform tasks associated with this representation that are appropriate to their training and experience.

Charges

<i>Individual Filings</i>	
<i>Charges for New Clients¹</i>	
Initial Form 1040, including Schedules (A, B, C, D & E) to the return as required and Form 2555 or Form 2555 EZ; Form 1116 (foreign tax credit), Form 6251 (alternative minimum tax), and Form 1116 AMT (if required)	\$600- \$3,500
Initial Foreign Bank Account Reports (FBAR)	\$800
<i>Charges for Established Clients</i>	
Form 1040, including Schedules A, B & D and Form 2555 or Form 2555EZ	\$375
Schedule C or C EZ	\$100
Schedule SE	\$100
Form 1116	\$375
Form 1116 AMT/Form 6251	\$250
Repeat FBAR	\$150

We charge on an hourly basis for work that is outside the scope described above using our current hourly billing rates. Clients will be advised of specific matters for which hourly billing will be applied in addition to fees calculated according to this schedule.

In addition to the above listed charges, if the filing of an extension is caused by the client's delay in completing and returning the tax information worksheets required to prepare the tax returns, we will charge \$25 per extension that must be filed as a result. If a client is unable to complete the filing by the extended deadline, we will charge a further \$35 per extension request that must be filed.

Expenses

The firm will bill you for all out-of-pocket costs incurred in connection with our representation. These costs include expenses for courier services, long distance telephone, faxes, photo-copies, postage and similar expenses. Generally, these expenses are billed on a pass-through basis. We include a small mark up on postage, photocopying, courier, and

¹***These charges cover advice and assistance with all filings including for overdue years regardless of the number of such returns that are filed. The fee range is an indication. A precise fee will be agreed once we have reviewed the specifics of each new client's situation and tax position.***

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communication expenses to reflect administrative time associated with tracking and billing them. Based on the nature of our tax representation, we divide our general out-of-pocket costs associated with expenses that relate to the representation generally on a pro-rata basis among clients by means of a Standard Administrative Charge. It is separately described on our invoices.

Expenses are charged in addition to our fees for services rendered.

Retainers & Advanced Fees

Generally we do not require retainers or advanced fee payments. If one is required, it will be requested as part of a separate letter. We may require you to advance any substantial out-of-pocket costs. Any money advanced to us will be kept in the firm's escrow account, which is maintained strictly in accordance with the rules of professional ethics of the District of Columbia, Florida, Maryland and Virginia State Bars.

Billing

Our bills itemize fee charges and expenses. The bill will show any amounts deposited in our escrow account that are applied to the fees and expenses shown on that bill.

Payment

Our invoices are due upon receipt, and should be paid by the last day of the month. As a small firm, we must insist on timely payment unless arrangements have been made ahead of time for less prompt or partial payments.

Late Payment/Non-Payment

If an invoice is not paid by the end of the month in which it is rendered, you will be charged a late fee of \$25, and interest on the balance owed to us at an annual rate of twelve percent (12%). We will waive the late payment charge and interest on any invoice that is paid before the close of the next billing period. Invoices that remain unpaid after sixty (60) days will be subject to monthly late charges and interest until fully paid.

Withdrawal as Counsel

If an invoice is not paid in full with interest and late charges within ninety (90) days, the firm may, upon notice to you, terminate its representation and cease to act as your counsel. We will do our best to make sure that your interests are not compromised, but will move promptly to withdraw as your counsel.

Suits for Fees

In the highly unlikely event that the firm has to bring a lawsuit to collect any amounts due, you will be responsible for court costs and the firm's reasonable attorneys' fees involved in collecting the amounts due. We are confident that this situation will not arise; however, we want you to have this notice and understand our policy in the unlikely event it becomes relevant.

Declining Representation

If you do not agree to any of these general terms and conditions, you must advise us as soon as possible so that we can discuss mutually acceptable alternatives. If we cannot reach mutually acceptable terms, then we cannot serve as your lawyers. If we have

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already started to represent you, we will immediately cease to do so and work with you to transfer your matter to a lawyer of your choice. You are free at any time to discharge us as your lawyers. If you do so, we will render an invoice immediately for any unpaid fees or expenses and cooperate with you to transfer your matter(s) to new counsel.

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