(DATE)

CLIENT NAME

CLIENT ADDRESS

CITY, STATE ZIP

***RE: [Year] Family Office Engagement Letter***

Dear (CLIENT NAME):

This letter confirms our mutual understanding with respect to the engagement of [CPA Firm] (hereinafter “[CPA]”, “we”, or “us”), by \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (hereinafter “you” or “the Company”) to provide professional services. As in prior years, we will provide accounting and tax expertise associated with operating a Family Office for you. The attached Supplement contains the terms and conditions of this engagement and will govern the professional services which are subject to this engagement. Any tax preparation services will be covered by a separate engagement letter.

[CPA] will also provide these services to the following family related entities:

* XYZ LLC.

This engagement letter will remain in effect for a period of two years for your convenience. Should there be any policy updates that need to be communicated, we will certainly make sure you are informed on a timely basis. The terms and conditions of this engagement will also apply to any similarly owned entities created or established during the [Year]-[Year] calendar years.

To provide your family with additional support and to take care of matters most efficiently, you may have granted [CPA] signatory authority over certain accounts. If applicable to your family, we have included Attachment A, which lists all such accounts and details of the signatory authority.

At times, you may ask us to retain original records for safekeeping. Attachment B provides a list of any permanent, original files we are holding on your behalf.

Our engagement is limited to the period and services indicated above. We will not audit, review or verify your financial statements or any other accounting documents and information you provide in accordance with U.S. generally accepted auditing standards. Nor will we audit, review or verify any data or instructions you may provide to us. Accordingly, our engagement cannot be relied upon to disclose errors, fraud, or other illegal acts that may exist. In the event a transaction is undertaken at your direction, we are not responsible for the tax or legal consequences or otherwise, that may arise as a result of the transaction. However, we will inform you of any material errors, fraud or other illegal acts that come to our attention, unless they are clearly inconsequential.

Our fees for this engagement will be based on time spent. Fees will range from \_\_ to \_\_ per hour depending on the individual providing such services. You agree to reimburse us for any out-of-pocket costs incurred in connection with the performance of these services. In most cases, our fees and costs will be billed monthly, and are payable upon receipt.

In the event you have designated a partner to be the Trustee of any of your Trusts listed in Exhibit A, or an Officer or Manager of any of the entities on Exhibit A, you agree that the partner shall not be held personally liable for any act or inaction taken by the partner in her capacity as Trustee, Manager or Officer, unless such act or inaction is willful or taken in bad faith.

We are advised by our counsel and required by our professional liability insurance carrier to include specific terms to our engagement. We have summarized those terms for you in the attached Supplement. By signing this agreement, you agree to such terms as outlined here and in the attached Supplement.

Thank you for your attention in this matter, and please contact us with any questions that you may have. Please execute this agreement on the line(s) below designated for your signature(s) and return to this office.

[CPA Firm]

ACCEPTED AND AGREED:

\_\_\_\_\_\_

CLIENT NAME Date

CLIENT NAME (SPOUSE) Date

***ATTACHMENT A***

***All accounts for which PMFOS has Signatory Authority***

**\*\* Any changes to your accounts that you authorize will be reflected on your [Year] Engagement Letter \*\***

Account Authority

Bank of America – XYZ Account– Checking – Ending in (a)(c)

* Bank of America – Tax Account – Checking – Ending in (b)(c)(d)
* Bank of America – Tax Account – Linked Savings – Ending in (b)(c)(d)

1. *\_\_\_\_\_\_\_\_\_ has unlimited wire authority over the account to make payments on behalf of the family.*
2. *\_\_\_\_\_\_\_\_\_\_ has limited wire authority over account – authorized to make tax payments, capital calls or other personal payments owed by the family or directed by the family.*
3. *\_\_\_\_\_\_\_ will provide verbal approval to financial institution for transactions initiated by CLIENT or \_\_\_\_\_\_\_\_\_\_\_\_\_.*
4. *In case \_\_\_\_\_\_\_ is out, \_\_\_\_\_\_ has limited signatory authority over account – authorized to make tax payments, capital calls or other personal payments owed by the family or directed by the family.*

***ATTACHMENT B***

***All Documents for which [CPA] Holds Original Files***

*(Held at Location)*

Document

**XYZHolding, LLC**

* Owner’s Title Policy

**Personal**

***\*\*We have scanned copies of many other documents, but these are the originals\*\****

***Supplement to***

***[Year]-[Year] Family Office Engagement Letter***

Except as otherwise specifically provided in the [Year]-[Year] engagement letter into which these terms and conditions are incorporated (collectively “the Agreement”), these terms and conditions shall apply to the engagement carried out by [CPA Firm] to you. For the purposes of this Agreement, the term “[CPA]” includes [CPA] and its subcontractors and their respective shareholders, directors, officers, partners and employees. The term “Client” refers to you and your related entities reflected in the [Year]-[Year] Family Office Engagement Letter. Until changed, this Supplement will apply to any subsequent years. An additional copy of this Supplement is available upon request.

**Engagement Letters –** Each Letter, with the Supplement, includes all the relevant terms that will govern the engagement for which it has been prepared. The terms of each Letter supersede any prior oral or written representation or commitments by or between the parties. Any material changes or additions to the terms in each Letter, and/or applicable Supplement, will only become effective when updated Letters, with references to any updated Supplements, are signed by all parties. You should use full consideration and, if desired, consultation with counsel, before authorizing us to provide family office services to your family. Your signature on the Letter indicates your agreement to the terms of the annual Family Office Engagement Letter and referenced Supplement.

**Family Office Services –** Based on our experience working with you in prior years and recent discussions, we may provide any or all of the following services to your family:

* Collecting and recordkeeping of all statements for financial accounts as authorized by you
* Reconciling and/or reviewing of each statement to ensure account balances properly reflect income earned, expenses charged, and transfers between authorized accounts
* Compiling a summary of all account balances and activity incurred during the year
* Reflecting performance reporting on various liquid and semi-liquid investment accounts
* Compiling tax reporting information over the course of the year
* Maintaining insurance and basis records related to major assets such as homes, artwork, planes, etc.
* Completing new account or investment subscription agreements and funding these accounts as directed by you
* Tracking personal and foundation charitable activities
* If applicable, paying bills following [CPA] standard procedures

**Additional Services -** While this Supplement outlines specific services above, 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 do so, those services and/or the routine advice are governed by the same terms and conditions set forth in this document and will be included in your monthly invoice.

**Third Party Service Providers or Subcontractors -** Inthe interest of enhancing our availability to meet your professional service needs while maintaining service quality and timeliness, we may use a third-party service provider to assist us in the provision of services to you.   We require our third-party service providers to have established procedures and controls designed to protect client confidentiality and maintain data security.  By accepting the terms and conditions of our engagement, you are providing your consent and authorization to disclose your confidential information to a third-party service provider, if such disclosure is necessary to deliver professional service or provide support services to our firm.

To the extent you have requested that we provide your family with bill payment services, we may use bank online services or another 3rd party to facilitate efficient processing of those payments.

**Manager Evaluation – [CPA] will not be providing any investment advisory services and is not a Registered Investment Agent (RIA).** The firm does not review any monthly statements for the purposes of assessing appropriateness of the clients’ portfolios and other related matters. Therefore, you should not rely on the firm’s services to detect inappropriate or unsuitable investment schemes or products. In addition, [CPA]’s services will not be performed for the purpose of identifying errors, fraud or other illegal acts, and cannot, therefore, be relied upon to detect the same. However, [CPA] will bring to the Client’s attention any material accounting or tax issues that it identifies.

**Client Direction –** You are responsible for directing the use of assets and overall decision making associated with your investments. [CPA] is responsible for implementing your decisions. Unless previously authorized (for example, the coordination of capital calls for which you have already made commitments), we will verbally confirm all new instructions. [CPA] will maintain an efficient account system and retain supporting documentation for such investment decisions. [CPA] provides services related to accounts and investments for which you have provided information to us. It is your responsibility to provide all the information related to new accounts, investments and commitments for which you may have coordinated on your own but expect the ongoing records to be maintained by [CPA]. You are responsible for directing the use of assets and overall decision making associated with your investments, including legal and tax consequences related to those decisions and directions.

**Document Retention –** Within accounting firms, the general policy is to retain engagement documentation (copies of originals) for a period of seven years (five years for former clients), after which time they will commence the process of destroying the contents of their engagement files. Because [CPA] retains records as an extension of you and your family, original records are maintained over the course of the engagement. Therefore, we will not destroy original documents unless previously agreed upon by you. Attachment B of this engagement letter provides a listing of the current documents we have for you.

**Confidentiality –** While providing these services, we will by necessity receive proprietary and/or personal financial information. We agree to take reasonable steps to hold proprietary and personal financial information in strictest of confidence and not disclose proprietary or personal financial information to any third party without explicit, prior written authorization of the client. This confidentiality agreement shall survive any termination of this agreement. These restrictions shall not apply to (a) information generally available to the public at large, (b) any information released by you without restriction, or (c) ideas, concepts, techniques, industry data and know-how used or developed by us during this engagement, but not unique to this engagement. In addition, if you request, we will agree to enter into a separate confidentiality agreement and will ensure than any staff working on your account will be signatory to the same. B) During the course of this engagement, you will receive proprietary information prepared by [CPA]. Under no circumstances shall the [CPA] proprietary information be disclosed, without our written authorization, to any third party.

**Personal Information** – The term “Personal Information” includes, but is not limited to, social security numbers, driver’s license numbers or state issued identification card numbers, and credit or debit card numbers, with or without any required security code or personal identification number or password, that would permit access to a personal financial account. To the extent Personal Information is transmitted by [CPA], [CPA] will undertake reasonable safeguards consistent with industry standards and Massachusetts regulatory requirements to maintain the security and confidentiality of such information.

**Electronic Data Communication and Storage –** In the interest of facilitating our services to you, we may send data over the Internet, temporarily store electronic data via computer software applications hosted remotely on the Internet or utilize cloud-based storage. This often involves sending data, documents and other information, including sensitive tax and financial information. Your confidential electronic data may be transmitted or stored using these methods. We may use third party service providers to store or transmit this data, such as providers of tax return preparation software. In using these data communication and storage methods, our firm employs measures designed to maintain data security. We use reasonable efforts to keep such communications and electronic data secure in accordance with our obligations under applicable laws, regulations, and professional standards. We require our third- party vendors to do the same.

While we will use reasonable efforts to keep such communications secure in accordance with our obligations under applicable laws and professional standards, you recognize and accept that we have no control over the unauthorized interception or breach of any communications or electronic data once it has been transmitted or if it has been subject to unauthorized access while stored, notwithstanding all reasonable security measures employed by us or our third-party vendors. You consent to our use of these electronic devices and applications and submission of confidential client information to third party service providers during this engagement. You should ensure that your e-mail server and the information stored on your system are secure. We are not responsible for any transmission problems or for the failure of your or any authorized recipient of the information to receive files.

You are solely responsible for (i) notifying the firm of the failure to receive files containing your information so that we may provide a copy in an alternate form; (ii) securing your e-mail server and restricting access to your e-mail in order to maintain confidentiality of the information transmitted; (iii) storing the electronic files containing the information; and (iv) acquiring and maintaining the software needed to open and access the files containing the information.

**Client Portals -** If you decide to transmit your confidential information to us in a manner other than a secure portal, you accept responsibility for any and all unauthorized access to your confidential information. If you request that we transmit confidential information to you in a manner other than a secure portal, you agree that we are not responsible for (a) any loss or damage of any nature, whether direct or indirect, that may arise as a result of our sending confidential information in a manner other than a secure portal, and (b) any damages arising as a result of any virus being passed on or with, or arising from any alteration of, any email message.

**Legal Process –** As noted, 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 any 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 construe 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. In addition, your confidentiality privilege can be inadvertently waived if you discuss the contents of any privileged communications with a third party, such as a lending institution, a friend, or a business associate. We recommend that you contact us before releasing any privileged information to a third party.

**Governing Law –** This Agreement shall be governed by and construed in accordance with the laws of the Commonwealth of [State] including its principles of conflicts of law. The parties hereby irrevocably and unconditionally agree to submit any litigation between them to the jurisdiction of the state and federal courts of [State].

**Dispute Resolution –**Parties agree that any dispute that may arise regarding the meaning, performance or enforcement of the Engagement Letter or this Supplement will, prior to resorting to litigation, be submitted to mediation, and that the parties will engage in the mediation process in good faith once a written request to mediate has been given by either party to the engagement.  Any mediation initiated as a result of this engagement shall be administered by a mediator jointly selected by the parties at a location to be determined by mutual agreement.  If the parties are not able to agree to the selection of a mediator, they will submit the dispute to JAMS, or its successor, for mediation.  The parties will cooperate with JAMS and with one another in selecting a mediator from the JAMS panel of neutrals and in scheduling the mediation proceedings. The results of any such mediation shall be binding only upon agreement of each party to be bound.  The costs of any mediation proceedings shall be shared equally by the parties. 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.

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 Court of [Name], [County], [City], [State]. The parties also agree that the laws of the Commonwealth of [State] shall govern all legal proceedings arising from this engagement.

You agree to reimburse [CPA] for all expenses incurred by [CPA] in exercising or enforcing its rights under this Agreement or applicable law with respect to payment defaults hereunder or any other breach by you.

Any litigation arising out of this engagement, except actions by us to enforce payment of our professional invoices, must be filed within one year from completion of the engagement, notwithstanding any statutory provision to the contrary.

**Indemnification -** You shall upon the receipt of written notice indemnify and hold [CPA] and its affiliates, partners, principals, and personnel, harmless 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, you shall upon receipt of written notice indemnify and hold [CPA] and its affiliates, partners, principals and personnel, harmless 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 use or disclose 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, 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. These 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 finally determined that the conduct giving rise to punitive damages arose out of [CPA]’s gross negligence or willful misconduct, this paragraph shall not apply.

**Limitation of Liability** – With respect to any service, 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, nor shall [CPA]’s liability include any special, consequential, incidental, or exemplary damages or loss, including any lost profits, savings, or business opportunity.

**Survivability –** The limitation of the 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 agreements and undertakings of you and PMFOS contained in this engagement letter, such as those pertaining to the limitation on liability, will survive the completion or termination of this engagement.

**Non-solicitation –** 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. If, for whatever reason, you hire any of our employees, you agree to pay us a placement fee equal to 40% of that individual’s then current annualized salary, including any overtime and bonuses.

**Third Party Beneficiaries –** Nothing contained in this Agreement shall be construed to give any other person other than the parties to this Agreement any legal or equitable relief, remedy or claim under or with respect to this Agreement.

**Proceeds of Crime (Money Laundering) and Terrorist Financing Act**

The Proceeds of Crime (Money Laundering) and Terrorist Financing Act (the “Act”) places legal requirements on our firm to report transactions that may be suspicious of being related to a money laundering or terrorist financing offense. It also requires our firm to report large cash transactions equal to or greater than $10,000, cross-border currency and monetary instruments equal to or greater than $10,000, and whether we are in possession or control of property that is considered terrorist property. Finally, the Act requires our firm to ascertain the identity and existence of clients and other entities. To meet these obligations, our firm may have to report information about you that might otherwise be confidential. The reporting of this information may place you and our firm in a conflict of interest. Should such a conflict arise, our firm may be required to withdraw from this engagement. Please be advised that we will do everything in our power to avoid such conflicts and that only information that is required, will be disclosed. You hereby acknowledge this legal requirement placed upon our firm and the potential conflict of interest that may arise as a result of it. You also hereby authorize our firm to release and disclose information when required by statute to do so.

**Engagement Termination –** The performance of these services will commence immediately and is terminable at any time by either party upon 30-days written notice. You will be obligated, through the date of termination, to compensate us for all outstanding invoices as well as our final invoice, and to reimburse us for our entire out of pocket costs. For these purposes, any nonpayment or non-response by you of information requested (among other things) may constitute a basis for our election to terminate our services. We intend to renew these engagements with all clients each January, but the terms of this agreement and Supplement will extend to services until further notice. We shall have no liability to you for any loss or consequential damage arising from early termination by either you or [CPA].