BARTON BLACK, CPA
103 S BONHAM DR
ALLEN, TX 75013-2729

New Client

,

December 27, 2006

BARTON BLACK, CPA
103 S BONHAM DR
ALLEN, TX 75013-2729

New Client

,

Attention: New tax software this year - Some 2005 data does not display properly on the Organizer worksheets. It is for reference only and does not affect the 2006 figures.

Dear New Client:

I appreciate the opportunity to work with you on your income tax forms. This letter is for confirming and specifying the terms of the work I will do for you and to clarify the nature and extent of the services I will provide. In order to ensure a complete understanding of our mutual responsibilities, I ask all clients for whom tax forms are prepared to confirm the following arrangements. Please sign and return this letter to me, even if you do not use the organizer.

I will prepare your 2006 federal and any requested state income tax forms from information you will furnish. I will not audit or otherwise verify the data you submit, although it may be necessary to ask you for clarification of some of the information. I will furnish you with questionnaires and/or worksheets to guide you in gathering the necessary information. Your use of these forms will assist in keeping pertinent information from being overlooked, and will help me work more efficiently, allowing me to keep your fee to a minimum. Please notify me of changes in filing status, dependents or other matters. Prior year data is included on the organizer sections for your reference.

It is your responsibility to provide all the information required for the preparation of complete and accurate tax forms. You should retain all the documents, and other data that form the basis of income and deductions. These may be necessary to prove the accuracy and completeness of the forms to a taxing authority. You have the final responsibility for the tax forms and, therefore, you should review them carefully before you sign them.

My work in connection with the preparation of your income tax forms does not include any procedures designed to discover defalcations or other irregularities, should any exist. I will render such accounting and bookkeeping assistance as determined to be necessary for preparation of the income tax forms.

I will use professional judgement in resolving questions where the tax law is unclear, or where there may be conflicts between the taxing authorities' interpretations of the law and other supportable positions. Unless otherwise instructed by you, I will resolve such questions in your favor whenever possible.

The law provides various penalties that may be imposed when taxpayers understate their tax liability. If you would like information on the amount or the circumstances of these penalties, please contact me. Your forms may be selected for review by the taxing authorities. Any proposed adjustments are subject to certain rights of appeal. In the event of such government tax examination, I will be available upon request to represent you and will render additional invoices for the time and expenses incurred.

My fee for these services will be based upon the amount of time required at my standard billing rate plus out-of-pocket expenses. My hourly fee rate is $190 this year. All invoices are due and payable at the time you receive your forms from me. For your convenience, I accept cash, check, Visa, Mastercard and Discover. On rare occasions, I allow a client to pick up a tax form without paying for it now, with the understanding that the client will return promptly with the payment. If payment is not received by this office within 48 hours of pickup, I will charge an additional $50 fee and commence interest at 18% APR. Accounts are also subject to any collection fees I incur in collecting payment from you.

Before beginning work on your tax forms, I request a DEPOSIT of $150 and a copy of this signed letter. If you do not bring your deposit with your tax information, you will not be entitled to the discounts I offer during tax season as incentives.

I offer a 10% DISCOUNT to my clients who bring me ALL their tax information and their deposit and this signed form by February 12. The deposit is only $135 when you meet that deadline. Using the organizer also keeps your fee at a minimum.

Based on experience, I should be able to complete all tax forms on time for those clients who bring me their information by March 14. I will file an extension for free for all clients who bring me ALL of their tax information and DEPOSIT between March 15 and April 14. The normal charge for filing an extension is $15. Extensions can be complicated and can involve estimating your tax. Please contact me by March 15 if you know you will need an extension, so I can prepare it accurately.

If the above fairly sets forth your understanding, please sign this letter in the space indicated and return it to my office. If there are other tax forms you expect me to prepare, such as children's, gift or property tax, please inform me by noting so at the end of this letter, near your signature

I welcome all referrals and have a nice gift for you if your referral turns into a client. Thank you for your confidence in me.

Sincerely,

Barton Black CPA

Barton Black, CPA

Tax engagement accepted by:___________________________________

Date:__________________________

103 S BONHAM DR
ALLEN, TX 75013-2729

PRIVACY POLICY

CPAs, like all providers of personal financial services, inform clients of policies regarding privacy of client information. CPAs are bound by professional standards of confidentiality that are even more stringent than those required by law. Therefore, I have always protected your right to privacy.

TYPES OF NONPUBLIC PERSONAL INFORMATION I COLLECT

I collect nonpublic personal information about you that is either provided to me by you or obtained by me with your permission.

PARTIES TO WHOM I DISCLOSE INFORMATION

I do not disclose any nonpublic personal information obtained in the course of my practice except as required or permitted by law. Permitted disclosures include, for example, providing information to my employees and, in limited situations, to unrelated third parties who need to know that information to assist me in providing services to you. In all such circumstances, I stress the confidential nature of information being shared.

PROTECTING THE CONFIDENTIALITY AND SECURITY OF CLIENT INFORMATION

I retain records relating to professional services that I provide so that I am better able to assist you with your needs and, in some cases, to comply with professional guidelines. In order to guard your nonpublic personal information, I maintain physical, electronic, and procedural safeguards that comply with my professional standards.

****

Please call if you have any questions, because your privacy, my professional ethics, and the ability to provide you with quality services are very important to me.

2006	1040	US	Client Information	1

BARTON BLACK, CPA
103 S BONHAM DR
ALLEN, TX 75013-2729
Telephone number: (972) 727-2829
Fax number: [972] 727-2949
E-mail address: bb@7cpatax.com

Tax Return Appointment

Date:
Time:
Location:

This tax organizer will assist you in gathering information necessary for the preparation of your 2006 tax return. Please add, change, or delete information as appropriate.

CLIENT INFORMATION

Filing Status	Filing status (table)	1
	1=married filing separate and lived with spouse	
	Year spouse died, if qualifying widow(er) (2004 or 2005)	
Taxpayer	First name and initial	New
	Last name	Client
	Title/suffix	
	Social security number	On File
	Occupation	
	Date of birth (m/d/y)	
	Date of death (m/d/y)	
	1=blind	
Spouse	First name and initial	
	Last name	
	Title/suffix	
	Social security number	
	Occupation	
	Date of birth (m/d/y)	
	Date of death (m/d/y)	
	1=blind	
Address	In care of	
	Street address	
	Apartment number	
	City	
	State	
	ZIP code	
Foreign Address	Region	
	Postal code	
	Country	

Filing Status

1 = Single
2 = Married filing joint
3 = Married filing separate
4 = Head of household
5 = Qualifying widow(er)

2006	1040	US	Client Information (continued)	1 p2

Please add, change or delete information for 2006.

CLIENT INFORMATION

Taxpayer Contact Information	Home phone		**Daytime Phone** 1 = Work 2 = Home
	Work phone		
	Work extension		
	Daytime phone (table)	1	
	Mobile phone		
	Pager number.		
	Fax number.		
	E-mail address.		
Spouse Contact Information	Home phone		
	Work phone		
	Work extension		
	Daytime phone (table)		
	Mobile phone		
	Pager number.		
	Fax number.		
	E-mail address.		

2006	1040	US	Dependents	2

Please add, change or delete information for 2006.

DEPENDENTS

	Dependent	Dependent
First name		
Last name		
Title/suffix		
Date of birth (m/d/y)		
Social security number		
Relationship		
Months lived at home		
Type of dependent (see table)		
Earned income credit (see table)		
Claimed by: 1=taxpayer, 2=spouse		

	Dependent	Dependent
First name		
Last name		
Title/suffix		
Date of birth (m/d/y)		
Social security number		
Relationship		
Months lived at home		
Type of dependent (see table)		
Earned income credit (see table)		
Claimed by: 1=taxpayer, 2=spouse		

	Dependent	Dependent
First name		
Last name		
Title/suffix		
Date of birth (m/d/y)		
Social security number		
Relationship		
Months lived at home		
Type of dependent (see table)		
Earned income credit (see table)		
Claimed by: 1=taxpayer, 2=spouse		

	Dependent	Dependent
First name		
Last name		
Title/suffix		
Date of birth (m/d/y)		
Social security number		
Relationship		
Months lived at home		
Type of dependent (see table)		
Earned income credit (see table)		
Claimed by: 1=taxpayer, 2=spouse		

Type of Dependent

1 = Child living w/taxpayer
2 = Child not living w/taxpayer
3 = Dependent other than child
4 = Head of household only, not a dependent
5 = Earned income credit only, not a dependent

Earned Income Credit

1 = When applicable (default)
2 = Student age 19 to 23
3 = Disabled age 19 or older
4 = Force
5 = Suppress

2006	1040	US	Miscellaneous Questions

If any of the following items pertain to you or your spouse for 2006,
please check the appropriate box and provide additional information if necessary.

PERSONAL INFORMATION

Yes	No	
☐	☐	Did your marital status change during the year?
☐	☐	Did your address change during the year?
☐	☐	Could you be claimed as a dependent on another person's tax return for 2006?

DEPENDENTS

Yes	No	
☐	☐	Were there any changes in dependents?
☐	☐	Were any of your unmarried children who might be claimed as dependents 19 years of age or older at the end of 2006?
☐	☐	Did you have any children under age 18 on January 1, 2007 with interest and dividend income in excess of $850, or total investment income in excess of $1,700?
☐	☐	Did you pay for child care while you worked?
☐	☐	Did you adopt or begin adoption proceedings in 2006?
☐	☐	Has the IRS sent you Form 8836, Qualifying Children Residency Statement?

INCOME

Yes	No	
☐	☐	Did you receive unreported tip income of $20 or more in any month?
☐	☐	Did you cash any Series EE U.S. savings bonds issued after 1989 and pay qualified higher education expenses for yourself, your spouse, or your dependents?
☐	☐	Did you receive any disability income?
☐	☐	Did you have any foreign income or pay any foreign taxes?
☐	☐	Did you receive grants of stock options from your employer, exercise any stock options, or dispose of any stock acquired under a qualified employee stock purchase plan?

☐ ☐ Have you received a punitive damage award or an award for damages other than for personal injuries or illness?

☐ ☐ Did you engage in any bartering transactions?

PURCHASES, SALES AND DEBT

Yes No

☐ ☐ Did you start a business or farm, purchase rental or royalty property, or acquire an interest in a partnership, S corporation, trust, or REMIC?

☐ ☐ Did you purchase or dispose of any business assets (furniture, equipment, vehicles, real estate, etc.), or convert any personal assets to business use?

☐ ☐ Did you buy or sell any stocks, bonds or other investment property in 2006?

☐ ☐ Did you purchase, sell, or refinance your principal home or second home, or did you take a home equity loan?

☐ ☐ Did you have any debts cancelled or forgiven?

☐ ☐ Did anyone owe you money which had become uncollectible?

RETIREMENT PLANS

Yes No

☐ ☐ Did you receive a distribution from a retirement plan (401(k), IRA, SEP, SIMPLE, Qualified Plan, etc.)?

☐ ☐ Did you make a contribution to a retirement plan (401(k), IRA, SEP, SIMPLE, Qualified Plan, etc.)?

☐ ☐ Did you convert part or all of your traditional, SEP, or SIMPLE IRA to a Roth IRA?

☐ ☐ Did you receive a distribution from a retirement plan that was subsequently rolled over into another retirement account within 60 days of receiving the distribution?

☐ ☐ Did you receive a distribution from a retirement plan for medical bills or higher education or to purchase a home?

EDUCATION

Yes No

☐ ☐ Did you receive a distribution from an Education Savings Account or a Qualified Tuition Program?

2006	1040	US	Miscellaneous Questions

☐ ☐ Did you, your spouse, or a dependent incur any tuition expenses that are required to attend a college, university, or vocational school?

☐ ☐ Did you pay any student loan interest?

ITEMIZED DEDUCTIONS

Yes No

☐ ☐ Did you incur a loss because of damaged or stolen property?

☐ ☐ Did you work out of town for part of the year?

☐ ☐ Did you use your car on the job (other than to and from work)?

☐ ☐ Did you contribute property (other than cash)with a fair market value of more than $5,000 to a charitable organization?

ESTIMATED TAXES

Yes No

☐ ☐ Did you apply an overpayment of 2005 taxes to your 2006 estimated tax (instead of being refunded)?

☐ ☐ If you have an overpayment of 2006 taxes, do you want the excess applied to your 2007 estimated tax (instead of being refunded)?

☐ ☐ Do you expect your 2007 taxable income and withholdings to be different from 2006?

MISCELLANEOUS

Yes No

☐ ☐ Do you want to electronically file your tax return?

☐ ☐ Do you want to allocate $3 to the Presidential Election Campaign Fund?

☐ ☐ Does your spouse want to allocate $3 to the Presidential Election Campaign Fund?

☐ ☐ May the IRS discuss your tax return with Barton Black, CPA?

☐ ☐ Did you have an interest in or signature or other authority over a financial account in a foreign country, such as a bank account, securities account, or other financial account?

☐ ☐ Did you receive a distribution from, or were you the grantor of, or transferor to, a foreign trust?

2006	1040	US	Miscellaneous Questions

☐ ☐ Was your home rented out or used for business?

☐ ☐ Did you sell your home in 2006?

☐ ☐ Did you (or someone on your behalf, including your employer) make contributions to a health savings account (HSA) this year? Or, did you receive an HSA distribution or acquire an interest in an HSA due to the death of the account beneficiary?

☐ ☐ Did you have a medical savings account (MSA), a Medicare Advantage MSA, or acquire an interest in an MSA or a Medicare Advantage MSA because of the death of the account holder? Or, were you a policyholder who received payments under a long-term care (LTC) insurance contract or received any accelerated death benefits from a life insurance policy?

☐ ☐ Did you incur moving expenses due to a change of employment?

☐ ☐ Did you engage the services of any household employees(maid, child care,etc)?

☐ ☐ Were you notified or audited by either the Internal Revenue Service or the State taxing agency?

☐ ☐ Did you or your spouse make any gifts to an individual that total more than $11,000, or any gifts to a trust?

☐ ☐ Did you add any energy efficient improvements (insulation systems, exterior windows and doors, metal roofs) to your home in 2006?

☐ ☐ Did you purchase a new hybrid vehicle in 2006?

☐ ☐ Did you have long-distance telephone service after February 28, 2003, and before August 1, 2006? There is a credit available.

2006	1040	US	Wages, Pensions, Gambling Winnings	10, 13.1, 13.2

**Please enter all pertinent 2006 amounts & attach all W-2, W-2G and 1099-R forms.
Last year's amounts are provided for your reference.**

WAGES, SALARIES, TIPS (10)

No.	Name of Employer (Box c)	1=retirement plan (Box 13)	1=spouse	Wages, Tips, Other Compensation (Box 1)	Tax Withheld: Federal (Box 2)	Tax Withheld: Social Security (Box 4)	Tax Withheld: Medicare (Box 6)	Tax Withheld: State (Box 17)	Tax Withheld: Local (Box 19)	2005 Wages

PENSIONS, IRA DISTRIBUTIONS (13.1)

No.	Name of Payer	1=spouse	1=IRA/SEP/SIMPLE	Distribution code #1	Distribution code #2	Gross Distribution (Box 1)	Taxable Amount (Box 2a)	Tax Withheld: Federal (Box 4)	Tax Withheld: State (Box 10)	Value of all IRAs at 12/31/06	2005 Distribution

GAMBLING WINNINGS (W-2G) (13.2)

No.	Name of Payer	1=spouse	Gross Winnings	Tax Withheld: Federal Withholding	Tax Withheld: State Withholding	2005 Winnings

10, 13.1, 13.2

2006	1040	US	Interest & Dividend Income	11, 12

**Please enter all pertinent 2006 amounts & attach all 1099-INT, 1099-OID and 1099-DIV forms.
Last year's amounts are provided for your reference.**

INTEREST INCOME (11)

No.	Name of Payer (also enter SSN & address for seller-financed mortgage)	1=taxpayer 2=spouse	Interest Income: Banks, S&Ls, C/Us, etc. (Box 1)	Interest Income: Seller-Financed Mtg. (Box 1)	Interest Income: U.S. Bonds, T-Bills (Box 3)	Tax-Exempt Interest: Total Municipal Bonds	Tax-Exempt Interest: In-state Municipal Bonds	Early Withdrawal Penalty (Box 2)	2005 Interest

DIVIDEND INCOME (12)

No.	Name of Payer	1=tp 2=sp	Dividend Income: Total Ordinary Dividends (Box 1a)	Dividend Income: Qualified Dividends (Box 1b)	Dividend Income: Total Capital Gain Distrib. (Box 2a)	Dividend Income: U.S. Bonds (% or amt.)	Tax-Exempt Interest: Total Municipal Bonds	Tax-Exempt Interest: In-state Muni-bonds (% or amt.)	Foreign Tax Paid (Box 6)	2005 Dividends

2006	1040	US	Capital Gains & Losses (Schedule D)	17

If you sold any stocks, bonds, or other investment property in 2006, please list the pertinent information for each sale below. Be sure to attach all 1099-B forms and brokerage statements.

No.	Description of Property (Box 5)	Date Acquired	Date Sold (Box 1a)	Sales Price (gross or net) (Box 2)	Cost or Basis	Expenses of Sale (if gross sales price entered)	Federal Income Tax Withheld (Box 4)
1							
2							
3							
4							
5							
6							
7							
8							
9							
10							
11							
12							
13							
14							
15							
16							
17							
18							
19							
20							
21							
22							
23							
24							

Please enter all pertinent 2006 amounts and attach all 1098 forms.
Last year's amounts are provided for your reference.

MEDICAL AND DENTAL EXPENSES

NOTE: Enter self-employed health insurance premiums on Sheet 24 and Medicare insurance premiums on Sheet 14.

	2006 Amount	TS	2005 Amount
Prescription medicines and drugs			
Doctors, dentists and nurses			
Hospitals and nursing homes			
Insurance premiums (excluding long-term care and amounts paid with pre-tax dollars)			
Long-term care premiums			
Insurance reimbursement (enter as a positive number)			
Lodging and transportation:			
Out-of-pocket expenses			
Medical miles driven			
Other medical and dental expenses:			

TAXES PAID (State and local withholding and 2006 estimates are automatic.)

	2006 Amount	TS	2005 Amount
State income taxes - 1/06 payment on 2005 state estimate			
State income taxes - paid with 2005 state extension			
State income taxes - paid with 2005 state return			
State income taxes - paid for prior years and/or to other state			
City/local income taxes - 1/06 payment on 2005 city/local estimate			
City/local income taxes - paid with 2005 city/local extension			
City/local income taxes - paid with 2005 city/local return			

SALES AND USE TAXES PAID *

	2006 Amount	TS	2005 Amount
State and local sales taxes			
Use taxes paid on 2006 purchases			
Use taxes paid with 2005 state return			
Taxes paid on vehicles, boats, and aircraft			

OTHER TAXES PAID

	2006 Amount	TS	2005 Amount
Real estate taxes - principal residence			
Real estate taxes - property held for investment			
Personal property taxes (including automobile fees in some states. Provide a copy of tax notice)			
Foreign income taxes			
Other taxes:			

* Pending legislation will determine the deductibility of these items.

Please enter all pertinent 2006 amounts. Last year's amounts are provided for your reference.

INTEREST PAID

	2006 Amount	TS	2005 Amount
Home mortgage interest (Box 1) and points (Box 2) reported on Form 1098:			
Home mortgage interest not reported on Form 1098:			
Payee's name			
Payee's SSN or FEIN			
Payee's street address			
Payee's city, state, ZIP			
Amount paid			
Points not reported on Form 1098:			
Investment interest (interest on margin accounts):			
Passive interest			
Certain home mortgage interest included above (6251)			

NOTE: Points paid on loans other than to buy, build, or improve your main home are deductible over the life of the mortgage. For these types of loans also provide the dates and lives of the loans.

CASH CONTRIBUTIONS

	2006 Amount	TS	2005 Amount
Churches, schools, hospitals, and other charitable organizations (50% limitation):			
Contributions by cash or check:			
Volunteer expenses (out-of-pocket)			
Number of charitable miles			
Katrina relief miles			
Veterans' organizations, fraternal societies, nonprofit cemeteries, and certain private nonoperating foundations (30% limitation):			
Contributions by cash or check:			
Volunteer expenses (out-of-pocket)			
Number of charitable miles			
Katrina relief miles			

2006	1040	US	Itemized Deductions (continued)	25 p3

Please enter all pertinent 2006 amounts. Last year's amounts are provided for your reference.

NONCASH CONTRIBUTIONS

NOTE: Use Sheet 26 if total noncash contributions are over $500. For noncash contributions made after 8/17/06, no deduction is allowed for contributions of clothing and household items that are not in *good* used condition or better. In addition, a deduction for any item with minimal monetary value may be denied.

	2006 Amount	TS	2005 Amount
50% limitation (see above):			
30% limitation (see above):			
30% capital gain property (gifts of capital gain property to 50% limit orgs.):			
20% capital gain property (gifts of capital gain property to non-50% limit orgs.):			

MISCELLANEOUS DEDUCTIONS (subject to 2% AGI limit)

	2006 Amount	TS	2005 Amount
Union and professional dues			
Other unreimbursed employee expenses (uniforms and protective clothing, professional subscriptions, employment agency fees, and certain edu. expenses):			
Investment expense:			
Tax return preparation fee			
Safe deposit box rental			
Miscellaneous deductions (2% AGI) (certain legal and accounting fees, and custodial fees):			

2006	1040	US	Itemized Deductions (continued)	25 p4

Please enter all pertinent 2006 amounts. Last year's amounts are provided for your reference.

OTHER MISCELLANEOUS DEDUCTIONS

	2006 Amount	TS	2005 Amount
Gambling losses to extent of winnings			
Estate tax, section 691(c)			

Other miscellaneous deductions:

	2006 Amount	TS	2005 Amount