



Magnolia Public Schools

Finance Committee Meeting

Date and Time

Wednesday September 7, 2022 at 7:00 PM PDT

Location

<https://zoom.us/j/93360447184?pwd=NDMyNVBHUWdCN0cyNTQwSHZMeThSUT09>

Meeting ID: 933 6044 7184 **Passcode:** 252694

One tap mobile: +16694449171,,93360447184# US
+16699009128,,93360447184# US (San Jose)

All members of the public can participate by calling in using the numbers provided above.

In compliance with the Americans with Disabilities Act (ADA) and upon request, Magnolia Public Schools may furnish reasonable auxiliary aids and services to qualified individuals with disabilities. Members of the public who need special accommodations or translation are strongly encouraged to contact Magnolia Public Schools at least 24 hours in advance of the Board meeting so assistance can be assured.

Any public records relating to an agenda item for an open session which are distributed to all, or a majority of all, of the Board Members shall be available for public inspection. Magnolia Public Schools values public comment during Board meetings. Pursuant to AB 361 members of the public may address the Board during the Public Comment period on the day of the board meeting without the need to complete a public speaker form. We limit individual speakers to three (3) minutes and speakers with interpreters to six (6) minutes. For any questions regarding this meeting email board@magnoliapublicschools.org or call 213-628-3634 Ext. 100.

Finance Committee Members:

Dr. Salih Dikbas, Chair
Mr. Mekan Muhammedov
Dr. Umit Yapanel
Mrs. Diane Gonzalez (alternate)

CEO and Superintendent:

Mr. Alfredo Rubalcava

Agenda

	Purpose	Presenter	Time
I. Opening Items			7:00 PM
Opening items			
A. Call the Meeting to Order			1 m
B. Record Attendance and Guests			1 m
C. Approval of Agenda	Vote		1 m
D. Public Comments			3 m
E. Approval of Minutes from MPS Regular Finance Committee Meeting- June 21, 2022	Approve Minutes		1 m
II. Recommended Action Items			7:07 PM
A. Approval of 2021-22 Unaudited Actuals	Vote	S.Budhraj	25 m
B. Approval of ERC Funding Agreement & Engagement with CFOMW Tax, LLC	Vote	S.Budhraj	10 m
III. Closing Items			7:42 PM
A. Adjourn Meeting			1 m

Coversheet

Approval of Minutes from MPS Regular Finance Committee Meeting- June 21, 2022

Section: I. Opening Items
Item: E. Approval of Minutes from MPS Regular Finance Committee Meeting- June 21, 2022
Purpose: Approve Minutes
Submitted by:
Related Material: Minutes for Finance Committee Meeting on June 21, 2022

APPROVED



Magnolia Public Schools

Minutes

Finance Committee Meeting

Date and Time

Tue Jun 21, 2022 at 5:30 PM

Location

<https://zoom.us/j/93360447184?pwd=NDMyNVBHUWdCN0cyNTQwSHZMeThSUT09>

Meeting ID: 933 6044 7184 **Passcode:** 252694

One tap mobile: +16699009128,,93360447184# US (San Jose)

Finance Committee Members:

Dr. Salih Dikbas, Chair

Mr. Mekan Muhammedov

Dr. Umit Yapanel (alternate)

CEO and Superintendent:

Mr. Alfredo Rubalcava

Committee Members Present

M. Muhammedov (remote), S. Dikbas (remote)

Committee Members Absent

None

I. Opening Items**A. Call the Meeting to Order**

S. Dikbas called a meeting of the Finance Committee of Magnolia Public Schools to order on Tuesday Jun 21, 2022 at 5:32 PM.

B. Record Attendance and Guests

Refer to attendance information recorded above.

C.

Approval of Agenda

M. Muhammedov made a motion to approve the agenda as presented.
S. Dikbas seconded the motion.
The committee **VOTED** unanimously to approve the motion.

Roll Call

S. Dikbas Aye
M. Muhammedov Aye

D. Public Comments

No public comments were made at this time.

E. Approval of Minutes from MPS Finance Committee Meeting- April 6, 2022

M. Muhammedov made a motion to approve the minutes from Finance Committee Meeting on 04-06-22.
S. Dikbas seconded the motion.
The committee **VOTED** unanimously to approve the motion.

Roll Call

S. Dikbas Aye
M. Muhammedov Aye

II. Recommended Action Items

A. Approval of the 2022-23 Adopted Budgets for all MPS Sites & Home Office Management Fee Policy

S. Budhraj, Chief Financial Officer, presented the proposed budget for the 2022-23 school year along with the Home Office Management Fee Policy. He presented the budget for all MSA schools included the Home Office. This will be taken to the Board for their full approval at the next Board Meeting. Committee Members questions were addressed by staff.
S. Dikbas made a motion to table the item until the full Board Meeting with a comprehensive report.
M. Muhammedov seconded the motion.
The committee **VOTED** unanimously to approve the motion.

Roll Call

M. Muhammedov Aye
S. Dikbas Aye

B. Approval of the 2023-23 MPS Master List of Contracts for the 2022-23 Fiscal Year

S. Budhraj, Chief Financial Officer, went over the annual contracts for the 2022-23 fiscal year. He explained that the MPS Financial Policies note that contracts are to be included if they exceed \$90,000 as well as vendors that have maintained agreements with MPS annually or over multiple years. This is incorporated into the 2022-23 proposed Adopted Budget. Committee Members questions were addressed by staff.
M. Muhammedov made a motion to approve the Annual Contracts for the 2022-23 Fiscal Year and further recommends that the Committee recommend and move that the Board adopt the same.
S. Dikbas seconded the motion.
The committee **VOTED** unanimously to approve the motion.

Roll Call

M. Muhammedov Aye
S. Dikbas Aye

III. Closing Items

A. Adjourn Meeting

There being no further business to be transacted, and upon motion duly made, seconded and approved, the meeting was adjourned at 6:47 PM.

Respectfully Submitted,
S. Dikbas

Coversheet

Approval of 2021-22 Unaudited Actuals

Section:	II. Recommended Action Items
Item:	A. Approval of 2021-22 Unaudited Actuals
Purpose:	Vote
Submitted by:	
Related Material:	2021-22 Unaudited Actuals Report.pdf



Board Agenda Item #	II A: Recommended Action Item
Date:	September 7, 2022
To:	Magnolia Public Schools – Finance Committee
From:	Alfredo Rubalcava, CEO & Superintendent
Staff Lead:	Steve Budhreja Ed.D., Chief Financial Officer
RE:	Approval of 2021-22 Unaudited Actuals Report

Proposed Board Recommendation

I move for the Finance Committee to approve of the FY 2021/2022 Unaudited Actuals Report for Magnolia Public Schools, and further recommends that the Committee move and recommend for the Board to adopt the same.

Background

All charter schools in California must submit their board approved “Unaudited Actuals” for the prior fiscal year by September 15th per California Education Code. The Unaudited Actuals represents the complete prior fiscal year’s financial activities following all year-end closing activities for all MPS Schools.

Budget Implications

None

Attachments:

- Unaudited Actuals Reports for all school site and MERF (Summary)
- Full report with unaudited financials for FY 21/22



Unaudited Actuals 2021-22

September 2022 Board Meeting



Executive Summary

The Unaudited Actuals Report provides updated information regarding revenues that come primarily from State and Federal sources along with expenditures associated with those revenues for the for 2021-22 fiscal year.

- The changes to revenues and expenditures from the previous reporting period have been noted below.
 - **Average Daily Attendance of 3,392 representing a reduction from 3,802 in the prior year**
 - **Revenues of \$66.8 million, which represents an increase of \$1.64 million from the Second Interim Report**
 - **Expenditures of \$64.9 million, which represents an increase of \$600k from Second Interim Budget**
- Revenues - The additional federal and state funding during the year contributed to increases in revenues when compared to the SIB, most of these funds came from Federal sources and include one-time ESSER Funds along with reimbursements related to Covid-19 expenses which were carefully monitored and accounted for during the 2021-22 fiscal year.
- Expenditures – Increases in expenditures include additional expenses related to loss of learning and special education costs resulting from the pandemic along with costs associated with facilities planning projects for the upcoming years.

Positive Net Income – Magnolia Public Schools had a net operating surplus of \$1.86 million, which represents a \$1.05 million increase from the Second Interim Budget

Consolidated Summary

MSA - Consolidated	Adopted July 1 Budget	2nd Interim Budget	Unaudited Actuals	Variance From 2nd Interim
Projected Average Daily Attendance	3,643	3,392	3,392	
SUMMARY				
Revenues				
LCFF Entitlement	41,493,843	40,444,958	40,054,334	(390,623)
Federal Revenues	7,092,305	8,995,671	12,206,114	3,210,443
Other State Revenues	8,287,219	9,017,628	7,560,158	(1,457,470)
Other Local Revenues	6,297,795	6,702,812	6,986,248	283,436
Total Revenues	63,171,161	65,161,068	66,806,854	1,645,786
Expenditures				
Salaries & Benefits	40,012,754	40,316,813	40,283,384	(33,429)
Books and Supplies	2,506,110	2,515,965	2,172,486	(343,478)
Services and Operating Exp.	16,760,604	19,390,893	20,306,406	915,513
Depreciation & Cap Outlay	1,305,887	1,547,466	1,606,561	59,095
Other Outflows	558,517	576,517	579,132	2,615
Total Expenditures	61,143,871	64,347,655	64,947,970	600,315
Net Revenues	2,027,291	813,413	1,858,884	1,045,471
Beginning Balance (Audited)	41,787,127		41,787,127	
Net Revenues	2,027,291		1,858,884	
Ending Balance June 30, 2022	43,814,417		43,646,010	
Components of Fund Balance				
Available For Econ. Uncertainties			28,694,953	44.2% of Exp.
Restricted Fund Balances			671,987	1.0% of Exp.
Net Fixed Assets			14,279,070	22.0% of Exp.
Ending Fund Balance			43,646,010	67.2% of Exp.

2021-22 Second Interim Budget - BY SITE

	MSA-1	MSA-2	MSA-3	MSA-4	MSA-5	MSA-6	MSA-7	MSA-8	MSA-SA	MSA-SD	MERF	TOTAL
Enrollment (CALPADS)	737	501	399	109	239	85	274	385	503	416		3,648
Attendance (P-2 ADA)	676.25	466.21	357.61	95.07	222.94	79.21	259.90	356.15	483.38	394.84		3,392
Revenue												
LCFF Entitlement	8,599,155	5,684,946	4,303,451	1,315,607	2,933,691	937,700	3,040,952	4,064,916	5,997,245	3,567,294	-	40,444,958
Federal Revenue	1,006,839	677,041	1,290,046	669,775	521,352	711,145	679,799	1,283,828	1,712,396	443,450	-	8,995,671
Other State Revenues	2,315,762	875,230	995,600	217,671	686,171	218,247	886,715	925,410	1,166,125	730,697	-	9,017,628
Other Local Revenues	302,859	139,767	151,289	34,046	80,745	11,151	48,397	149,295	58,804	93,822	5,632,637	6,702,812
Total Revenue	12,224,616	7,376,984	6,740,386	2,237,100	4,221,959	1,878,243	4,655,864	6,423,448	8,934,570	4,835,263	5,632,637	65,161,068
Expenses												
Certificated Salaries	3,961,063	2,631,393	2,569,289	1,124,782	1,621,166	721,226	1,563,595	2,369,963	3,403,252	1,844,000	-	21,809,727
Classified Salaries	904,091	703,414	679,991	146,096	307,261	181,993	605,427	715,258	825,856	420,720	3,597,640	9,087,748
Benefits	1,332,654	985,952	1,082,372	406,336	563,349	280,445	618,998	931,009	1,394,311	735,988	1,087,924	9,419,339
Books and Supplies	498,062	337,098	263,013	71,763	153,402	59,961	118,090	336,159	401,149	145,467	131,800	2,515,965
Services and Operations	4,230,960	2,194,901	2,283,456	514,344	1,112,598	697,516	1,570,448	1,770,746	1,960,999	1,735,447	1,319,479	19,390,893
Depreciation / Cap Outlay	191,381	121,166	66,858	31,023	56,886	34,126	62,324	142,101	784,951	55,790	859	1,547,466
Other Outflows	15,000	-	-	-	-	-	-	-	558,517	3,000	-	576,517
Total Expenses	11,133,212	6,973,924	6,944,980	2,294,345	3,814,661	1,975,268	4,538,882	6,265,237	9,329,035	4,940,411	6,137,702	64,347,655
Net Revenue	1,091,404	403,060	(204,594)	(57,245)	407,298	(97,025)	116,982	158,211	(394,466)	(105,148)	(505,065)	813,413
Fund Balance												
Beginning Balance*	8,002,068	3,041,572	2,178,326	1,221,948	3,033,303	2,410,544	2,499,146	6,112,819	9,109,585	1,219,782	2,958,034	41,787,127
Net Revenue	1,091,404	403,060	(204,594)	(57,245)	407,298	(97,025)	116,982	158,211	(394,466)	(105,148)	(505,065)	813,413
Projected Ending Balance	9,093,472	3,444,632	1,973,732	1,164,703	3,440,601	2,313,519	2,616,128	6,271,030	8,715,119	1,114,634	2,452,968	42,600,540
Ending Bal. as % of Exp.:	81.7%	49.4%	28.4%	50.8%	90.2%	117.1%	57.6%	100.1%	93.4%	22.6%	40.0%	66.2%

* from Audited Actuals



2021-22 Year to Date Actuals - BY SITE

	MSA-1	MSA-2	MSA-3	MSA-4	MSA-5	MSA-6	MSA-7	MSA-8	MSA-SA	MSA-SD	MERF	TOTAL
Revenue												
LCFF Entitlement	8,524,046	5,749,737	4,235,967	1,315,762	2,796,453	892,904	2,982,620	4,049,793	5,965,664	3,541,389	-	40,054,334
Federal Revenue	1,471,024	917,289	1,937,171	683,916	584,717	676,211	756,916	1,543,825	2,969,099	665,945	-	12,206,114
Other State Revenues	1,883,860	641,080	825,092	287,597	518,703	187,576	743,113	754,300	931,188	787,649	-	7,560,158
Other Local Revenues	345,951	159,199	172,934	33,884	108,268	24,386	49,401	153,616	105,277	94,626	5,738,706	6,986,248
Total Revenue	12,224,880	7,467,305	7,171,164	2,321,160	4,008,141	1,781,077	4,532,050	6,501,534	9,971,228	5,089,609	5,738,706	66,806,854
Expenses												
Certificated Salaries	3,710,976	2,516,175	2,548,506	1,134,961	1,568,738	708,628	1,466,372	2,225,589	3,334,810	1,846,633	124,986	21,186,374
Classified Salaries	1,078,845	814,029	710,538	142,932	304,415	189,728	539,138	860,667	851,511	401,025	3,402,128	9,294,957
Benefits	1,409,716	1,071,659	1,072,641	417,936	616,040	283,609	626,863	1,013,647	1,429,353	738,002	1,122,587	9,802,053
Books and Supplies	395,117	303,727	222,044	54,349	104,875	58,956	131,873	209,792	389,617	144,454	157,682	2,172,486
Services and Operations	4,415,870	2,159,363	2,522,423	490,490	871,228	497,920	1,697,836	1,935,919	2,404,744	1,815,008	1,495,605	20,306,406
Depreciation / Cap Outlay	201,716	133,190	82,046	34,967	64,519	34,824	65,166	157,129	770,900	61,245	859	1,606,561
Other Outflows	17,440	-	-	-	-	-	-	-	556,121	3,544	2,028	579,132
Total Expenses	11,229,681	6,998,143	7,158,198	2,275,635	3,529,814	1,773,665	4,527,247	6,402,744	9,737,056	5,009,911	6,305,876	64,947,970
Net Revenue	995,200	469,162	12,966	45,525	478,327	7,412	4,803	98,790	234,171	79,698	(567,170)	1,858,884
Fund Balance												
Beginning Balance *	8,002,068	3,041,572	2,178,326	1,221,948	3,033,303	2,410,544	2,499,146	6,112,819	9,109,585	1,219,782	2,958,034	41,787,127
Net Revenue	995,200	469,162	12,966	45,525	478,327	7,412	4,803	98,790	234,171	79,698	(567,170)	1,858,884
Current Net Asset Balance	8,997,268	3,510,734	2,191,292	1,267,473	3,511,630	2,417,956	2,503,949	6,211,609	9,343,756	1,299,480	2,390,863	43,646,010
Current Bal. as % of UA Exp	80.1%	50.2%	30.6%	55.7%	99.5%	136.3%	55.3%	97.0%	96.0%	25.9%	37.9%	67.2%

* from Audited Actuals



QUESTIONS & COMMENTS



Coversheet

Approval of ERC Funding Agreement & Engagement with CFOMW Tax, LLC

Section: II. Recommended Action Items
Item: B. Approval of ERC Funding Agreement & Engagement with CFOMW
Tax, LLC
Purpose: Vote
Submitted by:
Related Material:
ERC Fee Agreement and Engagement for Magnolia Educational & Research Foundation.pdf



Board Agenda Item #	II B: Recommended Action Item
Date:	September 7, 2022
To:	Magnolia Public Schools – Finance Committee
From:	Alfredo Rubalcava, CEO & Superintendent
Staff Lead:	Steve Budhraj Ed.D., Chief Financial Officer
RE:	Approval of Fee Agreement and Engagement between Magnolia Educational & Research Foundation and CFOMW Tax, LLC

Proposed Board Recommendation

I move for the Finance Committee to approve the contract to file a refund claim under the Employee Retention Tax Credit, per 26 U.S.C. § 3134, and further recommends that the Committee move and recommend for the Board to adopt the same.

Budget Implications

Additional funding for MPS in the form of Federal monies as part of the Coronavirus Aid, Relief, and Economic Security (CARES) Act of 2020.

Background:

The Employee Retention Credit under the CARES Act encourages businesses to keep employees on their payroll. The refundable tax credit is 50% of up to \$10,000 in wages paid by an eligible employer whose business has been financially impacted by COVID-19.

Attachments:

- Service Fee Agreement and Engagement for Magnolia Educational & Research Foundation

CFOMW Tax, LLC
38 29th Place
Venice, CA 90291

SERVICES FEE AGREEMENT

Via Email: sbudhreja@magnoliapublicschools.org

RE: Fee Agreement and Engagement for Magnolia Educational & Research Foundation

Dear Steve,

Thank you for selecting CFOMW Tax, LLC (the "Firm" of "we") to provide Magnolia Educational & Research Foundation ("Magnolia" or "you") with the tax consulting services set forth below. In connection with our engagement to perform this work, we require written acknowledgement of this agreement for our files and the relevant rules of professional conduct.

We feel that it is in the best interest of our clients that they be fully informed of our billing practices and what services we will be undertaking on their behalf. The purpose of this letter, therefore, is to set forth the scope of our engagement to you, to set forth the financial arrangements regarding our engagement, and to verify our agreement of the foregoing:

1. Scope of Engagement

Subject to the terms and conditions herein, including without limitation advance payment of the retainer and a signed copy of this agreement, the Firm will perform those services which you requested and, more specifically, calculating your potential refund claim related to the IRS Employee Retention Tax Credit ("ERTC"), prepare all related tax forms to obtain the ERTC, and, if necessary, help you prepare and represent you in an audit defense related to the ERTC (the "Engagement"). We anticipate this work will require us to review your historical tax records and ask you various questions related to the Engagement.

2. Responsibilities of the Parties

The Firm will provide those services reasonably required to represent you in prosecuting the claims described in Paragraph 2 and will take reasonable steps to keep you informed of progress and developments, and to respond promptly to inquiries and communications. You agree to be truthful with the Firm, to cooperate, to keep the Firm informed of any information and developments which may come to your attention, to abide by this Agreement, to pay the Firm's bills for costs on time, and to keep the Firm advised of your address, telephone number and whereabouts. You agree to cooperate fully with the Firm in all matters related to the preparation and presentation of your claims.

3. Fee for Representation

Generally, we bill an hourly rate, however for this matter we will only bill you to complete the Engagement if the Engagement results in a refund of taxes or amounts previously paid or due related to a successful ERTC claim. In the event that you obtain a refund related to taxes or

amounts paid pursuant to the ERTC claim, you shall pay a fee as follows:

Twelve Percent (12%) of the total refund amount received. For the avoidance of doubt, should you receive a refund of \$100,000; you shall pay the Firm a fee of \$12,000. This fee is due immediately and payable within thirty (30) days of receipt of part or all of the refund you receive.

In the event we are required to do additional work outside the reasonably anticipated scope of this Engagement ("Out-of-Scope Services"), such work shall be on a separate hourly basis and may require a separate engagement letter; an hourly rate can be outlined in that agreement. Out-of-Scope Services shall include work on separate or distinct matters not contemplated initially by both parties at the time this Agreement was entered into, or rework or other updates to documents necessary to correct inaccurate statements or representations. If we anticipate the need to provide any significant Out-of-Scope Services in connection with Engagement, we will endeavor to notify you before commencing with such work and incurring expenses and time and may request that you sign a separate engagement letter for the additional services to be performed.

Out-of-Scope Services include, but are not limited to the following:

- Preparation of original or amended federal or state income tax returns other than those as outlined in the Engagement;
- Bookkeeping or financial record compilation services;
- Representation before state tax authorities concerning audits or formal examinations;
- Other business consulting services not related to the proposed Engagement;
- Preparing or drafting of other legal documents not specifically discussed earlier;
- Costs for subsequent state revenue authority appeals and audits, or costs incurred for filing in federal, District Court, or any other state court.

We do our best to see that our clients are satisfied not only with our services but also with the reasonableness of the fees and disbursements charged for these services. Therefore, if you have any questions about or objection to a statement or the basis for our fees to you, you should raise it promptly and not more than thirty (30) days after you receive a bill for discussion. If you object only to a portion of the statement, we ask you pay the remainder, which will not constitute a waiver of your objections.

4. Disbursements

The performance of professional services generally involves costs and expenses, some of which must be paid to third parties. These expenses include, but are not limited to, administrative filing fees, court reporters, deposition fees, travel costs, copying costs, telecopier costs, messenger services, long distance telephone charges, computerized research expenses and expenses of experts whom we deem appropriate to assist in our representation of you. For purposes of this Engagement, we shall not charge any amounts for costs and expenses.

5. Retainer

No retainer is being requested as part of this Engagement.

6. No Guarantees

The Firm and you understand and agree that no results have been guaranteed by the Firm or any of its employees and that this agreement is not based upon any such promises or anticipated results. Amounts due to the Firm are not contingent upon any particular results.

7. Disputes and Arbitration

In the unlikely event you and the Firm are unable to resolve differences on the question of any fee and/or expense items, you hereby agree to make a good faith effort at resolving the dispute. If the dispute cannot be resolved, the parties agree to submit all disputes arising under this agreement to arbitration in Los Angeles, California before a single arbitrator of the American Arbitration Association (“AAA”). The arbitrator shall be selected by application of the rules of the AAA, or by mutual agreement of the parties, except that such arbitrator shall be an attorney admitted to practice law in California. No party to this agreement will challenge the jurisdiction or venue provisions as provided in this section. Nothing contained herein shall prevent the party from obtaining an injunction.

8. Withdrawal from Representation

Our firm's relationship with you is one of mutual trust and confidence. If you, for whatever reason, wish us to cease representing you, you may request that we do so. If we feel we no longer wish to represent you, we will inform you in writing so you have sufficient time to find new representation. We generally will only do so in the following circumstances: (a) a lack of cooperation by you in promptly submitting necessary requested information; (b) your knowingly providing us, your adversaries or the government with false information; (c) your disregard of advice about matters of critical importance to your case; (d) your failure to promptly pay fees; or (e) for any other reason provided advance notice is provided.

Upon such termination, however, you would remain liable for any unpaid fees and costs. We also shall be authorized to reveal this agreement and any other necessary documents to any court or agency if the same should prove necessary to effect withdrawal or collection of our fees. Should you terminate the Engagement after the relevant forms required to file the ERTC are provided to you and a refund is later obtained, the fees stated above shall remain fully due and payable.

It is the policy of this firm to make every effort to have our clients feel that they are treated on a fair basis. We welcome an honest discussion of our fees and our services and encourage our clients to inquire about any matter relating to our fee arrangement or monthly statements that are in anyway unclear or appear unsatisfactory. If you have any questions, please do not hesitate to call us.

9. Miscellaneous

This agreement will also apply to services rendered for such future matters that we agree will be handled by the Firm. If, however, such services, are substantially different from those to which this agreement applies (for instance, an appearance on your behalf in court), either party may request that a new agreement be executed, or that this agreement be re-acknowledged.

By executing this agreement, you acknowledge that fees received by the Firm may be utilized to pay employees or contractors associated with the Firm who assisted with the Engagement.

If this letter correctly sets forth your understanding of the scope of the services to be rendered to the company by the Firm and the manner by which fees will be charged and paid, and if the terms of the engagement are satisfactory, please execute the enclosed copy of this letter and return it to us. If the scope of the services described is incorrect or if the terms of the engagement set forth in this letter are not satisfactory to you, please let us know in writing

so that we can discuss either aspect.

By executing this agreement, you acknowledge that there is uncertainty concerning the outcome of this matter and that the Firm and the undersigned professionals have made no guarantees as to the disposition of any phase of this matter. All representations and expression relative to the outcome of this matter, are only expressions of the said professional's opinions and do not constitute guarantees. We look forward to continuing to work with you and thank you once again for the opportunity to serve.

Very truly yours,



Michael Williams

READ, AGREED AND CONSENTED TO:

Signature

Name

Title

Date