

Note: This sample forensic accounting engagement letter is presented as a generic example. It is easily modifiable. Forensic Accountants may be engaged by an individual, attorney, or other party. After reading this sample, please email comments, suggestions, and corrections to feedback@abfa.us

June 10, 2019

Jill Hill
1200 N Beverly Drive
Beverly Hills, CA 90210

Re: Community property analysis and characterization of amounts received in conjunction with a family law matter. Los Angeles Superior Court case number LA-12-3045.

Dear Ms. Hill:

This letter will serve to confirm our understanding and agreement whereby Jill Hill has retained Ian Roberts, CPA, PhD from the accounting firm “Forensic Accountants of 90210” to perform investigatory accounting services and analysis in conjunction with a pending family law matter. Work product prepared by us for this engagement will be submitted to you for review and discussion before completion and publication.

Definition of Client – Intended Recipient

It is agreed and understood that Jill Hill is our client and not anyone else. If Jill Hill decides to have her attorney for this matter hire us directly, to invoke client attorney privileges and work product protection for confidentiality purposes, a separate engagement letter may be prepared if it is decided Forensic Accountants of 90210 should be retained directly by her attorney. Therefore, it is explicitly understood that Ian Roberts, CPA, PhD has no responsibility to communicate with anyone else besides Jill Hill unless Forensic Accountants of 90210 agrees otherwise.

Nature, Purpose, and Objective

Our services will include investigatory accounting services and assistance in conjunction with a pending family law matter. We will prepare a list of checks and payments (monies) received by Ms. Hill from her ex-spouse and attempt to classify them as either return of community property assets or as income received as post separation payments. In addition, we will attempt to reconstruct a statement of community property assets and liabilities as of the date of separation and reconcile to current, based on the books and records we are provided or discovered, along with other information and evidence produced and considered relevant to the discovery of the objectives of this engagement.

Our services will be performed in accordance with the Statement on Standards for Consulting Services No. 1 (SSCS) issued by the American Institute of Certified Public Accountants (AICPA).

We will not conduct an audit, review, or compilation or any other attestation service as defined by the American Institute of Certified Public Accountants. In conducting our analysis, we may rely on representations by you or others.

Our engagement cannot be relied on to discover and disclose all errors, fraud, or other noncompliance with laws and regulations that may exist, nor will we be responsible for the impact on our services of incomplete, missing, or withheld information, or mistaken fraudulent data provided from any source or sources.

Per the terms of this agreement, the scope of our work does not provide U.S. federal tax advice and cannot be used for the purpose of reducing federal tax penalties or promoting, marketing, or recommending to another party any transaction or matter.

Your Responsibilities

You agree to provide promptly, upon request, all financial and nonfinancial information and documentation reasonably deemed necessary or desirable by us in connection with the engagement in order to complete the engagement objectives. You agree that the scope of this engagement will be unrestricted and that you will make available all personnel whose assistance we request in order for us to complete the engagement objectives. You acknowledge and agree that Ian Roberts, CPA, PhD and Forensic Accountants of 90210 may, in performing their obligations pursuant to this Agreement, use data, material, and other information furnished by you without any full independent investigation or verification and that we shall be entitled to rely upon the accuracy and completeness of such information in performing the Services under the Agreement. You agree that we are not required to update our analyses for events and circumstances occurring after the date of our analysis.

Conflicts

We have undertaken a reasonable review of our records to determine our professional relationships with the persons or entities you identified. We are not aware of any conflicts of interest or relationships that would, in our sole discretion, preclude us from performing the above work for you.

Delivery and Timing

Our ability to deliver is dependent upon our timely receipt of the required information. We will use reasonable efforts to meet any reasonable deadlines, but we do not provide assurance on the ability to meet deadlines. To facilitate our efforts, we request that you

keep us timely informed and coordinate our schedules for important dates, such as trial, discovery cutoff, depositions, settlement conferences, and so forth.

Challenges to the Admissibility of Expert's Opinion

Because of the adversarial nature of any dispute, it is common that parties in litigation challenge the admissibility of an expert's opinion. You hereby acknowledge that Ian Roberts, CPA, PhD is being retained because he meets the necessary requirements of knowledge, skill, experience, training, or education. You acknowledge that the analysis provided by Ian Roberts, CPA, PhD and Forensic Accountants of 90210 is in good faith with a limited amount of research and examination. Failure of our analysis to be accepted for any reason by any party, person, or government entity shall not constitute a breach of any duties under this agreement, constitute negligence of any kind, give rise to any cause of action by you, or relieve you of any duties. You agree to review our information prior to its release and the rendering of any expert testimony, to determine that the anticipated analysis or testimony has the appropriate basis in fact, and that such testimony is both relevant and reliable. After your review, if you disagree with this assessment, you agree to notify us immediately, in writing, about the specifics of your disagreement.

Billing and Fees

Our services will be furnished and billed on an hourly basis. Hourly rates vary depending on the individual billing rates of firm members and are subject to possible increases during the course of this engagement. Our fees will be billed monthly at the current rates of \$100 per hour to \$425 per hour and are payable upon receipt. Invoices unpaid 60 days past the billing date are subject to an interest charge of 10% per year. If our presence is required at court proceedings, our time will be billed for 4 hours per half-day session at the usual billing rate of the firm member. Our billing rates do not include any out-of-pocket expenses, which are additional charges.

A retainer is required in the amount of \$5,000, against which time will be applied. This retainer is not intended to be an estimate of the total cost of the work to be performed. If the retainer exceeds total fees and costs incurred, we will refund the excess.

The obligation for payment of our fees is your direct responsibility. Our fee is not contingent on the results obtained as we do not warrant or predict results or the final outcome of this matter.

Statements will be rendered to you periodically. Payment is due on presentation. We reserve the right to suspend our services or to withdraw from this engagement if any of our invoices are deemed delinquent. If any collection action is required to collect unpaid balances due us, you agree to reimburse us for our costs of collection, including attorneys' fees.

Termination

If we elect to terminate our services for nonpayment, or for any other reason (scope limitations, etc.), our engagement will be deemed to have been completed upon written notification of termination, even if we have not completed our work. You will be obligated to compensate us through the date of termination.

Any of the parties may terminate this Agreement upon written notice to the other party irrespective of whether Ian Roberts, CPA, PhD and Forensic Accountants of 90210 have completed their analysis. Jill Hill is responsible for the payment of all fees and expenses incurred through the completion of our engagement or through the date a termination notice is received by any party.

Communication via Email

In connection with this engagement, we may communicate with you or others via email transmission. As emails can be intercepted and read, disclosed, 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 emails from us will be properly delivered and read only by the addressee. Therefore, we specifically disclaim and waive any liability or responsibility whatsoever for interception or unintentional disclosure of emails 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 the use of email transmissions, including any consequential, incidental, direct, indirect, or special damages, such as loss of revenues or anticipated profits, or disclosure or communication of confidential or proprietary information.

Documentation

It is our policy to retain engagement documentation for a period of time sufficient to meet the needs of the firm, professional standards, and laws and regulations, after which time we will commence the process of destroying the contents of our engagement files. To the extent we accumulate any of your original records during the engagement, those documents will be returned to you promptly upon completion of the engagement. The balance of our engagement file, other than your original records, which we will provide to you at the conclusion of the engagement, is our property, and we will provide copies of such documents at our discretion and if compensated for any time and costs associated with the effort.

Disputes and Indemnification

In the event we are required to respond to a subpoena, court order, or other legal process for the production of documents and/or testimony relative to information we obtained and/or prepared during the course of this engagement, you agree to compensate us at our

standard hourly rates then existing for the time we expend in connection with such response, and to reimburse us for all of our out-of-pocket costs incurred in that regard.

In the event that we are or may be obligated to pay as a result of this engagement, any cost, settlement, judgment, fine, penalty, or similar award or sanction as a result of a claim, investigation, or other proceeding instituted by any third party, you agree to indemnify us, defend us, and hold us harmless as against such obligation. In no event shall Ian Roberts, CPA, PhD or Forensic Accountants of 90210 be liable for consequential, special, indirect, incidental, punitive or exemplary damages, costs, expenses, or losses (including, without limitation, lost profits, taxes, interest, tax penalties, savings or business opportunity costs). The provisions of this paragraph shall apply regardless of the form of action, damage, claim, liability, cost, expense, or loss, whether in contract, statute, tort, or otherwise.

You must obtain our prior written permission before releasing a copy of our analysis to anyone other than the intended recipients. If a copy of our analysis is distributed by you to any person or entity other than the intended recipients without having first obtained our prior written permission to do so, you hereby agree to indemnify and hold us harmless from and against any and all claims or causes of action for damages or loss against us by any such person or entity as a result of said person's alleged reliance on said analysis.

You agree that any dispute (other than our efforts to collect an outstanding invoice) that may arise regarding the meaning, performance or enforcement of this engagement or any prior engagement that we have performed for you, 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 any party to the engagement. Any mediation initiated as a result of this engagement shall be administered within the county of Los Angeles, California, by a mediator agreed upon by all parties, according to its mediation rules, and any ensuing litigation shall be conducted within said county, according to California law. The results of any such mediation shall be binding only upon agreement of each party to be bound. The costs of any mediation proceeding shall be shared equally by the participating parties.

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 the occurrence of the cause of action, notwithstanding any statutory provision to the contrary. In the event of litigation brought against us or results from mediation, any judgment you obtain shall be limited in amount, and shall not exceed twenty percent (20%) of the amount of the fee charged by us and paid by you during the preceding twelve (12) month period, for the services set forth in this engagement letter.

Governing Law and Severability

This Agreement shall be governed by, and construed in accordance with, the laws of the State of California (without giving effect to its choice of law principles), and all claims relating to or arising out of this Agreement or related to Ian Roberts, CPA, PhD and

Forensic Accountants of 90210 services, whether sounding in contract, tort, or otherwise, shall likewise be governed by the laws of the State of California (without giving effect to its choice of law principles). If any provision of this Agreement is found by a court of competent jurisdiction to be unenforceable, such provision shall not affect the other provisions, but such unenforceable provision shall be deemed modified to the extent necessary to render it enforceable, preserving to the fullest extent permissible the intent of the parties set forth in this Agreement.

Additional Terms

This engagement letter is contractual in nature and includes all of the relevant terms that will govern the engagement for which it has been prepared. The terms of this letter supersede any prior oral or written representations or commitments by or between the parties. Any material changes or additions to the terms set forth in this letter will only become effective if evidenced by a written amendment to this letter, signed by all of the parties.

You will advise us, with sufficient notice, of any additional work needed and the requirement for appearances in court. If information becomes known that would make our continued involvement in this engagement inappropriate, or if the attorneys or parties involved in this litigation change, we reserve the right to withdraw from this engagement.

Counterparts and Electronic Signatures

This letter may be executed in one or more counterparts, and counterparts may be exchanged by electronic transmission (including by email), each of which will be deemed an original, but all of which together constitute one and the same document.

Acceptance

If, after full consideration and consultation with counsel if so desired, you agree that the foregoing terms shall govern this engagement, please sign the copy of this letter in the space provided and return the original signed letter to me, keeping a fully-executed copy for your records.

(Continued)

Very truly yours,

Ian Roberts, CPA, PhD
Certified Forensic Accountant
Associate - Forensic Accountants of 90210

I, the undersigned, hereby agree to the terms hereinabove set forth for the engagement of Ian Roberts, CPA, PhD of Forensic Accountants of 90210.

Signature

Print Name

Date

I, have read, understand, and agree to the provisions of this Agreement, including responsibility for the payment of your invoices and the provisions pertaining to mediation set forth in this Agreement.

Signature

Print Name

Date

Forensic Accountants of 90210
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