

MODEL *KOVEL* ENGAGEMENT LETTER

VIA E-MAIL

Mr. / Ms. CPA
ACCOUNTING FIRM

Re: *Kovel* Agreement for CLIENT

Dear Mr. / Ms. CPA:

The purpose of this letter is to memorialize our agreement as to the terms upon which we, [THE LAW FIRM] (the “Firm”), have retained your firm, ACCOUNTING FIRM, (“you” or “your”), to provide privileged consulting services to assist with the Firm’s representation of CLIENT in connection with [certain potential federal and state tax controversy matters]. This engagement is made pursuant to the opinion of the United States Court of Appeals for the Second Circuit in the case captioned *United States v. Kovel* and its progeny; as a result, any work product or communication you may generate during the course of this engagement is intended to be covered by the attorney-client privilege and/or the work product protection. The Firm’s understanding of the terms of your services is as follows:

Scope of Engagement.

CLIENT has engaged this Firm to advise him on certain potential tax controversy related matters. In order to assist us with providing legal advice to CLIENT and any IRS examination and preparing for any litigation that may ultimately ensue, you have been engaged to provide accounting-related consulting services to the Firm in connection with our representation of CLIENT (“Consulting Services”). The Consulting Services shall in all respects be privileged and confidential, including the fact of the consultation itself as well as any facts or data that we request you evaluate.

This agreement shall be effective as of the date that you first provided Consulting Services to the Firm in connection with this matter.

Opinions will be based on methods and techniques that you consider appropriate under the circumstances. Any opinions rendered shall represent your professional opinions, based, among other things, upon privileged and confidential information and documents that we provide to you. The nature and duration of your engagement will be determined by the Firm and may be terminated at any time for any reason.

Confidentiality.

This engagement will be performed through and under the Firm’s direction as the Client’s legal counsel, and will be subject to attorney-client privilege and work product protections to the full extent allowed by law. Work product generated by you in the course of this engagement shall be the property of the Firm and shall not be utilized by you for any purposes

other than for the above-mentioned services. Information and documents transmitted to you for any purposes by the Firm, the Client, or any other entity or individual in regard to performance of your services shall be maintained in the strictest confidence, and shall not be disclosed to any third party under any circumstances without the prior written approval of the Firm. If it becomes necessary for you to review confidential information of any other parties, the Firm may ask that you sign a protective order or other confidentiality agreement entered in this matter. Please note that all of the foregoing restrictions regarding confidentiality and work product will continue even after termination of this agreement for the duration of the subject proceedings.

Document Retention and Production.

It is important that the Firm knows what documents and information you have received or gathered in connection with your services. Accordingly, the Firm asks that you please retain or return to the Firm all such documents and information regarding this matter and maintain appropriate controls. All documents provided to you, together with all copies thereof, shall be returned to the Firm upon request. You further acknowledge that it may become necessary for the Client to produce through discovery copies of all documents you reviewed or relied on in providing your Consulting Services and agree to cooperate with any such requests. You may retain for your archival purposes your work papers and copies of all work products delivered.

Fees.

The Client agrees to pay you directly for services rendered by you in connection with this matter. Your time charges presently range from \$XXX/hour. Out-of-pocket expenses are in addition to the time charges.

You will submit a copy of your invoice to both the Firm and the Client. The Firm will review and approve your invoices for payment.

Choice of Law.

This agreement shall be governed by the laws of the District of Columbia. The Firm, the Client and you hereby agree that exclusive jurisdiction to enforce any of the terms of this agreement shall reside in the courts in the District of Columbia. Facsimile copies of this agreement will be considered as originals for all purposes of law.

Corporate Obligation.

Your obligations are solely corporate obligations, and no officer, director, employee, agent, shareholder or controlling person shall be subject to any personal liability whatsoever to any person, nor will any such claim be asserted by or on behalf of any other party to this agreement, or any person relying on the opinions rendered.

Please sign and date this engagement letter in the spaces provided below to acknowledge, on behalf of ACCOUNTING FIRM, that you have read this letter and agree to be bound by the terms of this agreement as set forth herein. Please return a signed copy by facsimile or e-mail, and return the signed original by regular mail to the above address.

We look forward to working with you. If you have any questions, please feel free to contact me at the telephone number provided above.

Sincerely,

AGREED THIS _____ DAY OF [insert]

I declare that I have the authority to act on behalf of, obligate and bind ACCOUNTING FIRM, and I have read, understand and accept the terms of this engagement letter.

For and on behalf of ACCOUNTING FIRM

By: _____

Name: CPA

Title:

By: _____
CLIENT