

# POPKIN & ASSOCIATES, P.C.

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Annual Client Letter

Dear Clients:

If you're thinking about having us prepare your 2015 income taxes, this letter is a MUST READ. Even if you're a returning client, it is very important that you read this letter as soon as possible. Don't delay or you WILL be quite surprised come tax time.

Last year's joke has become this year's reality. I recently realized that I'm quickly approaching the age that one is considered a "senior citizen" in this country. I now get discounts at the movies and on public transportation. I can make a withdrawal from my retirement account without incurring a penalty this year, should I choose to do so. After chasing me around for almost a decade, AARP has just about caught up with me to join their organization. And I now play golf with a senior's group (although I am their youngest member.)

As hard as it is for me to believe, I've managed to make it to "senior" status in my life. This past November I celebrated a major milestone in my professional career, as I reached my 30<sup>th</sup> year anniversary as an attorney, and my 33<sup>rd</sup> year as an income tax professional. Well over 23 of those years have been as a self-employed business operator. I frequently hear people say "where has all the time gone?" I realize now that I've had a fascinating and rewarding journey serving my clients for most of my life, but that retirement idea now seems right around the corner!

For quite some time I've been alerting you (my clients) that the world of income tax preparation has been going through some BIG changes. Due to the ever expanding tax code and the ability of Congress to make more difficult that which was already hard enough, I have no choice but to make some drastic changes to my practice so as to keep pace with the changing income tax industry. These changes, coupled with a growing liability exposure, have become a costly burden I am now unable to bear based on the present structure of my business overhead.

Due to the above and other ever increasing issues, as well as my inability to obtain reasonably cost effective liability insurance coverage as a sole practitioner, I am being forced to begin my withdrawal from this business far sooner than I had originally anticipated. We are in a new age of business where we are watching markets change overnight, and unfortunately my business has been hit extremely hard by this phenomenon.

All of this has left me with very difficult decisions to make regarding the future of my business and my ability to continue providing income tax services as I have in the past. Unfortunately, I can no longer effectively continue to provide income tax preparation services to as many clients as I have in the past. As a result, in order to maintain the quality of service I feel necessary to satisfy the high standards of both myself and my clientele, I must both increase the charges for tax services and decrease the number of clients I can service in the future. I must also limit the types of tax work I will provide as well.

The result of all of this is that due to the uncontrollable costs and liabilities now associated with my business structure, I must now place a minimum charge of \$1,000.00 for all income tax return preparation services for you and your family for this coming tax season. I must also substantially reduce the number of clients I am able to work with in the future. In order to provide more personal attention to my clientele, I will be accepting only a very limited number of clients (125) for 2016, and future tax seasons. Once full, no other clients will be accepted.

Should you wait for tax season to make your decision about remaining a client of Popkin & Associates under this "new" practice arrangement, you may be too late! Therefore, let me know as soon as possible and I will reserve your spot for the coming year (tax season). Wait too long and you could miss the opportunity to be a part of the select few that I will be able to work with in the near future!

For those who feel that the fee structure is just not right for your particular situation and you need to look elsewhere for tax preparation services this year, I will be available to give you direction and support. I have made arrangements with several local CPAs and income tax professionals in our area to handle your income tax preparation needs and will be happy to introduce/refer you to them should you desire me to do so. These referral sources should be able to handle all of your tax preparation needs and requirements as I have provided to you in the past. I will also be available to assist you in the easy transition of your information wherever you may decide to go.

Please take note that my billing rate for all services received will remain at \$400.00 per hour (as stated above) as it has been for the past three (3) years. That being said, I will remind you that the ultimate fees charged for your tax preparation services (or legal services) may differ from year to year due the amount of time spent, the complexity of your returns, and the liability associated with work we perform for you that particular year. Of course, I will do all that I can to keep the costs of your returns at a reasonable price value during the necessary changes being made.

Should you have any questions or concerns regarding the restructuring of my practice and how it may impact you, please feel free to contact my office at your convenience. I will be happy to discuss these changes and how they might affect your tax services in the future.

Other than becoming a bit older and very concerned about the future of my business, this past year was both a rewarding and exciting one for me and my family. Our daughter, Ashley, was recently married to her long-time boyfriend, Justin Wilson, and it was a very joyous weekend and occasion for our family. And my son, Andy, has a new job that has taken him all over the world, including Germany, New Zealand, and most recently the UK, this past year.

Our family also had the good fortune to travel out West this summer visiting both Yellowstone National Park as well as New Mexico (Santa Fe). What great places in our own country to visit! Should you ever get the chance to go, do so; it's well worth the time. And as usual, golf dominated both my summer and fall activities! I have continued to strive towards my commitment to make the best of the "quality time" left in my life.

I continue to maintain close personal relationships with financial advisors Glen Merritt and Daniel Kaufman at both Raymond James and Merrill Lynch. Both provide the quality of service that I am comfortable referring to my clients without question. Each has their special areas of concentration in the marketplace. Should you be interested in discussing your financial investments with either one, please give me a call and I will make it happen for you!

On that note it is time to begin thinking about making your final year-end plans for your 2015 income taxes. Charitable contributions, Roth IRA Conversions, payment of deductible medical expenses, and harvesting stock losses to offset gains or \$3,000 of ordinary are all techniques to reduce your taxable income, either now or in the future. However, all of these things must be completed prior to the end of the year to be effective for 2015. Call me to discuss these (and other tax saving techniques) should you find the need to do so.

In an effort to shorten my annual client letter, much of the information that I used to cover within my past letters (the state of our economy and taxes), will be forwarded to you in an email following sometime after your receipt of this, my 2015 Client Letter. I would encourage you to spend few minutes with the Tax Change summary, as there is always much to learn. I will be sending you the 2015 Tax Change Summary (via email for most) within the next few days, so be on the lookout. Not only will the Summary review the tax code changes for the coming year, but it will also refer to some of the changes in the firm's processing procedures for this tax season.

I wish to thank you for your past business and the opportunity to be of service to you under our new arrangement this coming year. Your continued business is genuinely appreciated. I look forward to hearing from each of you in the very near future. Please enjoy a safe and happy Holiday Season and best wishes to you and yours throughout the coming New Year!

POPKIN & ASSOCIATES, P.C.  
Mark J. Popkin