

# ADVISORY AGREEMENT

THIS ADVISORY AGREEMENT (the "Agreement") is dated this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

## CLIENT

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(the "Client")

## ADVISOR

Michael Lodge, NCPM, CRTP  
Lodge & Co., 1233 Shadow Way, South Carolina 29615  
(the "Advisor")

### 1. BACKGROUND

1. The Client is of the opinion that the Advisor has the necessary qualifications, experience and abilities to provide consulting services to the Client.
2. The Advisor is agreeable to providing such consulting services to the Client on the terms and conditions set out in this Agreement.

**IN CONSIDERATION OF** the matters described above and of the mutual benefits and obligations set forth in this Agreement, the receipt and sufficiency of which consideration is hereby acknowledged, the Client and the Advisory (individually the "Party" and collectively the "Parties" to this Agreement) agree as follows:

### 1. SERVICES PROVIDED

1. The Client hereby agrees to engage the Advisor to provide the Client with the following consulting services (the "Services"):

- \_\_\_\_\_  
\_\_\_\_\_
- \_\_\_\_\_  
\_\_\_\_\_
- \_\_\_\_\_  
\_\_\_\_\_

If added services are needed, place as an addendum to this agreement

2. The Services will also include any other consulting tasks which the Parties may agree on. The Advisor hereby agrees to provide such Services to the Client.

### **3. TERM OF AGREEMENT**

3. The term of this Agreement (the "Term") will begin on the date of this Agreement and will remain in full force and effect indefinitely until terminated as provided in this Agreement.
4. In the event that either Party wishes to terminate this Agreement, that Party will be required to provide 10 days' written notice to the other Party.
5. In the event that either Party breaches a material provision under this Agreement, the non-defaulting Party may terminate this Agreement immediately and require the defaulting Party to indemnify the non-defaulting Party against all reasonable damages.
6. This Agreement may be terminated at any time by mutual agreement of the Parties.
7. Except as otherwise provided in this Agreement, the obligations of the Advisor will end upon the termination of this Agreement.

### **8. PERFORMANCE**

8. The Parties agree to do everything necessary to ensure that the terms of this Agreement take effect.

### **9. CURRENCY**

9. Except as otherwise provided in this Agreement, all monetary amounts referred to in this Agreement are in USD (US Dollars).

### **10. COMPENSATION**

10. The Advisor will charge the Client for the Services at the rate per hour (the "Compensation"). As outlined in the Advisory Fee Structure for Services
11. A retainer (the "Retainer") is payable by the Client upon execution of this Agreement based on the Advisory Fee Structure for Services..
12. For the remaining amount, the Client will be invoiced every month.
13. Invoices submitted by the Advisor to the Client are due upon receipt.

14. The Compensation as stated in this Agreement does not include sales tax, or other applicable duties as may be required by law. Any sales tax and duties required by law will be charged to the Client in addition to the Compensation.
15. The Advisor will not be reimbursed for any expenses incurred in connection with providing the Services of this Agreement.

## **16. INTEREST ON LATE PAYMENTS**

16. Interest payable on any overdue amounts under this Agreement is charged at a rate of 2.00% per annum or at the maximum rate enforceable under applicable legislation, whichever is lower.

## **17. CONFIDENTIALITY**

17. Confidential information (the "Confidential Information") refers to any data or information relating to the Client, whether business or personal, which would reasonably be considered to be private or proprietary to the Client and that is not generally known and where the release of that Confidential Information could reasonably be expected to cause harm to the Client.
18. The Advisor agrees that they will not disclose, divulge, reveal, report or use, for any purpose, any Confidential Information which the Advisor has obtained, except as authorized by the Client or as required by law. The obligations of confidentiality will apply during the Term and will survive indefinitely upon termination of this Agreement.
19. All written and oral information and material disclosed or provided by the Client to the Advisor under this Agreement is Confidential Information regardless of whether it was provided before or after the date of this Agreement or how it was provided to the Advisor.

## **20. OWNERSHIP OF INTELLECTUAL PROPERTY**

20. All intellectual property and related material, including any trade secrets, moral rights, goodwill, relevant registrations or applications for registration, and rights in any patent, copyright, trademark, trade dress, industrial design and trade name (the "Intellectual Property") that is developed or produced under this Agreement, is a "work made for hire" and will be the sole property of the Client. The use of the Intellectual Property by the Client will not be restricted in any manner.
21. The Advisor may not use the Intellectual Property for any purpose other than that contracted for in this Agreement except with the written consent of the Client. The Advisor will be responsible for any and all damages resulting from the unauthorized use of the Intellectual Property.

## **22. RETURN OF PROPERTY**

22. Upon the expiration or termination of this Agreement, the Advisor will return to the Client any property, documentation, records, or Confidential Information which is the property of the Client.

### **23. CAPACITY/INDEPENDENT CONTRACTOR**

23. In providing the Services under this Agreement it is expressly agreed that the Advisor is acting as an independent contractor and not as an employee. The Advisor and the Client acknowledge that this Agreement does not create a partnership or joint venture between them and is exclusively a contract for service. The Client is not required to pay, or make any contributions to, any social security, local, state or federal tax, unemployment compensation, workers' compensation, insurance premium, profit-sharing, pension or any other employee benefit for the Advisor during the Term. The Advisor is responsible for paying, and complying with reporting requirements for, all local, state and federal taxes related to payments made to the Advisor under this Agreement.

### **24. RIGHT OF SUBSTITUTION**

24. Except as otherwise provided in this Agreement, the Advisor may, at the Advisor's absolute discretion, engage a third party sub-contractor to perform some or all of the obligations of the Advisor under this Agreement and the Client will not hire or engage any third parties to assist with the provision of the Services.

25. In the event that the Advisor hires a sub-contractor:

- the Advisor will pay the sub-contractor for its services and the Compensation will remain payable by the Client to the Advisor.
- for the purposes of the indemnification clause of this Agreement, the sub-contractor is an agent of the Advisor.

### **26. AUTONOMY**

26. Except as otherwise provided in this Agreement, the Advisor will have full control over working time, methods, and decision making in relation to provision of the Services in accordance with the Agreement. The Advisor will work autonomously and not at the direction of the Client. However, the Advisor will be responsive to the reasonable needs and concerns of the Client.

### **27. EQUIPMENT**

27. Except as otherwise provided in this Agreement, the Advisor will provide at the Advisor's own expense, any and all equipment, software, materials and any other supplies necessary to deliver the Services in accordance with the Agreement.

**28. NO EXCLUSIVITY**

28. The Parties acknowledge that this Agreement is non-exclusive and that either Party will be free, during and after the Term, to engage or contract with third parties for the provision of services similar to the Services.

**29. NOTICE**

29. All notices, requests, demands or other communications required or permitted by the terms of this Agreement will be given in writing and delivered to the Parties at the following addresses:

- 1. \_\_\_\_\_  
\_\_\_\_\_
- 2. Michael Lodge, NCPM, CRTP  
1233 Shadow Way, South Carolina 29615

or to such other address as either Party may from time to time notify the other, and will be deemed to be properly delivered (a) immediately upon being served personally, (b) two days after being deposited with the postal service if served by registered mail, or (c) the following day after being deposited with an overnight courier.

**2. INDEMNIFICATION**

30. Except to the extent paid in settlement from any applicable insurance policies, and to the extent permitted by applicable law, each Party agrees to indemnify and hold harmless the other Party, and its respective affiliates, officers, agents, employees, and permitted successors and assigns against any and all claims, losses, damages, liabilities, penalties, punitive damages, expenses, reasonable legal fees and costs of any kind or amount whatsoever, which result from or arise out of any act or omission of the indemnifying party, its respective affiliates, officers, agents, employees, and permitted successors and assigns that occurs in connection with this Agreement. This indemnification will survive the termination of this Agreement.

**31. MODIFICATION OF AGREEMENT**

31. Any amendment or modification of this Agreement or additional obligation assumed by either Party in connection with this Agreement will only be binding if evidenced in writing signed by each Party or an authorized representative of each Party.

**32. TIME OF THE ESSENCE**

32. Time is of the essence in this Agreement. No extension or variation of this Agreement will operate as a waiver of this provision.

### **33. ASSIGNMENT**

33. The Advisor will not voluntarily, or by operation of law, assign or otherwise transfer its obligations under this Agreement without the prior written consent of the Client.

### **34. ENTIRE AGREEMENT**

34. It is agreed that there is no representation, warranty, collateral agreement or condition affecting this Agreement except as expressly provided in this Agreement.

### **35. ENUREMENT**

35. This Agreement will enure to the benefit of and be binding on the Parties and their respective heirs, executors, administrators and permitted successors and assigns.

### **36. TITLES/HEADINGS**

36. Headings are inserted for the convenience of the Parties only and are not to be considered when interpreting this Agreement.

### **37. GENDER**

37. Words in the singular mean and include the plural and vice versa. Words in the masculine mean and include the feminine and vice versa.

### **38. GOVERNING LAW**

38. This Agreement will be governed by and construed in accordance with the laws of the State of South Carolina.

### **39. SEVERABILITY**

39. In the event that any of the provisions of this Agreement are held to be invalid or unenforceable in whole or in part, all other provisions will nevertheless continue to be valid and enforceable with the invalid or unenforceable parts severed from the remainder of this Agreement.

### **40. WAIVER**

40. The waiver by either Party of a breach, default, delay or omission of any of the provisions of this Agreement by the other Party will not be construed as a waiver of any subsequent breach of the same or other provisions.

**IN WITNESS WHEREOF** the Parties have duly affixed their signatures under hand and seal on this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_ (Client)

\_\_\_\_\_  
Michael Lodge, NCPM, CRTP  
Advisor  
Lodge & Co.

# ADVISORY FEE STRUCTURE FOR SERVICES

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**Fees below are effective September 1, 2020:**

Most industry surveys confirm that the fees Lodge & Co. charge for our professional services are very reasonable and competitive. They are also not negotiable. Every January we review our services and prices and adjust or keep the fees as is. We have been in private practice since 1984

## **BUSINESS AND FAMILY MEDIATION**

Business Mediation - \$175 per hour, scheduled 4 hour sessions

Workplace / Employment Disputes - \$175 per hour, scheduled 4 hour sessions

Family Mediation - \$100 per one hour session, scheduled 4 hour sessions

Separation / Divorce Mediation - \$1,000 with 4 sessions included

## **VIRTUAL CONSULTATIONS - BUSINESS ADVISORY SERVICES**

For business advisory services that covers business formations, business tax questions, management and HR issues, and other business issues, the fee for a one-hour session is \$175 (per hour).



## INCORPORATION /LLC FORMATION

("For-profit") carries a fee of \$1,200.00 prepaid as a (non-refundable) Minimum Fee Retainer that includes

- All initial Secretary of State and Corporation Commission fees, such as Filing initial CA Statement of Information (regarding Officers & Directors),
- Preparing standard form Charter Documents such as Articles of Incorporation (or Operating Agreement for an LLC), and By-Laws
- Obtaining Federal and State Employer ID numbers,
- Helping you through the tax decision of S-Corporation Election (Form 2553),
- Two (2) Hours of Business Consulting, including 1 year of Registered Agent service.

NOTE: In some States they may have additional charges. You must incorporate (or [register](#) as a 'Foreign' entity to do business) in the State where your business physically resides or has activities that qualify as "doing business."

NOTE: If we formed your business entity we will provide you with the first annual board meeting and provide an agenda and provide you with minutes to the meeting. Every year after that there will be a fee to organize and prepare minutes for your board meetings. The fee is \$200

**AGENT OF SERVICE:** If you need an agent of service for your business and to be listed on your Statement of Information submitted to the state, our fee is: \$300 per

year.

**MERGER or DISSOLUTION** fee for a Corporation or LLC is \$175.00 (in addition to any State filing Fees). The \$175 includes a \$25.00 certified copy fee that the State now charges as of 2022.

## **BOOKKEEPING**

If you are in business you **MUST** maintain a formal set of Books of Account that will be requested if you ever have an Audit. We can help you with that (see our fees below). Be warned that IRS is now routinely requiring, during business audits, an electronic copy of Taxpayer's self-maintained QuickBooks File if that information was used in tax return preparation.

**QUICKBOOKS** file setup (whether we will do the Bookkeeping or for those who want to do it themselves) is subject to a non-refundable, Minimum Fee Retainer of \$300.

**QUICKEN** conversion (to make your file useful for tax preparation), and related **QUICKBOOKS TRAINING** conducted only in our office, are \$75/hour subject to a one hour (non-refundable) Minimum Fee Retainer of \$75.

## **BOOKKEEPING SERVICE**

Monthly/Quarterly Bookkeeping Services - hourly rate: \$75

Quarterly QuickBooks Review and Reconciliation (if doing

yourself) - small businesses average per quarter \$174 - \$500

**A NON-REFUNDABLE, MINIMUM FEE RETAINER** of \$450 IS REQUIRED OF ALL NEW ACCOUNTS ENGAGED BEFORE NOVEMBER 1st (after that date see “Year-End Bookkeeping” below).

**“YEAR-END” BOOKKEEPING.** December and January are two of our busiest months due to tax agency deadlines— if you cannot possibly bring in your records until then we cannot guarantee your return will not need to be extended, and you will be billed at the same rates above but subject to a non-refundable, Minimum Fee Retainer of \$900 (\$600 x 12 months). Work will begin on your “Year-End” Bookkeeping after we receive your Retainer. (only for companies with revenue up to and not exceeding \$499,000. Business with revenues over \$500,000 the fees are dependent on the amount of work).

1099’s that this office prepares carry a base fee of \$30 for the 1099/1096, plus \$5 for each additional 1099.

**BILLING POLICY.** All invoices are due upon receipt. Invoiced Accounts that are not paid in full within 30-days are subject to \$10/month Late Penalty Fee. Checks Returned for ANY reason, or amounts charged back Credit Card payments are subject to a \$50 NSF, Returned Item, or Credit Card Charge back Penalty Fee. NOTE: Any payments received after a Penalty Fee is

assessed are applied first to such Fees assessed, and the balance to the amount originally owed.

**PAYROLL SERVICE: Payroll roll services are provided, direct deposit only to employees.**

Payroll services: \$20 per employee includes filing of federal and state tax filings & W-2 processing.

## **TAX RETURNS**

TAX RETURN PREPARATION fees are based on forms used in the return AND THE TIME AND EXPERTISE REQUIRED. Tax Returns will not be released to client for removal from our office (even in “draft” printed or [PDF](#) format) until our fees are paid in full.

### **1. INDIVIDUAL RETURNS**

- \$145 Form 1040/1040A (no itemized deductions)
- \$20 Itemized Deductions Schedule-A, PLUS:
- \$25 Form 8829 Office in the Home
- \$10 Form 8863 Education Credits
- \$5 Form 1095-OTR Health Insurance Coverage
- \$25 Form 8962 Health Insurance Premium Tax Credit
- \$25 Form 8965 Health coverage Exemption
- \$10 Form 8283 Non-Cash Donations Greater Than \$500 per Recipient

- \$50 Form 4684 Casualty Losses, per loss, except for Presidential Declared Disaster Losses which are free of charge.
- \$10 Interest & Dividend Income Schedule-B for the first 4 entries. Any additional entries will be \$2.00 each. If you have a Foreign account or Trust, a separate form will be required and the fee is \$100.
- \$85 Business Schedule-C or Farm Schedule-F (Minimum fee) – including Auto Expense Worksheet (up to 3 vehicles – additional vehicles \$15 each), Depreciation Form 4562, Office in Home Form 8829, and Self-Employment Tax Schedule SE. Businesses are Audit Targets. Income verification required, bring your business bank statements, and completed bookkeeping. (IF YOU BRING ONLY RECEIPTS AND BANK STATEMENTS, YOU WILL BE CHARGED \$75/HR IN ADDITION TO THE MINIMUM FEE.)
- \$20 Capital Gain/Loss Schedule-D (non-business)
- \$45 Capital Gain/Loss Form 4794 (business or rental) each sale
- \$80 Rental Income Schedule-E (Residential and Commercial Rentals) (Minimum Fee per each property and includes Depreciation Form 4562, and Passive Loss Limitation Form 8582 and related Worksheets). Income and Depreciation on Rentals are Audit Targets. Bring your prop statements and HUD statements from purchase and Improvement Loans.
- \$75 Farm Rental-Form 4835 (per each property and includes Depreciation Form 4562, and Passive Loss Limitation Form 8582 and related Worksheets)

- \$20 per page Gambling Winnings Forms W2G, (up to 4 forms per page)
- \$5 per Wage Income Form W2, for each in excess of 4 forms
- \$5 per Retirement/Pension Income Forms 1099-R, for each in excess of 4 forms
- \$5 per Miscellaneous Income Forms 1099-MISC, for each in excess of 3 forms
- \$50 Extensions (pre-paid)
- \$75 (\$195 total) Earned Income Tax Credit (EITC) (parents with children) due to new “due diligence” requirements placed by IRS on Tax Preparers we shall require the following, additional documentation to be provided by the Taxpayer: school, child care provider, landlord, medical or other records that designate the child’s place of residency as that of the Taxpayer; if child is disabled a Doctor, health care provider, or Social Services agency statement; if parent is self-employed a copy of your business license, and records of gross receipts and expenses provided by Taxpayer. NOTE: We are now required to retain these documents for 3 years.
- \$50 each for 2nd or additional State returns.
- \$185 Minimum Fee Retainer for Amendments

Not all Forms/Schedules that may be needed for your return are listed above. These fees are not all inclusive and may change depending on the size of the return.

**Prior year Non-Filers may** pay a \$195 per year or more

(depending on the complexity of the return), Non-refundable, Minimum Fee Retainer, execute an IRS Power of Attorney Form 2848, provide full relevant documentation (before our work commences), and must also agree to have no further direct contact with IRS.

**Audit Letters:** If you receive random audit letters from the IRS or Federal we do not represent you for free, there will be a fee. Random audit letters have pulled your tax return to review based on the IRS's algorithm search criteria. We do ask that you provide us with all of the backup to what is being questioned by the IRS or State audit unit.

**2. CORPORATION** (“C” or “S”), PARTNERSHIP, LLC RETURNS preparation fees are based on the time and expertise required, and the complexity and degree of organization of your data.

Corporate or LLC Minimum Fee is \$575 (plus \$15 for each participant Schedule-K-1) for a Services only entity that does not require a Balance Sheet (i.e., Gross Receipts are under \$250,000 and Total Corporate Assets are under \$250,000, or \$600,000 in Assets for Partnership/LLC). Fee charged includes electronic filing (if available) and one State Return if required.

**NOTE:** If the entity sells products, carries inventory, or exceeds the above amounts, the return will be required to file a Balance Sheet — that will add \$175 to the Minimum Fee, making it \$750. If additional Schedules or Forms are

required there will be an additional fee for each such Schedule of Form.

NOTE: Our bookkeeping clients receive a discount of \$100 on the Corporate tax return fees.

**TAX AUDIT REPRESENTATION** fees are hourly based, subject to a \$2,160 prepaid, non-refundable, Minimum Fee Retainer PER INCOME TAX YEAR UNDER AUDIT, and do not include any subsequent Appeals or Tax Court Hearings or related filings. Tax Audits are increasingly being conducted by correspondence (those more often than not end up in Appeals), sometimes at the IRS' office locally, but more often are held in our office if the return involves a business.

NOTE: If you undertake the Audit yourself or our office did not prepare the original return and subsequently turn it over to us for Reconsideration (a Re-do by a different Audit Group) or Appeals, the Minimum Fee Retainer will be \$2,825 PER TAX YEAR UNDER AUDIT.

If the Audit scope or complexity increase and more time is needed to be devoted than is covered by the above Retainer, you will be asked to provide additional funds.

**TAX AUDIT APPEALS** (or Collections) fees are hourly based, subject to a non-refundable, \$600 prepaid, Minimum Fee Retainer per Income Tax Year, if we handled the underlying Audit. If we are taking over from someone else the Minimum Retainer will be \$1800.



**TAX REPRESENTATION** (Outside of Income Tax Audit), such as Reviewing and Responding to an IRS CP-2000 “Notice of Proposed Assessment” (based on omissions on your tax return), or other tax agency matters (EDD, FTB, BOE, or other) that require written replies or telephone resolution are subject to a \$125 non-refundable Minimum Fee Retainer — avoid this fee by reporting ALL your income in the original return!

**THIRD PARTY WRITTEN COMMUNICATIONS**, such as standardized Lender Letters (often required for some refinancing), are subject to a fee of \$60 (plus \$5 transmission fee) and their content will contain language that protects our firm from lender lawsuits if your loan goes bad.

**SECRETARY OF STATE ANNUAL FILINGS**, such as Statement of information require a Filing Fee of \$25 payable to the Secretary of State (CA) and a processing Fee for our service of \$25. Other states may have a different charge for the annual filing statement with their Secretary of State.

**\$60 NO SHOW FEE.** We charge a \$60 NO SHOW FEE if your tax appointment is NOT canceled OR rescheduled AT LEAST 24 hours prior. This fee is payable when your return is finally done.