

[Date]

[Client Name]

[Client Address]

[City, State, Zip Code]

Re: Engagement for Estate and Gift Tax Valuation Services

Dear [Client Name],

This letter confirms the terms and objectives of our engagement to provide valuation services for [Name of Entity/Asset] as of [Valuation Date].

1. Scope of Services

We will perform a valuation of [Description of Interest, e.g., a 10% non-controlling interest in XYZ LLC]. The purpose of this valuation is to determine the Fair Market Value of the interest for [Estate Tax / Gift Tax] filing purposes with the Internal Revenue Service (IRS).

2. Standard of Value

The valuation will be conducted based on the standard of "Fair Market Value," defined as the price at which the property would change hands between a willing buyer and a willing seller, neither being under any compulsion to buy or to sell and both having reasonable knowledge of relevant facts, as defined under Treasury Regulation §20.2031-1(b).

3. Responsibilities of the Client

You agree to provide all financial records, legal documents, and other information necessary for us to complete the valuation. We will rely on the information provided without independent verification, although we may request clarification.

4. Deliverables

We will provide a formal written valuation report intended to meet the "Adequate Disclosure" requirements of Treasury Regulation §301.6501(c)-1(f). This report is intended solely for the use of the Client and their professional tax advisors for tax compliance purposes.

5. Fees and Payment

Our fee for this engagement is estimated to be \$[Amount]. A retainer of \$[Amount] is required prior to commencement. The balance is due upon delivery of the final report. Additional fees may apply for any requested testimony or IRS audit support.

6. Limitations and Use

This report may not be used for any purpose other than those stated above. We do not provide legal or tax advice. Our services do not constitute an audit or review of financial statements.

Please sign and return a copy of this letter to indicate your acceptance of these terms.

Sincerely,

[Valuation Professional Name]
[Firm Name]

Acknowledgment and Acceptance:

Signature: _____ Date: _____
[Print Name]