[Date]

[Client Name]
[Client Address]
[City, State, Zip Code]

Dear [Client Name],

Subject: Business Valuation and Succession Tax Planning Engagement

This letter outlines our proposal to assist you with a formal business valuation and the development of a tax-efficient succession plan for [Company Name].

Our objective is to determine the fair market value of your business interests and structure a transition strategy that minimizes tax liabilities while meeting your long-term financial goals.

1. Business Valuation Services

- Review of historical financial statements and tax returns.
- Analysis of market trends and comparable company data.
- Application of appropriate valuation methodologies (Income, Asset, or Market approach).
- Preparation of a formal valuation report for tax and planning purposes.

2. Succession Tax Planning

- Evaluation of tax implications for various exit strategies (sale, gift, or redemption).
- Analysis of Estate and Gift Tax exposures.
- Structuring of buy-sell agreements or family limited partnerships.
- Recommendations for optimizing Capital Gains treatment.

3. Information Required

To begin this process, we will require the last three years of financial statements, current organizational charts, and any existing shareholder agreements.

4. Professional Fees

Our fees for these services are estimated at [Insert Amount/Hourly Rate]. This estimate covers the scope defined above; any significant changes in scope will be discussed with you in advance.

Please sign below to indicate your acceptance of these terms.

Sincerely,

[Your Name]
[Your Title]
[Firm Name]

Accepted by:

____
[Client Name]
Date: ________________________