

Good Afternoon:

I am writing to you about an important and major change. On January 1, 2024, the Corporate Transparency Act (the “CTA”) will take effect. The CTA will impose significant new reporting requirements on most small businesses.

The CTA was enacted by Congress as part of its effort to combat terrorism, organized crime, and money-laundering. The CTA requires most entities (referred to as “reporting companies”) to report information about the companies themselves, their beneficial owners, and company applicants (the persons who signed the formation documents for the entity). It is vital to understand that the law is quite broad and will apply to a vast number of companies, with severe penalties for not accurately and timely reporting required information to the government.

Entities formed on or after January 1, 2024, and through December 31, 2024, will be required to report no later than **90 days** after the entity is formed. Companies formed thereafter have initial filings due no later than 30 days after the company’s formation Reporting information for currently existing entities or entities formed before December 31, 2023, is due before January 1, 2025.

It would be our recommendation that if you are considering creating new entities, that they be prepared and filed prior to the end of the year. If you wait to form the new entity in 2024, the reporting time frame is much quicker. As such, we are strongly recommending creating entities prior to the start of 2024, so you get that additional grace period.

Each reporting company must file its initial report, which must include the following information:

- Full legal business name and any trade or “doing business as” name;
- Complete address of the company;
 - Principal Place of Business (no PO Box);
 - Mailing Address;
- State of formation;
- Date of formation; and
- EIN of the business

Additionally, each initial report must include the information of each beneficial owner of the company. The required information of each beneficial owner include:

- Full legal name;
- Date of birth;
- Complete current residential address; and
- A unique identifying number from official governmental identification documents (e.g., non-expired passport or government issued driver’s license), and a copy of the document used.

For purposes of the CTA, beneficial owners are not just the persons many would consider to be owners of an entity. A beneficial owner includes any individual who, directly or indirectly, either (i) exercises “substantial control” over a reporting company or (ii) owns or controls at least 25

percent of the ownership interests of such reporting company. Additionally, if a person has substantial control over the entity their information must be provided.

The penalties for an entity or beneficial owner failing to report complete or maintain updated beneficial ownership information are severe. There are civil and criminal penalties for violations of up to \$500 for each day that the violation continues or has not been remedied, fines up to \$10,000, and up to 2 years imprisonment.

There are steps you should take now to minimize or delay any potential CTA filing requirements.

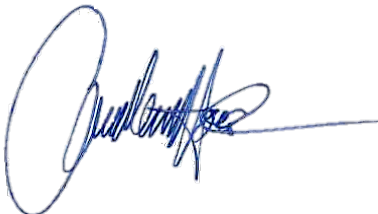
First, if you own interests in old entities that still are in existence but no longer serve a purpose, serious consideration should be given to unwinding those entities prior to December 31, 2023. If the entity is no longer in existence as of January 1, 2024, there will be no reporting requirements for it under the CTA. Please notify us immediately if you would like our assistance dissolving unused entities and we would be happy to assist you.

Second, if you are considering creating a new entity, again, you should consider creating that entity prior to December 31, 2023. This step will allow you additional time to complete the necessary due diligence for CTA reporting compliance because the initial report will not be due until January 1, 2025.

If you would like to engage us to create any new entities or dissolve existing entities this year, please let us know. We are prepared to assist you in understanding the CTA; however, we are not engaging in any CTA compliance reporting until after the new year. I look forward to hearing from you should you have any questions.

Sincerely,

YORK HOWELL

A handwritten signature in blue ink, appearing to read 'Andrew L. Howell', with a large, stylized initial 'A'.

Andrew L. Howell
ALH/cm