

January 10, 2018

Mr. Phil Thornburg, Director of Parks and Recreation
City of Fort Lauderdale Parks and Recreation Department
1350 W. Broward Boulevard
Fort Lauderdale, FL 33312

Re: Agreement to Provide Professional Forensic Accounting Services

Dear Mr. Thornburg:

Thank you for your interest in retaining the forensic accounting services of **Anthony Brunson P.A.**

The purpose of this correspondence is to outline our understanding of the professional services you have requested and to provide an estimate of the related professional fees and expenses.

Anthony Brunson P.A. has completed an attestation engagement as of and for the periods ended September 30, 2016 and 2015 in connection with Carriage Funeral Services Inc.'s (Carriage) compliance with the financial components of its Management Services Agreement (Agreement) with the City of Fort Lauderdale, Florida (the City).

Scope of Engagement

You have requested that the aforementioned engagement be extended for the periods ended September 30, 2013 and 2014 as well as of and for the period ended September 30, 2017. The scope of work for the aforementioned fiscal periods in this paragraph shall be forensic accounting services with respect to the following:

Objective

This forensic accounting services engagement serves to examine Carriage Funeral Services, Inc.'s compliance with the financial components of its Agreement with the City of Fort Lauderdale, Florida and determine amounts due the City, if any.

An extension of fiscal time periods under examination occurred as a result of the outcome of attestation reports presented to the City indicating substantial amounts due as a result of noncompliance by Carriage of its Agreement with the City.

Engagement Methodology

We will perform the engagement in accordance with Standard Practices for Investigative and Forensic Accounting Engagements as indicated in Statement of Standards for Consulting Services No. 1 and the AICPA Code of Professional Conduct. These standard practices require that we conduct the investigation utilizing an investigative mindset in the identification, pursuit, analysis and evaluation of information relevant to the Agreement, contemplating that such information may be biased, false, unreliable and/or incomplete and that our findings and conclusions will be presented in an objective and unbiased manner. The forensic accounting services work will primarily encompass the:

- Cemetery Management Services Agreement with the City of Fort Lauderdale
- The City's codes and ordinances, rules and regulations as described in its Agreements
- Perpetual Care Trust Fund financial statements for the periods under examination.
- Annual audit reports of the Cemetery management Services Agreement of Carriage.
- All available books and records of Carriage Funeral Services, Inc. deemed relevant to satisfy the aforementioned objective.

We are not aware of any conflict that would affect our ability to act impartially advance of obtaining sufficient relevant information and completing its analysis, **Anthony Brunson P.A.** cannot provide any assurance that it will be able to support any position. If we are providing expert witness services, our primary duty is to the City of Fort Lauderdale, Florida.

We anticipate issuing a final report no later than May 15, 2018 with our findings and observations.

Professional Team

Currently we have identified associates of **Anthony Brunson P.A.** to be potentially assigned to this investigation. The names, titles, and hourly rates of these professionals are as follows:

Anthony Brunson CPA, Partner professional rate - \$275/hour

Kathelyn Zimmerer CPA, MBA & Audrey Robinson, MAcc, Managers professional rate - \$165/hour

Karen Greaves, Staff Consultant professional rate - \$105/hour

The investigation will be led by *Anthony Brunson CPA*.

Professional Fee and Expenses

We estimate that our fees for these services will be **\$36,000** plus direct out of pocket expenses. The fee estimate is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the engagement. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs.

Direct expenses (anticipated not to exceed \$500) shall include all reasonable out-of-pocket costs incurred in connection with the services provided on this engagement (e.g. travel, accommodation, copying of documents, telephone calls, postage, etc.). We agree to present a reasonably itemized statement of such expenses and shall provide copies of original invoice or other documentation upon request.

Professional Rates and Expenses (cont'd)

Our fees and expenses will be invoiced at various stages of progress. The invoices are due upon rendering. Fees and expenses are not contingent on the successful resolution of the matters that are the subject of this engagement.

As you can appreciate it is difficult to estimate the total time required to complete such an investigation and prepare reports on the progress. Any estimate of anticipated fees for services provided prior to or during the course of the work is our best estimate of the effort that will be required to complete the services based on the information available at the time. Under no circumstances shall it be deemed a maximum fee or fixed price. However, be advised that we have discounted our proposed fees 15% to arrive at the current fee estimate.

Standard Terms and Conditions

By signing this letter, both parties agree to be bound by our standard terms and conditions attached.

Agreement

If you are in agreement with the terms set out in this correspondence, please sign the copy of this letter in the space provided and return it to us for our files. The signed copy can be returned via mail or e-mail (ABrunson@abcpasolutions.com) to the attention of Anthony Brunson.

If you have any questions, please do not hesitate to call the undersigned at (954)361-6571

Sincerely,

ANTHONY BRUNSON P.A.

Anthony Brunson

City of Fort Lauderdale Parks and Recreation Department agrees to the above terms:

Name

Position or Office

Signature

Date

STANDARD TERMS AND CONDITIONS

Limitations and Restrictions

Our report is not to be reproduced or used for any purpose other than that outlined in this engagement without our written permission.

Subsequent to the completion of the engagement, **Anthony Brunson P.A.** is not under any obligation to update its advice, recommendations or work product for changes or modifications to the law and regulations, or to the judicial and administrative interpretations thereof, or for subsequent events or transactions, unless Client separately engages **Anthony Brunson P.A.** to do so in writing after such changes or modifications, interpretations events or transactions.

This is a services engagement. **Anthony Brunson P.A.** warrants that it will perform services hereunder in good faith with qualified personnel in a competent and workmanlike manner in accordance with applicable industry standards. **Anthony Brunson P.A.** disclaims all other warranties, representations or conditions either express or implied.

Reporting

During the performance of the services, **Anthony Brunson P.A.** may supply oral, draft or interim advice, reports or presentations but in such circumstances **Anthony Brunson P.A.**'s final written report shall take precedence.

Confidentiality

Anthony Brunson P.A. will treat as confidential all proprietary information obtained from the City in the course of the engagement except requested by either Carriage or the City in writing. **Anthony Brunson P.A.** will only use such information in the connection with the performance of its services.

The above restrictions shall not apply to any confidential information that: (i) is required by law or professional standards applicable to **Anthony Brunson P.A.** to be disclosed; (ii) that is in or hereafter enters the public domain; (iii) that is or hereafter becomes known to the City or **Anthony Brunson P.A.**, as the case may be, without breach of any confidentiality obligation; or (iv) that is independently developed by the City or **Anthony Brunson P.A.**, as the case may be.

Legal Proceedings

The City agrees to notify **Anthony Brunson P.A.** promptly of any request received by the City from any court or applicable regulatory authority with respect to the services hereunder, **Anthony Brunson P.A.**'s advice or report or any related document.

If **Anthony Brunson P.A.** is required by law, pursuant to government regulation, subpoena or other legal process or requested by the City to produce documents or personnel as witnesses arising out of the engagement and **Anthony Brunson P.A.** is not a party to such proceedings, The City shall reimburse **Anthony Brunson P.A.** at standard billing rates for professional time and expenses, including, without limitation, reasonable legal fees, incurred in responding to such requests.

Legal Proceedings (cont'd)

When requested or required by law, subpoena or other legal process or otherwise, that **Anthony Brunson P.A.** provide information and documents relating to the City's affairs, **Anthony Brunson P.A.** will use all reasonable efforts to refuse to provide information and documents over which the City asserts legal privilege or which has been acquired or produced in the context of the engagement of legal counsel by or on behalf of the City, except where providing such copies, access or information is required by law, or a public oversight board in respect of reporting issuers.

Where the City provides any document to **Anthony Brunson P.A.** in respect of which the City wishes to assert legal privilege, the City shall clearly mark such document "privileged" and shall otherwise clearly advise **Anthony Brunson P.A.** that the City wishes to maintain legal privilege in respect thereof.

E-mail Communication

The City recognizes and accepts the risks associated with communicating by Internet e-mail, including (but without limitation) the lack of security, unreliability of delivery and possible loss of confidentiality and privilege. Unless the City requests in writing that **Anthony Brunson P.A.** does not communicate by Internet e-mail, the City assumes all responsibility or liability in respect of risk associated with its use.

Termination of Engagement

In the event that either party wishes to terminate this engagement, they are required to advise the other party in writing. Once written notification has been served, no further hours will be charged. All fees incurred prior to the notification will become due.

Indemnification

The City hereby agrees to indemnify, defend, and hold harmless **Anthony Brunson P.A.**, its affiliates, and their respective partners, principals, officers, directors, employees, and agents (each of the foregoing being hereinafter referred to individually as a "Company Indemnified Party") from and against any and all liabilities, losses, expenses (including attorney's fees and legal expenses related to such defense), fines, penalties, taxes, or damages (collectively "Liabilities") arising out of or relating to any:

- A. personal injury, death, or property damage to the extent caused by the negligence or willful misconduct of the City, its employees, agents, or contractors;
- B. breach or default by the City of any term or provision of this Agreement;
- C. claim asserted by the City or Carriage against any Company Indemnified Party to the extent such Liabilities arise out of or result from the Services;
- D. claim that the Services and/or Inventions, or any portion thereof, infringe upon or violate any patent, copyright, trade secret, contractual, or any other proprietary right of any third party; and

Indemnification by Anthony Brunson P.A. (Company)

Company shall promptly notify The City of any third party claim subject to indemnification hereunder and the City shall, at Company's option, conduct the defense or settlement of any such third party claim at the city's sole expense and Company shall reasonably cooperate with the City in connection there with.

Company hereby agrees to indemnify, defend, and hold harmless the City and their respective officers, directors, employees, and agents (each of the foregoing being hereinafter referred to individually as a "City Indemnified Party") from and against any and all Liabilities arising out of or relating to any:

- A. personal injury, death, or property damage to the extent caused by the negligence or willful misconduct of Company, its employees, agents, or representatives;
- B. breach or default by Company of any term or provision of this Agreement; and
- C. claim asserted by the Carriage against any City Indemnified Party to the extent such Liabilities arise out of or result from services performed directly by Company.

The City shall promptly notify Company of any third party claim subject to indemnification hereunder and Company shall, at the City's option, conduct the defense or settlement of any such third party claim at Company's sole expense and the City shall reasonably cooperate with Company in connection therewith.