

**DATE**

*FIRM NAME*

*Address*

*City, State, ZIP*

This representation letter is provided in connection with the examination of your compliance with *SBA FORM 3508, Paycheck Protection Program PPP Loan Forgiveness Application Revised June 16, 2020 (6/20)* of [REDACTED] (“the Applicant”) for the 24-week covered period beginning the date of receipt of the funds. The Applicant’s management is responsible for receiving, disbursing and reporting the activity of Paycheck Protection Program (“PPP”) loan proceeds to achieve loan forgiveness in accordance with the guidelines defined in the *Coronavirus Aid, Relief, and Economic Security (CARES) Act (sections 1120 and 1106) as well as all other guidance related to the PPP loan program as issued by the Small Business Administration (SBA), the United States Treasury, and Rules and Regulations issued in the Federal Register under 13 CFR Part 120.*

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material because of qualitative factors.

We confirm, to the best of our knowledge and belief, as of [REDACTED], the following representations made to you during your examination.

**SBA FORM 3508 & Information Provided**

- 1) We have fulfilled our responsibilities, as set out in the terms of the examination engagement letter dated [REDACTED].
- 2) Related party relationships and transactions have been appropriately accounted in the associated calculations.
- 3) We have provided you with all requested information.
- 4) We have reviewed the form SBA 3508 and the underlying assumptions and calculations used in the submission to our lending institution.
- 5) FTE’s were calculated on a per payroll basis, averaging all payrolls for a month and then averaging remaining months during period (base line and covered period).
- 6) We have 500 or fewer employees whose principal place of residence is in the United States, or our business meets the SBA employee-based size standards for the industry in which it operates (if applicable).
- 7) To the best of our knowledge today as of the date of the application for the PPP loan, we have uncertainty of economic conditions making necessary the PPP loan request to support the ongoing operations of our business.
- 8) No owner of 20% of greater ownership is presently incarcerated, on probation, on parole; subject to an indictment, criminal information, arraignment, or other means by which formal criminal charges are brought in any jurisdiction; or, within the last five years, for any felony, has been convicted; pleaded guilty; pleaded nolo contendere; been placed on pretrial diversion; or been placed on any form of parole or probation (including probation before judgment).
- 9) Payroll cost do only include the gross wages incurred and paid, no payroll more than \$100,000 annually, health insurance and 401k matching or profit sharing for 24/52 of the annual amount, and SUTA taxes incurred and paid.
- 10) We did not use any Family First Relief Act ‘sick pay’ or FMLA gross wages which we applied for a payroll tax credit during the covered period other than which was disclosed to you.
- 11) We did not include any mortgage interest of a related party where the related party received assistance of the SBA to make payments from March to September 2020.
- 12) Did not include any rent payments to related parties apart from interest incurred and paid on mortgages allowed under the CARES Act.

- 13) We agree to hold you harmless from any and all claims arising from or related to the acceptance and approval of the Application and the ultimate forgiveness of the relevant portion of the SBA loan you received due to Forrestall CPA's good faith completion of services described in your engagement letter.
- 14) In regard to the examination services performed by you, we have—
  - a. Assumed all management responsibilities.
  - b. Evaluated the adequacy and results of the services performed.
  - c. Accepted responsibility for the results of the services.

Signature: \_\_\_\_\_

Title: \_\_\_\_\_