

CARLTON, HEALY & FREDERICK LLP

Certified Public Accountants

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July 26, 2006

Dear Client:

The 2005 form 5500/5500EZ filing requirements remain the same as in prior years if any of the following conditions are met: the plan has been terminated and this is the final plan year; the total fair market value of all plan assets at the end of the plan year exceeds \$100,000; or the business covered by the plan has employees. In addition, any plan required to file for plan years ending on or after December 31, 1994 due to the \$100,000 rule must continue to file on an annual basis. This applies even if the fair market value of all plan assets falls below \$100,000 in any subsequent year. If you do not meet any of the above conditions, nothing further is required this year. However, financial records for 2005 should be kept in your permanent pension file. If you are required to file either of these forms and you maintain a calendar year plan, the normal due date is July 31st, unless the tax return associated with your plan is already on approved extension (i.e. form 1040, 1120). The tax software for preparing these forms is now available, and extensions will be prepared to allow enough time to complete the filings. A copy of your extension is included in this mailing.

Please fill out the attached form and return it with the signed engagement letter and any required information if requested. If you have questions regarding your particular situation, please call. Penalties for non-compliance are substantial, including a failure to file penalty of up to \$1,100.00 per day.

Very truly yours,

Lenore N. Howland
Certified Public Accountant

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