

Subject: Adesso Information RE Vigilance Encouraged when Filing ERTC Claims - IRS Advisory

TO: Adesso Partner SRA CEOs

FROM: Damon Maletta, CEO / Adesso Capital

You may have read the IRS statement shared by the National Restaurant Association recently, warning about third-party finance companies filing fraudulent Employee Retention Credit claims. These exploitative firms are promising returns to restaurants before doing due diligence on eligibility, claiming improperly inflated credits, overstating wage deductions, and taking an enormous percentage of their clients' refunds. They're subjecting restaurants and other small businesses to IRS audits and potentially devastating interest and penalties.

As we all know, for many restaurants, the ERC is their last opportunity for Covid-related federal relief, and they may be vulnerable to exaggerated promises. Because the credit can be as much as \$26,000 per employee and filing for an ERC is extremely complex, ERC is a huge lure for bad actors. It's crucial that restaurants vet these firms so that their ERC claim can be substantiated by the IRS, avoiding expensive mistakes.

We at Adesso Capital are pleased to see the IRS send this alert and echo the National Restaurant Association's note of caution. Too many firms are overpromising refunds and claiming expertise with the ERC they simply don't have. We've been working with small businesses since 2007, and every ERC is filed by a CPA with extensive tax experience who focuses solely on ERC.

We are proud of each of our State Restaurant Association partners and enjoy working with all of you. We want to ensure you have confidence in our partnership and some important talking points you should feel free to share with any members who express concern.

We take compliance and qualifications very seriously. We also have other guardrails in place to protect clients.

1. Our ERC consultants and CPAs are well-versed with changes to IRS and CARES Act regulations and ongoing Guidance.
2. Adesso only submits amended payroll tax returns that cover impacted quarters. We validate the beginning and end-dates for COVID-related Government Orders and maintain a database of these for all 50 States.
3. We appropriately coordinate ERC benefits with other Federal Covid relief, including PPP, RRF, EFMLA, EPSLA, and WOTC benefits, as required by law.
4. All information our CPAs include in filings, particularly concerning a business' revenue drop, can be backed by verifiable documentation.
5. We stand behind our ERC-Filings with free Audit Protection, standard with every filing, to answer any questions that the IRS may have if audited.

But the biggest safeguard for our clients is our perspective. We take a conservative approach. We're always looking out for the best interests of our partner associations and the restaurants they serve, as we work to build a long-term relationship that extends beyond ERC.

Adesso has already secured more than \$300 million in ERC funds for businesses across the country, all while strictly following IRS regulations. Our clients have trusted us to handle their amended tax filings, and we value that trust.