FICTIONAL SAMPLE · DRAFTED BY FREE DEMAND WRITER FROM A MADE-UP CASE FILE · NOT LEGAL ADVICE

PLEASE VERIFY BEFORE SENDING

Unverified AI draft. Every fact must be checked against the records before use. It is not legal advice. Fill in every [ADD: …] placeholder, set the demand amount, confirm anything marked [VERIFY], and delete this box before sending.

- Section 6 of the engagement letter caps liability at "the fees paid for this engagement" ($3,600 per the invoice) unless gross negligence or willful misconduct is shown. The draft reserves the position that the cap does not apply. Please confirm that approach and the marked Wisconsin enforceability item, [VERIFY: Wisconsin rule on enforceability of limitation-of-liability clauses in accounting engagements].
- Section 7 requires mediation before suit. The draft offers mediation if there is no resolution by the deadline. Please confirm the approach and add mediator or logistics details.
- The damages total of $10,629.40 is the sum of five line items as read from the notices, payment records and invoices. It must be checked. It includes the $3,600.00 fee paid, which the firm notes do not mention. Please confirm the client wants it included.
- The $3,600.00 fee entry rests on a statement in the invoice text that Mr. Pratt said in a phone call the fee would be credited. The statement is undated and its author is unclear. Please confirm with the client and add the call date.
- No expert opinion is in the file, so the standard of care is a placeholder. The Harmon & Quist letter says a timely extension would have avoided the late filing penalty and the state late fee. It does not address the $114.40 state interest, so causation for that item should be confirmed.
- The records do not give the state return's due date. The federal due date of March 17, 2025 comes from the IRS notice.
- The $2,475.00 Harmon & Quist invoice covers the review, the penalty relief request and state correspondence. Please confirm all of it relates to this loss. The date the relief request was submitted is not in the records.
- Each file is one page. Section references to "page 2" and "page 3" in the engagement letter are internal, so all citations are to p.1.
- Please verify: [VERIFY: Wisconsin filing deadline for professional negligence claims].
- Missing items to fill in: date, delivery method, firm address, recipient ZIP, carrier and claim number, response deadline and demand amount.

Ellery Novak SC
[ADD: firm street address]
[ADD: city, state ZIP]
[ADD: phone] · [ADD: email]

[ADD: date]

VIA [ADD: delivery method]

Douglas Pratt, CPA, Managing Partner
Pratt Lindgren CPAs LLP
740 Lakeshore Commons Drive
Harlow Bay, Wisconsin [ADD: ZIP]

Re: Vossberg Precision Machining Inc. – Failure to File 2024 Returns or Extension by the March 17, 2025 Deadline; Claim No. [ADD: carrier claim number, if any]; Date of loss: [ADD: date of loss]

Dear Mr. Pratt:

Introduction

We represent Vossberg Precision Machining Inc. ("Vossberg") regarding the services Pratt Lindgren CPAs LLP ("Pratt Lindgren") provided under the 2024 Tax Engagement [firm notes]. Please direct all further communication about this matter to our office. We ask that you immediately notify your firm's professional liability carrier of this claim and forward this letter to it.

The engagement

By letter dated January 6, 2025, which Karl Vossberg accepted on January 9, 2025, Pratt Lindgren agreed to prepare and electronically file Vossberg's 2024 federal S corporation income tax return, the related state franchise and income tax return, and the shareholder information statements for its three shareholders [cpa_engagement_letter.pdf p.1]. Section 1 also provides: "If any return cannot be completed by its original due date, we will file an extension request on your behalf by that date." [cpa_engagement_letter.pdf p.1, Section 1]. The fee was $3,600, billed on completion [cpa_engagement_letter.pdf p.1, Section 3].

Section 2 asked Vossberg to provide its year-end trial balance, bank statements, payroll reports and fixed asset records by February 14, 2025 [cpa_engagement_letter.pdf p.1, Section 2]. Vossberg uploaded those materials to your portal on January 31, 2025, and your staff accountant, Megan Holt, confirmed receipt on February 3, 2025 [cpa_engagement_letter.pdf p.1].

The engagement letter contains a limitation-of-liability clause (Section 6) and a mediation clause (Section 7) [cpa_engagement_letter.pdf p.1]. We address both in the Demand section below.

The services and the errors

The sequence of events, as shown in the records, is as follows:

- On March 4, 2025, Mr. Vossberg asked Ms. Holt whether the 2024 return was on track for the March deadline [emails_and_successor_cpa.pdf p.1].

- On March 5, 2025, Ms. Holt replied: "we have everything we need. Doug is reviewing it and it will be filed on time or extended." [emails_and_successor_cpa.pdf p.1].
- The federal return was due March 17, 2025. The IRS has no record of an extension request [tax_penalty_notices.pdf p.1]. The state return's due date was [ADD: state return due date].
- On May 22, 2025, Mr. Vossberg wrote to you that the company's bank had asked for a copy of the filed 2024 return and that he could not find a confirmation. He asked whether it was filed or extended [emails_and_successor_cpa.pdf p.1].
- On May 29, 2025, you replied: "I apologize. Megan left the firm in March and your return was not picked up by anyone. No extension was filed." [emails_and_successor_cpa.pdf p.1].
- On June 30, 2025, you wrote that the federal and state returns were filed that day, that Vossberg might receive penalty notices, and that Pratt Lindgren "will not charge for the preparation." [emails_and_successor_cpa.pdf p.1]. The IRS and the state Department of Revenue both record receipt of the returns on June 30, 2025 [tax_penalty_notices.pdf p.1].

The IRS then assessed a late filing penalty of $3,940.00 (notice dated July 21, 2025), and the state assessed a late filing fee of $500.00 and late payment interest of $114.40 (notice dated August 8, 2025) [tax_penalty_notices.pdf p.1]. Vossberg paid both [tax_penalty_notices.pdf p.1]. Its request to the IRS for penalty relief was denied on November 4, 2025, leaving the $3,940.00 penalty in place [tax_penalty_notices.pdf p.1].

Vossberg's successor accountants, Harmon & Quist CPAs, reviewed the file. They reported that Vossberg provided its records to Pratt Lindgren on January 31, 2025, that Pratt Lindgren filed neither the return nor an extension by March 17, 2025, and that "[a] timely extension request would have avoided the late filing penalty and the state late fee." [emails_and_successor_cpa.pdf p.1].

Your firm undertook in writing to file an extension if the returns could not be completed by the due date, and then assured our client in writing that the return would be filed or extended. By your own account, no one at your firm acted on the file. What a careful accounting firm would have done in these circumstances is [ADD: standard of care, per expert].

Damages

Vossberg has incurred the following documented losses:

Item	Date	Amount	Source
IRS late filing penalty (paid)	Paid August 6, 2025	$3,940.00	tax_penalty_notices.pdf p.1
State late filing fee (paid)	Paid August 20, 2025	$500.00	tax_penalty_notices.pdf p.1
State late payment interest (paid with the late filing fee; $614.40 combined)	Paid August 20, 2025	$114.40	tax_penalty_notices.pdf p.1
Harmon & Quist CPAs, Invoice HQ-2291 (review of late filing, penalty relief request, state correspondence)	Invoiced November 20, 2025; paid December 1, 2025	$2,475.00	emails_and_successor_cpa.pdf p.1

Item	Date	Amount	Source
Pratt Lindgren fee for 2024 returns, paid despite your statement that the preparation would not be charged	Invoiced July 2, 2025; paid July 15, 2025	$3,600.00	emails_and_successor_cpa.pdf p.1

Total (as read from the bills): $10,629.40

Regarding the last item, Vossberg paid your July 2, 2025 invoice after Mr. Pratt said in a phone call on [ADD: date of phone call] that the fee would be credited later. No credit has been issued [emails_and_successor_cpa.pdf p.1]. Vossberg's other losses, if any, are [ADD: any additional documented losses]. We reserve the right to supplement this list.

Demand

We demand payment of [ADD: demand amount] by [ADD: response deadline].

We do not accept that Section 6 of the engagement letter limits Vossberg's recovery in these circumstances, and we reserve the position that its exception for gross negligence applies [VERIFY: Wisconsin rule on enforceability of limitation-of-liability clauses in accounting engagements]. As to Section 7, if this matter is not resolved by the deadline above, Vossberg is prepared to proceed to mediation as that section provides. Please let us know by the same date whether you will agree to mediate and propose [ADD: mediator or mediation provider and proposed dates]. Vossberg reserves the right to take further action, including filing suit if mediation does not resolve the matter. Vossberg also reserves its position on the applicable time limits [VERIFY: Wisconsin filing deadline for professional negligence claims].

Please preserve all documents and electronic data relating to Vossberg and this engagement. This includes the engagement file, work papers, portal upload and access records, emails, calendar and deadline-tracking entries, staffing and assignment records for the 2024 return, and the records of the June 30, 2025 filings. Destroying or altering any of these materials could prejudice your position.

Vossberg reserves all rights and remedies. Please have your carrier contact me directly.

Sincerely,

Samuel J. Ellery
Ellery Novak SC