

March 9, 2018

Brian J. Sonfield
Assistant General Counsel
(General Law, Ethics & Regulation)
and Designated Agency Ethics Official
U.S. Department of the Treasury
1500 Pennsylvania Avenue, N.W.
Washington, D.C. 20220

Dear Mr. Sonfield:

The purpose of this letter is to describe the steps that I will take to avoid any actual or apparent conflict of interest in the event that I am confirmed for the position of Commissioner of the Internal Revenue Service (IRS), U.S. Department of the Treasury.

As required by 18 U.S.C. § 208(a), I will not participate personally and substantially in any particular matter in which I know that I have a financial interest directly and predictably affected by the matter, or in which I know that a person whose interests are imputed to me has a financial interest directly and predictably affected by the matter, unless I first obtain a written waiver, pursuant to 18 U.S.C. § 208(b)(1), or qualify for a regulatory exemption, pursuant to 18 U.S.C. § 208(b)(2). I understand that the interests of the following persons are imputed to me: any spouse or minor child of mine; any general partner of a partnership in which I am a limited or general partner; any organization in which I serve as officer, director, trustee, general partner or employee; and any person or organization with which I am negotiating or have an arrangement concerning prospective employment.

I am a shareholder of the law firm of Hochman, Salkin, Rettig, Toscher & Perez, PC. Upon confirmation, I will withdraw from the firm, and the firm will change its name to "Hochman, Salkin, Toscher & Perez, PC." I currently have an ownership share in the firm, and I will receive the value of that ownership share, as determined at the time of my withdrawal, before I assume the duties of the position of Commissioner. Further, as is routine practice for departing shareholders, I will receive a *pro rata* share based on the value of my interests for services performed in 2018 through the date of my withdrawal. This payment will be based solely on the firm's earnings through the date of my withdrawal from the firm and will be paid before I assume the duties of the position of Commissioner. I currently have a profit sharing plan and a cash balance pension plan with the firm. Within 90 days of my confirmation, the firm will sell its interests in Berkshire Hathaway from the firm's profit sharing plan. I will not participate personally and substantially in any particular matter that to my knowledge has a direct and predictable effect on the financial interests of Berkshire Hathaway until the firm's profit sharing plan has sold it, unless I first obtain a written waiver, pursuant to 18 U.S.C. § 208(b)(1), or qualify for a regulatory exemption, pursuant to 18 U.S.C. § 208(b)(2). For a period of one year after my resignation, I will not participate personally and substantially in any particular

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matter involving specific parties in which I know this firm is a party or represents a party, unless I am first authorized to participate, pursuant to 5 C.F.R. § 2635.502(d). In addition, I will not participate personally and substantially in any particular matter involving specific parties in which I know a former client of mine is a party or represents a party for a period of one year after I last provided service to that client, unless I am first authorized to participate, pursuant to 5 C.F.R. § 2635.502(d).

I will retain an interest in fees for three contingency fee cases in an amount that may be paid to Hochman, Salkin, Rettig, Toscher & Perez, PC at the conclusion of each case (such amount is not determined by the expenditure of time in any of such cases). My interest in these cases will be fixed as of the date of my withdrawal from the firm. I will not participate personally and substantially in any particular matter that to my knowledge has a direct and predictable effect on the ability or willingness of the firm, any of the clients involved in these cases, or any opposing party to make any payments related to these cases, unless I first obtain a written waiver pursuant to 18 U.S.C. § 208(b)(1).

Within 90 days of my confirmation, I will divest my interests in the entities listed in Attachment A. With regard to each of these entities, I will not participate personally and substantially in any particular matter that to my knowledge has a direct and predictable effect on the financial interests of the entity until I have divested it, unless I first obtain a written waiver, pursuant to 18 U.S.C. § 208(b)(1), or qualify for a regulatory exemption, pursuant to 18 U.S.C. § 208(b)(2).

Upon confirmation, I will resign from my positions with the entities listed in Attachment B. For a period of one year after my resignation from each of these entities, I will not participate personally and substantially in any particular matter involving specific parties in which I know that entity is a party or represents a party, unless I am first authorized to participate, pursuant to 5 C.F.R. § 2635.502(d).

If I rely on a *de minimis* exemption under 5 C.F.R. § 2640.201(b) with regard to any of my financial interests in sector mutual funds, I will monitor the value of those interests. If the aggregate value of my interests in sector mutual funds that concentrate in any one sector exceeds \$50,000, I will not participate personally and substantially in any particular matter that to my knowledge has a direct and predictable effect on the financial interest of any holdings of the funds that are in the specific sector in which the funds concentrate, unless I first obtain a written waiver pursuant to 18 U.S.C. § 208(b)(1), or qualify for a regulatory exemption, pursuant to 18 U.S.C. § 208(b)(2).

I have been advised that the IRS may be involved in particular matters affecting the financial interests of the following funds: BlackRock California Municipal Bond Fund; BlackRock MuniYield California Quality Fund; Franklin California High Yield Municipal Fund; Franklin California Tax-Free Income Fund; iShares S&P California AMT-Free Municipal Bond Fund; and Thornburg California Limited Term Municipal Fund. The agency has determined that

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it is not necessary at this time for me to divest my interest in these entities because the likelihood that my duties will involve any such matter is remote. Accordingly, with regard to each of these funds, I will not participate personally and substantially in any particular matter that to my knowledge has a direct and predictable effect on the financial interests of any holdings of the funds, unless I first obtain a written waiver pursuant to 18 U.S.C. § 208(b)(1), or qualify for a regulatory exemption, pursuant to 18 U.S.C. § 208(b)(2).

I will retain my position as trustee of the Rettig Family Trust. I will not receive any fees for the services that I provide as a trustee during my appointment to the position of Commissioner. I will not participate personally and substantially in any particular matter that to my knowledge has a direct and predictable effect on the financial interests of the Rettig Family Trust, unless I first obtain a written waiver, pursuant to 18 U.S.C. § 208(b)(1), or qualify for a regulatory exemption, pursuant to 18 U.S.C. § 208(b)(2).

I receive royalties from Wolters Kluwer CCH for sales of my book, *CCH Expert Treatise Library: Tax Practice & Procedure*, 2nd Edition. I will not participate personally and substantially in any particular matter involving specific parties in which I know Wolters Kluwer CCH is a party or represents a party, unless I am first authorized to participate, pursuant to 5 C.F.R. § 2635.502(d).

My spouse is employed by Wishnow, Ross, Warsavsky & Company, APC, in a position for which she receives a fixed annual salary and a bonus tied to her performance. For as long as my spouse continues to work for Wishnow, Ross, Warsavsky & Company, APC, I will not participate personally and substantially in any particular matter involving specific parties in which I know Wishnow, Ross, Warsavsky & Company, APC, is a party or represents a party, unless I am first authorized to participate, pursuant to 5 C.F.R. § 2635.502(d).

I understand that I may be eligible to request a Certificate of Divestiture for qualifying assets and that a Certificate of Divestiture is effective only if obtained prior to divestiture. Regardless of whether I receive a Certificate of Divestiture, I will ensure that all divestitures discussed in this agreement occur within the agreed upon timeframes and that all proceeds are invested in non-conflicting assets.

If I have a managed account or otherwise use the services of an investment professional during my appointment, I will ensure that the account manager or investment professional obtains my prior approval on a case-by-case basis for the purchase of any assets other than cash, cash equivalents, investment funds that qualify for the exemption at 5 C.F.R. § 2640.201(a), obligations of the United States, or municipal bonds.

I understand that as an appointee I will be required to sign the Ethics Pledge (Exec. Order No. 13770) and that I will be bound by the requirements and restrictions therein in addition to the commitments I have made in this ethics agreement.

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Following confirmation and before I assume the duties of the position of Commissioner of the Internal Revenue Service, I will provide you with a list of every asset that I acquired subsequent to filing my nominee financial disclosure report. I will abide by your decision regarding the divestiture or retention of these assets and, if you direct the divestiture of any asset, I will accomplish the divestiture within 90 days of my confirmation. I will meet in person with you during the first week of my service in the position of Commissioner in order to complete the initial ethics briefing required under 5 C.F.R. § 2638.305. Within 90 days of my confirmation, I will document my compliance with this ethics agreement by notifying you in writing when I have completed the steps described in this ethics agreement.

I have been advised that this ethics agreement will be posted publicly, consistent with 5 U.S.C. § 552, on the website of the U.S. Office of Government Ethics with ethics agreements of other Presidential nominees who file public financial disclosure reports.

Sincerely,

A handwritten signature in blue ink, reading "Charles P. Rettig". The signature is fluid and cursive, with the first name "Charles" and last name "Rettig" clearly legible. The middle initial "P." is smaller and less distinct.

Charles P. Rettig

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Attachment A

- Adobe Systems, Inc.
- Amazon.com, Inc.
- Apple Inc.
- Google, Inc.
- Splunk Inc.
- Synopsys, Inc.

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Attachment B

- PADI Foundation
- American Bar Association Section on Taxation
- American College of Tax Counsel
- University of Southern California Gould School of Law Annual Tax Institute
- University of California, Los Angeles Extension, Annual Tax Controversy Institute
- New York University School of Continuing and Professional Studies Institute on Federal Taxation
- American Bar Association National Institute on Criminal Tax Fraud and Civil Tax Controversy
- Wolters Kluwer CCH
- 9150 Trust
- MAHGOS 1989 Trust
- MAYGOS 1989 Trust
- MUGEHS 1989 Trust
- MAHSHS 1998 Trust
- B Family Trust 2003 fbo LMB
- B Family Trust 2003 fbo LMF NonEx
- B 2014 GRAT
- B Family Trust 2003 fbo LMF Ex
- B Family Irrevocable Trust 1999 fbo LMB
- B Family Irrevocable Trust 1999 fbo LMF
- LIB 2014 GRAT
- LIB Family Trust 2003 fbo LMF
- LIB Family Trust 2003 fbo LMB
- LIB 2009 GRAT
- B 2009 GRAT

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