

July 25, 2014

To whom it may concern:

The purpose of this letter is to enhance your understanding of the arrangement that exists between Long Island Cares, Inc. ("Long Island Cares") and Alcott HR Group LLC ("Alcott HR").

Alcott HR is a Professional Employer Organization ("PEO"). Long Island Cares is a client of Alcott HR, and as part of a co-employment relationship, Alcott HR provides comprehensive human resource services to Long Island Cares in the form of personnel administrative and human resource functions, benefits, risk management and payroll processing. Since Alcott HR is the employer of record for all employees of Long Island Cares, those employees are included in the Alcott HR quarterly Forms 941, NYS-45 (Fed ID# 26-1638437, NYSUI Reg. # 48-63308-3), statutory NY State disability filings, as well as Workers Compensation. Long Island Cares is not the employer of record for these purposes and therefore is not required to file separate payroll taxes. The New York State PEO Act (Article 31 of the New York State Labor Law) is the regulatory scheme that allows PEOs to do this, and thereby help small and medium sized businesses to attract and retain employees, as well as to be compliant with workplace regulation. PEO clients, like Long Island Cares, run their businesses as usual, and have day to day direction and control over their operations and employees.

Alcott HR makes available to all its employees a comprehensive package of employee benefits, including direct deposit of payroll checks, health and dental insurance, life and supplemental disability insurance, a 401K plan administered by a major insurance company, and an IRC Section 125 cafeteria plan.

Alcott HR invoices Long Island Cares every pay period for all costs associated with the employment and benefits for the employees at Long Island Cares, including a small administrative fee. Long Island Cares is provided with a detailed invoice, listing all employees and the costs for each. Said invoices are due and payable on the day the payroll checks are dated, and Long Island Cares remits payment to Alcott HR through ACH debit.

Long Island Cares does not have direct salary, payroll tax and benefits costs for the aforementioned employees. Instead, the costs incurred by Long Island Cares are for staff expense, which may be allocated internally by Long Island Cares, based on the detailed breakdown of costs provided with each invoice.



Please contact the undersigned if you require any further information.

Very truly yours,

Alcott HR

A handwritten signature in black ink, appearing to read 'Dawn Davidson Drantch', with a long horizontal line extending to the right.

Dawn Davidson Drantch, Esq.
In-house Counsel