DIRECT LENDING ASSOCIATE EMPLOYMENT APPLICATION

Greetings!

As you requested, we're sending along some more information about NDFC Capital Corp.'s d.b.a. Morgan Strause ("NDFC") exciting loan origination program for loan officers. Inside you'll find everything you need to get started.

It is important that we receive the executed originals of the following documents:

- Employment Agreement. Please make sure to initial each page, sign and date at the end.
- Employment Application. Please make sure ALL sections are completed.
- Required I9 Documentation. Please read list carefully and provide what is asked.
  - ✓ Documents must be notarized if not physically delivered for inspection.
- Federal W-4 Form. Please make sure to fully complete, provide documents, sign and date.
- Execute Employee Handbook (please email HR and it will be emailed to you).

Thanks for taking a moment to review this information. Again, please send us the ***executed originals*** of the documents listed. Once we receive your paperwork, we'll review it and notify you of your status. Please feel free to email us at hr@morganstrause.com .

We wish you continued success, and look forward to receiving your completed forms.

NDFC Capital Corp., d.b.a. Morgan Strause
575 Anton Blvd, 11th Floor
Suite #1100
Costa Mesa, CA, 92626
(877)772-7790

January 31, 2011

NDFC Capital Corp. d.b.a. Morgan Strause
External Sales Agreement** Dated_____________________

Job Title: EXEMPT DIRECT LENDING ASSOCIATE (Outside Sales)
NAME: ___________________
Department:
Reports To:
FLSA/EDD Status: Exempt W2 (Outside Sales) My AE is: _____________________
Prepared Date: January 31st, 2011

INTENT OF PARTIES

Whereas NDFC Capital Corp., d.b.a Morgan Strause, a Delaware Corporation (hereinafter “NDFC” and/or “Company”), is in the business of originating, processing, funding, pooling and selling 1-4 unit mortgage loans and, pursuant to such activities, is seeking qualified Direct Lending Associates (“Loan Officers”, “LO” and/or “LOs”) to act as outside (external) sales representatives and whereas such sales representatives seek, for good and valuable consideration including, but not limited to, commissions, sales support, and a mortgage company capable of providing such activities, then Loan Officer and Company hereby agree on all points below.

TYPICAL LOAN OFFICER RESPONSIBILITIES

LO is responsible for:

- Prospecting for leads using a variety of methods, including referral relationships with realtors, banks, homebuilders, financial advisors, etc.
- Obtaining complete loan applications, making sure that they comply with all government regulations. The loan application must be turned in to processing within 24 hours so that the appropriate disclosures can be issued in a timely manner.
- Performing his/her work exclusively outside NDFCs offices.
- Taking loan applications, attending meetings with clients, disseminating marketing materials and communicating with clients all in support of out-of-office sales efforts.
- Originating field sales by contacting prospective clients and developing referral sources specifically and exclusively without working at a home or other office more than five percent (5%) of each work-day.
- Meeting with prospective clients in person at locations other than NDFC offices.
- Obtaining credit information and necessary documents for the loan process.
- Making in-person calls to retail customers, brokers and realtors.
- Engaging in marketing and promotional activities in support of his/her sales efforts.

Definitions

For purposes of this Agreement, the word "Loan Officer ("LO") shall refer to the employee at issue; the word "Company" shall refer to NDFC Capital Corp., a Delaware Corporation; the word "Agreement" shall refer to this employment agreement, and the word "Borrower(s)" shall refer to the person(s) signing the Note and/or Deed, cumulatively, for the loan(s) at issue.

1. Performance Based Compensation

   For purposes of this Agreement, there is one functional aspect of LO activities: mortgage loan origination which refers to any loan originated by LO and funded via Company licensing using either Company's warehouse or operating lines of credit ("warehouse line(s)") or brokering the mortgage loans to a third party for funding.

   a. Compensation

   For mortgage loan origination, you will be paid Commission-only, said payment(s) to be calculated based on loans closed and be mailed, via regular mail, according to a bi-monthly pay schedule. For purposes of this Agreement, the words "loans closed" shall refer to the funding of said loan and receipt, by Company, in form and substance acceptable to Company, of the final settlement statement as well as the receipt and acceptance, by Company, of the final mutually executed employment agreement, employment application and all required employment documentation, including, but not limited to, all Federal Employment Eligibility Verification (a.k.a. "I9") documents as well as the Employee's Withholding Allowance Certificate (a.k.a. "W4"). For a loan to be eligible for calculation/payment the loan must be funded and recorded and Company must have received all loan fees and charges due at closing as well as all required loan documentation and conditions as may be required by Company's warehouse and investors who will purchase the loan from Company. Company shall have the right to deduct from the compensation due LO hereunder any and all sums authorized by LO and other deductions required by law.

      1) Timing of Compensation

         For loans closing between the 1st and 15th day of each month, the relevant commission will be paid on the 20th of the same month. For loans closing between the 16th and last day of each month, the relevant commission shall be paid on the 5th of the subsequent month. If any pay-day falls on a weekend or holiday, the actual payday will be the following business day.

   b. Commission(s)

      1) For all mortgage loan origination activities, Loan Officers will be paid ninety percent (90%), of the Net Revenue of each loan thus sold. For purposes of this Agreement, Net Revenue means the total of all point(s), yield-spread premium(s) and fee(s) charged by the Loan Officer, approved by Company and limited only by law, less the following fees expressly retained by Company as published from time-to-time:

Underwriting:	$995.00
Compliance:	$595.00
Documents Redraw (if any):	$150.00

Each loan will have an accompanying rate-lock form attached, countersigned, approved by the operations department of Company and made part of the permanent mortgage file for record keeping. The rate-lock form will specifically list the interest rate, price (whether discount or premium) and all fees payable to the LO as well as fees payable to the Company, if any. This form must be signed and executed by both LO and Company prior to Company allowing such loan to fund and will show the Net Revenue of the loan at issue.

2. Compensation after Termination of Employment

Any LO whose employment is voluntarily or involuntary terminated will be compensated, according to the terms of this Agreement and applicable to all loan(s) generated by LO and funded, subject to the following two conditions:

i) The loan(s) must be in docs-out status at time or termination of employment, as defined below; and
ii) The loan(s) must fund within fifteen (15) days of notice of termination. For this section, the word "termination" shall mean voluntary or involuntary, unilateral or bilateral cessation of employment and shall commence from the date of notice or actual separation, whichever comes first. If BOTH conditions, above, are not satisfied, you will not be compensated on said loan(s).

3. Loan Repurchases/Set-Off/Early Pay-Off

If the Company receives a demand to repurchase any loan whereby fraud or a material omission or misrepresentation is alleged on the part of the LO, any pending commission(s) based on any loans in the pipeline, will be used as set-off against repurchase principal, interest and fees. In addition, such fraud on the part of the LO will result in immediate termination of the LO and, pursuant to such termination, Company reserves the right to turn over all employee personnel information to the Federal, State or Local authorities whether requested or not.

If the Company receives any demand to reimburse any amount(s) due investors for early payoff of any loan, LO understands that he/she, within 5 business days of request, will reimburse Company all commission(s) paid to LO for said loan. For purposes of this agreement, the words "early payoff" are hereby defined as meaning payoff within six (6) months of loan funding through Company.

4. Expenses

LO understands that he/she <u>will not be eligible</u> for any expense reimbursement unless such expense is authorized through prior written approval.

5. Prohibited Activities

LO acknowledges, warrants, certifies and represents herein that he/she is aware that mass emails, mass faxes and/or other forms of mass advertising are not permitted without prior written approval of Company.

6. Employee Status

LO understands, acknowledges, certifies, warrants and represents that he/she is an outside sales employee for purposes of his/her affiliation with Company. Pursuant to this designation, employees understands and agrees that he/she will spend at least ninety-five percent (95%) of his/her work time visiting clients in the field or driving to see said clients. Further, employee acknowledges, understands and agrees that use of a home or other office must be incidental to the main job of field sales and, as such, will not exceed five percent (5%) of employees work time. Said exempt status is consistent with and derived from the Fair Labor Standards Act ("FLSA"), Internal Revenue Service ("IRS") and California Franchise Tax Board Rules and Regulations. LO understands and agrees that his/her compensation requires Company to withhold Federal, State and Local income taxes unless otherwise required by law or a governmental/administrative body. Further, LO understands, acknowledges, certifies, warrants and represents that, pursuant to the employee status, LO may be required to work specified hours, at a specified location(s) and that he/she may be required to perform specific duties in the scope of his/her employment with Company. Loan Officer represents and warrants that he/she is not bound by any contract, rule, law or regulation that would prohibit him/her from accepting employment with NDFC or prohibit him/her from working for or operating a mortgage banking company anywhere within the United States. **In addition, Employee acknowledges, understands and accepts that, as an FHA approved lender, Company is required to employ trained, competent personnel, who are under the direct supervision and control of Company, where the individuals are exclusively employed by Company, in the mortgage lending and real estate fields. As detailed in the Department of Housing and Urban Development Handbook 4060.1 sections 2-9G and 2-11D states that Company's mortgage staff cannot have other employment in mortgage lending, real estate, or a related field. During normal business hours, employees who are involved with the FHA transactions may conduct only the business of Company either full or part time. Employee may have other employment, including self employment. However, the outside employment may not be in the mortgage lending, real estate, or related fields. Refer to HUD Handbook 4060.1 REV-2, paragraphs 2-9D, F, and G.**

Company acknowledges that it is licensed by the California Department of Real Estate ("DRE") and the California Department of Corporations, Finance Lenders Law ("CFLL") and is a subscriber to and corporate licensee of the Nationwide Mortgage Licensing System ("NMLS"). In order to facilitate exclusivity, Employee acknowledges that he/she will officially associate his/her NMLS license with Company or, if Employee is not currently licensed by the NMLS, until December 31st, 2010, Employee will officially associate his/her DRE license with Company. After December 31st, 2010, Employee must possess a valid, current and active NMLS license and must officially link said license with Company whether Employee is CFLL or DRE licensed.

7. Scope of Employment/Minimum, Mandatory Results

LO understands, agrees, certifies and warrants that Company bears certain expenses in providing back-office support for LO. Said support is characterized by but not limited to advertising, marketing, personnel and corporate support. **Pursuant to such expenses, LO understands and agrees that he/she will need to fund a minimum of two (2) loans or $500,000.00 per month in loan volume.** If loan activity falls below two (2) loans or $500,000.00 in volume for a calendar-month period, Company reserves the right to terminate LOs affiliation for cause. <u>In addition and before commencement of employment, Employee must execute the Morgan Strause Employee Handbook.</u>

8. Automobile Insurance and Drivers License

LO understands and acknowledges that the Company may require the LO to perform specific actions as it relates to his/her employment with Company. Should the LO choose to drive in the scope of his/her work efforts, he/she should do so with a valid, current and active drivers license and with valid and current insurance coverage, maintained by LO at LO's expense, on any personal vehicle used by LO to perform his/her work. As such, LO shall maintain the following automobile insurance coverage(s): Liability Insurance in the amount of $100,000 per person and $300,000 per accident and a minimum $50,000 Property Damage. LO agrees to provide a copy of his/her Insurance Declarations Page wherein the above coverage(s) can be verified for sufficiency. Additionally LO understands, agrees and promises to provide a copy of LO's driving record to Company's insurer for the insurers review and acceptance. LO understands and agrees that, in case LO's driving record is deemed unacceptable by Company's insurer, that Company will take appropriate administrative action against LO up to and including termination. LO understands, agrees and authorizes Company to periodically check LO's auto insurance status. For purposes of this section, the word "periodically" implies "at the discretion of Company but not less frequently than once per year". LO understands and agrees that, in case such a periodic check were to reveal any information deemed unacceptable to Company or its insurance carrier, that Company retains the right to take appropriate administrative action against LO up to and including termination.

In addition, LO understands, warrants, represents and acknowledges that it is his/her duty to keep a current, valid and active Drivers License in the State in which LO resides and spends the majority of the time driving. LO understands that it is his/her responsibility to immediately report, in writing, to his/her supervisor, any situation that may alter the LO's authorization or ability to operate a vehicle, such as a suspension of driving privileges or a limiting medical condition. If the LO fails to inform his/her supervisor of such situation, the LO will be subject to disciplinary action up to and including termination. LO further understands and acknowledges that he/she will advise the Company immediately, in writing, if either the LO's insurance or drivers' license is cancelled, terminated, or in any other way restricted. For purposes of this Contract, the word "immediately" means "within the same day LO becomes aware of any situation that may alter his/her authorization or ability to operate a vehicle or at such time as the LO is notified of the change in insurance or drivers license status by any insurance company, its agents, assignees or transferees and/or any governmental or administrative agency ".

9. Background Check

Employee hereby authorizes Company, at its sole and separate discretion, to conduct a background check and personality profile of Employee and Employee's work, education, criminal and civil history and to accept or reject employment on the basis of facts obtained from such reports. Further, employee authorizes Company to choose a third-party vendor to conduct said background checks/personality profile. This, in no way, impedes Company from conducting its own background check of employee, in whole or in part.

10. Conflicts of Interest and Loyalty

LO agrees to use his/her best efforts to loyally and conscientiously perform his/her duties and obligations under this Agreement, and such additional duties and obligations that Company may reasonably require LO to do in the future. The foregoing obligation of LO not to compete with Company shall not prohibit the LO from owning or purchasing any corporate securities, which are regularly traded on a recognized stock exchange or over-the-counter market. LO further agrees that any gratuity, gift or payment, including, but not limited to, monies, fees, rewards, or trips given to LO as a result of doing business with or referring business to a participating firm in a transaction, will be immediately reported to Company and will be returned or distributed at the sole discretion of Company.

11. Non-Solicitation

LO agrees that he/she will not solicit any Company Contractor's, Employees and/or Officers to leave Company, interfere with Company's recruiting, hiring or retention of Contractors, Employees and/or Officers, interfere with any contractual, economic, or prospective economic relationship between Company and any Company Contractor, Employee, Vendor or Officer at any time during the term of employment and for a period of two years thereafter.

12. Confidentiality

LO acknowledges and agrees that his/her employment with Company will allow LO access to confidential information including, but not limited to, borrower's names, Social Security numbers, addresses, telephone numbers, employment histories, loan balances, credit card balances, credit card account numbers, consumer report scores, income information, asset information and property insurance information (hereinafter "Confidential Information"). Except as required in the course of LO's employment with Company, LO represents, certifies, warrants and agrees that he/she will not, either during or after LO's employment with Company, directly or indirectly disclose to any third person or use in any manner or form any Confidential Information without the express written consent of the President of Company. Furthermore, LO represents, warrants and agrees that he/she will not allow or induce, during LO's employment with Company or thereafter, any third party to take, acquire any interest in or reproduce, either directly or indirectly, any Confidential Information without the express written consent of the President of Company.

LO agrees that irreparable injury will result and damages are an inadequate remedy for Company from a breach of the Conflicts of Interest, Loyalty, Non-Solicitation and Confidentiality provisions of this Agreement. LO therefore agrees that, should a breach or threatened breach of any of these provisions occur, Company may, without prejudice to any other remedies which Company may have, immediately obtain and enforce injunctive or other equitable relief prohibiting LO from violating this Agreement.

13. Arbitration

A. Claims Subject to Arbitration. The parties to this Agreement mutually consent to the resolution by arbitration of all claims or controversies ("claims"), whether or not arising out of LO's employment with Company or its termination. Claims covered by this Agreement include, but are not limited to claims for: commissions or other compensation due; breach of any contract or covenant (express or implied); torts; discrimination (including, but not limited to, race, sex, religion, national origin, age, marital status, medical condition, handicap or disability); harassment or retaliation; benefits (except where an LO benefit or pension plan specifies that its claims procedure shall culminate in an arbitration procedure different from this one); and violation of any federal, state, or other governmental law, statute, regulation, ordinance or public policy. This Agreement does not cover claims for workers' compensation benefits, unemployment compensation benefits, or claims arising under the National Labor Relations Act or falling within the jurisdiction of the National Labor Relations Board.

B. Arbitration Procedure. The parties agree that arbitration will be in accordance with the then-current employment arbitration rules of Judicial Arbitration & Mediation Services, Inc. ("JAMS") before a neutral arbitrator who is licensed to practice law in the State of California ("the Arbitrator"). The arbitration will take place in Orange County, California. Pursuant to JAMS policy, LO agrees that, if LO initiates arbitration, LO will pay a $400 administrative charge, and the balance of the fees and costs of the Arbitrator will be borne by Company through the date of the Arbitrator's award. Each party will pay for its own costs and attorneys' fees, other than the fees and costs of the Arbitrator, if any, unless costs or fees are awarded as provided below. Each party will have the right to discovery as they would have had in a court of law including deposition(s), requests for production of documents and subpoenas.

C. Costs to Compel Arbitration. The parties agree that, if any party to this Agreement brings any claim covered by this Agreement in any court, administrative body or forum of any kind other than arbitration as provided herein, and any responding party brings a motion to compel arbitration which results, whether by order or by agreement between the parties, in such claim being withdrawn, dismissed or submitted to arbitration, then the moving party will recover its costs and attorney's fees expended in bringing such motion from the other party.

D. Recovery of Fees and Costs. The prevailing party in any arbitration under this Agreement will recover its costs, other than the fees and costs of the Arbitrator, pursuant to California Code of Civil Procedure sections 1032-1033.5, as such party would be allowed to do if the arbitrated claims had been brought in the Superior Court of the State of California. Pursuant to Code of Civil Procedure section 1033.5(a)(10), such costs will include attorney's fees when authorized by contract, statute or law.

E. Requirement for Modification or Revocation. This Agreement to arbitrate will survive the termination of LO's employment with Company. It can only be revoked or modified by a writing signed by LO and Company President, which specifically states an intent to revoke or modify this Agreement to arbitrate.

F. Voluntary Waiver. **LO understands that by agreeing to arbitrate claims, he/she is waiving the right to adjudicate claims before a court and jury. LO acknowledges that he/she has been given the opportunity to discuss this agreement with his/her private legal counsel and LO has availed him/herself of that opportunity to the extent LO wants to do so.**

14. Modification

This Agreement supersedes any and all other agreements, previous or concurrent, either oral or in writing between the parties hereto with respect to the employment of LO with Company, and contains all of the covenants and agreements between the parties with respect to such employment. Each party to this Agreement acknowledges that no representations, inducements, promises or agreements, orally or otherwise, have been made by any party to this Agreement, or anyone acting on behalf of any party to this Agreement, which are not embodied herein and that no other agreement, statement, or promise not contained in this Agreement shall be valid or binding. Any modification of this Agreement shall be effective only if it is in writing signed by both LO and the President of the Company.

15. Severability

Should any part or section of this contract be found void or unenforceable by a court of law in any jurisdiction, this, in no way alters, amends or modifies the legality, enforceability and/or applicability of any other section(s) of this contract, inclusive.

Notwithstanding any provisions set forth herein, LO's employment is at-will, meaning that both LO and Company may terminate this Agreement at any time, with or without advance notice and with or without cause.

LOAN OFFICER
SIGNATURE____DATE_______________

COMPANY
SIGNATURE____DATE_______________

*****This Agreement supersedes all others.***

NDFC CAPITAL CORP.
EMPLOYMENT or CONTRACTOR APPLICATION

Human Resources
575 Anton Blvd., Suite 1100
Costa Mesa, CA 92626
(949)783-5946
Fax (949)271-3714
www.morganstrausedirect.com

Title of Position You Are Applying For	Department
Last Name First Name Middle Initial	Home Phone ( )
Mailing Address	Cell Phone ( )
City State Zip	Email address:

Alternative contact info: Name Phone Number

Will you accept (check if yes) Full Time ☐ Part Time ☐ Extra-Help/On Call ☐ Shift Work ☐	Days or hours unwilling/unable to work

Are you able to perform the essential functions of this position, with or without reasonable accommodations? ☐ Yes ☐ No

Can you provide proof of citizenship, visa or alien registration if hired? ☐ Yes ☐ No

Have you ever been employed by NDFC? ☐ Yes ☐ No Dates: From / To /

Do you have any relatives currently working for NDFC? ☐ Yes ☐ No
Name Dept/Div Relationship
Name Dept/Div Relationship

Have you been convicted of a felony within the last 10 years? ☐ Yes ☐ No
Offense Date
Offense Date

NOTE: A conviction record does not necessarily constitute an automatic disqualification from employment unless conviction is undisclosed.

EDUCATION AND TRAINING

Did you graduate from high school or receive a G.E.D? ☐ Yes ☐ No Location

College or Vocational School and Location	Dates From To	# Sem Credits	# Qtr Credits	Major Course of Study	Minor Course of Study	Degree Earned	Date of Degree

Professional Licences and Certificates	State of Issue	Exp. Date

Do you have a valid driver's license? ☐ Yes ☐ No State of Issue:

List computer software programs you have used:

EMPLOYMENT HISTORY – List your work history for the last 10 years on the reverse side, including self-employment, volunteer work and military service. Begin with your most recent position in block 1 and list each position separately. Include experience beyond 10 years if it is related to the job for which you are applying. Attach additional employment history sheets in the same general format if needed. Indicating “see resume” or “see attached” will disqualify you from further consideration.

May we contact this employer? ☐ yes ☐ no ☐ contact me first

Most Recent Position Title **1**	Employer Name, Address, Phone Number	Type of Business	Dates Worked (Month and Year) From: To:
Primary Duties:			Total Years/Months Worked
			# Hours Worked per Week
			Salary
Name and Title of Immediate Supervisor			
Number and Types of Employees You Supervised			
Reason for leaving/considering change			

May we contact this employer? ☐ yes ☐ no ☐ contact me first

Position Title **2**	Employer Name, Address, Phone Number	Type of Business	Dates Worked (Month and Year) From: To:
Primary Duties:			Total Years/Months Worked
			# Hours Worked per Week
			Salary
Name and Title of Immediate Supervisor			
Number and Types of Employees You Supervised			
Reason for leaving/considering change			

May we contact this employer? ☐ yes ☐ no ☐ contact me first

Position Title **3**	Employer Name, Address, Phone Number	Type of Business	Dates Worked (Month and Year) From: To:
Primary Duties:			Total Years/Months Worked
			# Hours Worked per Week
			Salary
Name and Title of Immediate Supervisor			
Number and Types of Employees You Supervised			
Reason for leaving/considering change			

AGREEMENT AND RELEASE

I certify that the answers given herein are true and complete to the best of my knowledge. I authorize NDFC Capital Corp., a Delaware Corporation (hereinafter and before, “NDFC”) to conduct a complete investigation of any and all information contained in this Employment or Contract Position Application. In the event of employment or contract position, I understand that any false or misleading statements contained in my application may result in discharge. I further understand that I will be required to abide by all NDFC rules and regulations.

Signature ______________________ Date ______________

NDFC CAPITAL CORP.
Equal Employment Opportunity Questionnaire

NDFC is proud to be an Equal Employment Opportunity employer, committed to a diverse workplace. It is the policy of NDFC to provide equal opportunity in all terms, conditions and privileges of employment for all qualified job applicants and employees without regard to race, color, national origin, religion, sex, marital status, sexual orientation, age, disability, or veteran status. For this purpose, and to help us comply with government recordkeeping, reporting and other legal requirements, please complete this affirmative action questionnaire. Completing this form is voluntary and will remain confidential. This information will be maintained in a separate file and will not be provided to supervisors, the appointing authority or other department employees. It will not be used in the evaluation of your application.

Position Applied For: Date:

Name: Social Security #:
(Disclosure of your Social Security Number is voluntary and will be used for applicant tracking only.)

GENDER: ☐ Male ☐ Female

ETHNIC ORIGIN: Indicate one only.
☐ White/Caucasian ☐ Black/African American ☐ Hispanic
☐ Asian/Pacific Islander ☐ Native American

ARE YOU: ☐ Disabled ☐ Vietnam Era Veteran
☐ Other Veteran ☐ Disabled Veteran

RECRUITING SOURCE

Where did you first learn of this position?

☐ NDFC Website (www.ndfcorporation.com)
☐ Yahoo.com
☐ Craig's List.com
☐ Job Posting at Other Public Agency
☐ Referred by County Employee
☐ Worksource
☐ Other…Specify Source __________
☐ Career Builders Online
☐ Jobdango.com
☐ Monster.com
☐ Referred by Friend
☐ Posted at Professional Associations

Department of Homeland Security
U.S. Citizenship and Immigration Services

Form I-9, Employment Eligibility Verification

Instructions

Please read all instructions carefully before completing this form.

Anti-Discrimination Notice. It is illegal to discriminate against any individual (other than an alien not authorized to work in the U.S.) in hiring, discharging, or recruiting or referring for a fee because of that individual's national origin or citizenship status. It is illegal to discriminate against work eligible individuals. Employers **CANNOT** specify which document(s) they will accept from an employee. The refusal to hire an individual because the documents presented have a future expiration date may also constitute illegal discrimination.

What Is the Purpose of This Form?

The purpose of this form is to document that each new employee (both citizen and non-citizen) hired after November 6, 1986 is authorized to work in the United States.

When Should the Form I-9 Be Used?

All employees, citizens and noncitizens, hired after November 6, 1986 and working in the United States must complete a Form I-9.

Filling Out the Form I-9

Section 1, Employee: This part of the form must be completed at the time of hire, which is the actual beginning of employment. Providing the Social Security number is voluntary, except for employees hired by employers participating in the USCIS Electronic Employment Eligibility Verification Program (E-Verify). **The employer is responsible for ensuring that Section 1 is timely and properly completed.**

Preparer/Translator Certification. The Preparer/Translator Certification must be completed if **Section 1** is prepared by a person other than the employee. A preparer/translator may be used only when the employee is unable to complete **Section 1** on his/her own. However, the employee must still sign **Section 1** personally.

Section 2, Employer: For the purpose of completing this form, the term "employer" means all employers including those recruiters and referrers for a fee who are agricultural associations, agricultural employers or farm labor contractors.

Employers must complete **Section 2** by examining evidence of identity and employment eligibility within three (3) business days of the date employment begins. If employees are authorized to work, but are unable to present the required document(s) within three business days, they must present a receipt for the application of the document(s) within three business days and the actual document(s) within ninety (90) days. However, if employers hire individuals for a duration of less than three business days, **Section 2** must be completed at the time employment begins. **Employers must record:**

1. Document title;
2. Issuing authority;
3. Document number;
4. Expiration date, if any; and
5. The date employment begins.

Employers must sign and date the certification. Employees must present original documents. Employers may, but are not required to, photocopy the document(s) presented. These photocopies may only be used for the verification process and must be retained with the Form I-9. **However, employers are still responsible for completing and retaining the Form I-9.**

Section 3, Updating and Reverification: Employers must complete **Section 3** when updating and/or reverifying the Form I-9. Employers must reverify employment eligibility of their employees on or before the expiration date recorded in **Section 1**. Employers **CANNOT** specify which document(s) they will accept from an employee.

A. If an employee's name has changed at the time this form is being updated/reverified, complete Block A.

B. If an employee is rehired within three (3) years of the date this form was originally completed and the employee is still eligible to be employed on the same basis as previously indicated on this form (updating), complete Block B and the signature block.

C. If an employee is rehired within three (3) years of the date this form was originally completed and the employee's work authorization has expired **or** if a current employee's work authorization is about to expire (reverification), complete Block B and:

1. Examine any document that reflects that the employee is authorized to work in the U.S. (see List A **or** C);
2. Record the document title, document number and expiration date (if any) in Block C, and
3. Complete the signature block.

What Is the Filing Fee?

There is no associated filing fee for completing the Form I-9. This form is not filed with USCIS or any government agency. The Form I-9 must be retained by the employer and made available for inspection by U.S. Government officials as specified in the Privacy Act Notice below.

USCIS Forms and Information

To order USCIS forms, call our toll-free number at **1-800-870-3676**. Individuals can also get USCIS forms and information on immigration laws, regulations and procedures by telephoning our National Customer Service Center at **1-800-375-5283** or visiting our internet website at **www.uscis.gov**.

Photocopying and Retaining the Form I-9

A blank Form I-9 may be reproduced, provided both sides are copied. The Instructions must be available to all employees completing this form. Employers must retain completed Forms I-9 for three (3) years after the date of hire or one (1) year after the date employment ends, whichever is later.

The Form I-9 may be signed and retained electronically, as authorized in Department of Homeland Security regulations at 8 CFR § 274a.2.

Privacy Act Notice

The authority for collecting this information is the Immigration Reform and Control Act of 1986, Pub. L. 99-603 (8 USC 1324a).

This information is for employers to verify the eligibility of individuals for employment to preclude the unlawful hiring, or recruiting or referring for a fee, of aliens who are not authorized to work in the United States.

This information will be used by employers as a record of their basis for determining eligibility of an employee to work in the United States. The form will be kept by the employer and made available for inspection by officials of U.S. Immigration and Customs Enforcement, Department of Labor and Office of Special Counsel for Immigration Related Unfair Employment Practices.

Submission of the information required in this form is voluntary. However, an individual may not begin employment unless this form is completed, since employers are subject to civil or criminal penalties if they do not comply with the Immigration Reform and Control Act of 1986.

Paperwork Reduction Act

We try to create forms and instructions that are accurate, can be easily understood and which impose the least possible burden on you to provide us with information. Often this is difficult because some immigration laws are very complex. Accordingly, the reporting burden for this collection of information is computed as follows: **1)** learning about this form, and completing the form, 9 minutes; **2)** assembling and filing (recordkeeping) the form, 3 minutes, for an average of 12 minutes per response. If you have comments regarding the accuracy of this burden estimate, or suggestions for making this form simpler, you can write to: U.S. Citizenship and Immigration Services, Regulatory Management Division, 111 Massachusetts Avenue, N.W., 3rd Floor, Suite 3008, Washington, DC 20529. OMB No. 1615-0047.

OMB No. 1615-0047; Expires 06/30/08

Department of Homeland Security
U.S. Citizenship and Immigration Services

Form I-9, Employment Eligibility Verification

Please read instructions carefully before completing this form. The instructions must be available during completion of this form.

ANTI-DISCRIMINATION NOTICE: It is illegal to discriminate against work eligible individuals. Employers CANNOT specify which document(s) they will accept from an employee. The refusal to hire an individual because the documents have a future expiration date may also constitute illegal discrimination.

Section 1. Employee Information and Verification. To be completed and signed by employee at the time employment begins.

Print Name: Last	First	Middle Initial	Maiden Name
Address *(Street Name and Number)*		Apt. #	Date of Birth *(month/day/year)*
City	State	Zip Code	Social Security #

I am aware that federal law provides for imprisonment and/or fines for false statements or use of false documents in connection with the completion of this form.

I attest, under penalty of perjury, that I am (check one of the following):
- ☐ A citizen or national of the United States
- ☐ A lawful permanent resident (Alien #) A ____________
- ☐ An alien authorized to work until ____________
  (Alien # or Admission #) ____________

Employee's Signature	Date *(month/day/year)*

Preparer and/or Translator Certification. *(To be completed and signed if Section 1 is prepared by a person other than the employee.) I attest, under penalty of perjury, that I have assisted in the completion of this form and that to the best of my knowledge the information is true and correct.*

Preparer's/Translator's Signature	Print Name
Address *(Street Name and Number, City, State, Zip Code)*	Date *(month/day/year)*

Section 2. Employer Review and Verification. To be completed and signed by employer. Examine one document from List A OR examine one document from List B and one from List C, as listed on the reverse of this form, and record the title, number and expiration date, if any, of the document(s).

	List A	OR	List B	AND	List C
Document title:					
Issuing authority:					
Document #:					
Expiration Date *(if any)*:					
Document #:					
Expiration Date *(if any)*:					

CERTIFICATION - I attest, under penalty of perjury, that I have examined the document(s) presented by the above-named employee, that the above-listed document(s) appear to be genuine and to relate to the employee named, that the employee began employment on *(month/day/year)* ____________ **and that to the best of my knowledge the employee is eligible to work in the United States. (State employment agencies may omit the date the employee began employment.)**

Signature of Employer or Authorized Representative	Print Name	Title
Business or Organization Name and Address *(Street Name and Number, City, State, Zip Code)*		Date *(month/day/year)*

Section 3. Updating and Reverification. To be completed and signed by employer.

A. New Name *(if applicable)*	B. Date of Rehire *(month/day/year) (if applicable)*

C. If employee's previous grant of work authorization has expired, provide the information below for the document that establishes current employment eligibility.

Document Title: ____________ Document #: ____________ Expiration Date (if any): ____________

I attest, under penalty of perjury, that to the best of my knowledge, this employee is eligible to work in the United States, and if the employee presented document(s), the document(s) I have examined appear to be genuine and to relate to the individual.

Signature of Employer or Authorized Representative	Date *(month/day/year)*

LISTS OF ACCEPTABLE DOCUMENTS

LIST A **Documents that Establish Both Identity and Employment Eligibility**	OR LIST B **Documents that Establish Identity**	AND LIST C **Documents that Establish Employment Eligibility**
1. U.S. Passport (unexpired or expired)	**1.** Driver's license or ID card issued by a state or outlying possession of the United States provided it contains a photograph or information such as name, date of birth, gender, height, eye color and address	**1.** U.S. Social Security card issued by the Social Security Administration *(other than a card stating it is not valid for employment)*
2. Permanent Resident Card or Alien Registration Receipt Card (Form I-551)	**2.** ID card issued by federal, state or local government agencies or entities, provided it contains a photograph or information such as name, date of birth, gender, height, eye color and address	**2.** Certification of Birth Abroad issued by the Department of State *(Form FS-545 or Form DS-1350)*
3. An unexpired foreign passport with a temporary I-551 stamp	**3.** School ID card with a photograph	**3.** Original or certified copy of a birth certificate issued by a state, county, municipal authority or outlying possession of the United States bearing an official seal
4. An unexpired Employment Authorization Document that contains a photograph (Form I-766, I-688, I-688A, I-688B)	**4.** Voter's registration card	**4.** Native American tribal document
	5. U.S. Military card or draft record	**5.** U.S. Citizen ID Card *(Form I-197)*
5. An unexpired foreign passport with an unexpired Arrival-Departure Record, Form I-94, bearing the same name as the passport and containing an endorsement of the alien's nonimmigrant status, if that status authorizes the alien to work for the employer	**6.** Military dependent's ID card	**6.** ID Card for use of Resident Citizen in the United States *(Form I-179)*
	7. U.S. Coast Guard Merchant Mariner Card	
	8. Native American tribal document	**7.** Unexpired employment authorization document issued by DHS *(other than those listed under List A)*
	9. Driver's license issued by a Canadian government authority	
	For persons under age 18 who are unable to present a document listed above:	
	10. School record or report card	
	11. Clinic, doctor or hospital record	
	12. Day-care or nursery school record	

Illustrations of many of these documents appear in Part 8 of the Handbook for Employers (M-274)

Employment Development Department
State of California

This form can be used to manually compute your withholding allowances, or you can electronically compute them at **www.taxes.ca.gov/de4.xls** (Microsoft Excel required).

EMPLOYEE'S WITHHOLDING ALLOWANCE CERTIFICATE

Type or Print Your Full Name	Your Social Security Number
Home Address (Number and Street or Rural Route)	Filing Status Withholding Allowances ☐ SINGLE or MARRIED (with two or more incomes) ☐ MARRIED (one income) ☐ HEAD OF HOUSEHOLD
City, State, and ZIP Code	

1. Number of allowances for Regular Withholding Allowances, Worksheet A ________

   Number of allowances from the Estimated Deductions, Worksheet B ________

   Total Number of Allowances (A + B) when using the California Withholding Schedules for 2009 ________

OR

2. Additional amount of state income tax to be withheld each pay period (if employer agrees), Worksheet C ________

Under the penalties of perjury, I certify that the number of withholding allowances claimed on this certificate does not exceed the number to which I am entitled or, if claiming exemption from withholding, that I am entitled to claim the exempt status.

Signature ________________ Date ________

Employer's Name and Address	California Employer Account Number

\- - - - - - - - - - - - cut here - - - - - - - - - - - -

Give the top portion of this page to your employer and keep the remainder for your records.

YOUR CALIFORNIA PERSONAL INCOME TAX MAY BE UNDERWITHHELD IF YOU DO NOT FILE THIS DE 4 FORM

IF YOU RELY ON THE FEDERAL W-4 FOR YOUR CALIFORNIA WITHHOLDING ALLOWANCES, YOUR CALIFORNIA STATE PERSONAL INCOME TAX MAY BE UNDERWITHHELD AND YOU MAY OWE MONEY AT THE END OF THE YEAR.

PURPOSE: This certificate, DE 4, is for **California personal income tax withholding** purposes only. The DE 4 is used to compute the amount of taxes to be withheld from your wages, by your employer, to accurately reflect your state tax withholding obligation.

You should complete this form if either:

(1) You claim a different marital status, number of regular allowances, or different additional dollar amount to be withheld for California personal income tax withholding than you claim for federal income tax withholding or,

(2) You claim additional allowances for estimated deductions.

THIS FORM WILL NOT CHANGE YOUR **FEDERAL** WITHHOLDING ALLOWANCES.

The federal Form W-4 is applicable for California withholding purposes if you wish to claim the same marital status, number of regular allowances, and/or the same additional dollar amount to be withheld for state and federal purposes. However, federal tax brackets and withholding methods do not reflect state personal income tax withholding tables. **If you rely on the number of withholding allowances you claim on your Form W-4 withholding allowance certificate for your state income tax withholding, you may be significantly underwithheld**. This is particularly true if your household income is derived from more than one source.

CHECK YOUR WITHHOLDING: After your W-4 and/or DE 4 takes effect, compare the state income tax withheld with your estimated total annual tax. For state withholding, use the worksheets on this form, and for federal withholding use the Internal Revenue Service (IRS) Publication 919 or federal withholding calculations.

EXEMPTION FROM WITHHOLDING: If you wish to claim exempt, complete the federal Form W-4. You may only claim exempt from withholding California income tax if you did not owe any federal income tax last year and you do not expect to owe any federal income tax this year. The exemption automatically expires on February 15 of the next year. If you continue to qualify for the exempt filing status, a new Form W-4 designating EXEMPT must be submitted before February 15. If you are not having federal income tax withheld this year but expect to have a tax liability next year, the law requires you to give your employer a new Form W-4 by December 1.

IF YOU NEED MORE DETAILED INFORMATION, SEE THE INSTRUCTIONS THAT CAME WITH YOUR LAST CALIFORNIA INCOME TAX RETURN OR CALL THE FRANCHISE TAX BOARD.

IF YOU ARE CALLING FROM WITHIN THE UNITED STATES	1-800-852-5711 (voice) 1-800-822-6268 (TTY)

IF YOU ARE CALLING FROM OUTSIDE THE UNITED STATES (Not Toll Free) (916) 845-6500

The California Employer's Guide (DE 44) provides the income tax withholding tables. This publication may be found on EDD's Web site at **www.edd.ca.gov/Payroll_Taxes/Forms_and_Publications.htm**. To assist you in calculating your tax liability, please visit the Franchise Tax Board's Web site at: **www.ftb.ca.gov/individuals/index.shtml**.

NOTIFICATION: Your employer is required to send a copy of your DE 4 to the Franchise Tax Board (FTB) if it meets either of the following two conditions:

- You claim more than 10 withholding allowances
- You claim exemption from state or federal income tax withholding and your employer expects your usual weekly wages to exceed $200 per week.

IF THE IRS INSTRUCTS YOUR EMPLOYER TO WITHHOLD FEDERAL INCOME TAX BASED ON A CERTAIN WITHHOLDING STATUS, YOUR EMPLOYER IS REQUIRED TO USE THE SAME WITHHOLDING STATUS FOR STATE INCOME TAX WITHHOLDING IF YOUR WITHHOLDING ALLOWANCES FOR STATE PURPOSES MEET THE REQUIREMENTS LISTED UNDER "NOTIFICATION." IF YOU FEEL THAT THE FEDERAL DETERMINATION IS NOT CORRECT FOR STATE WITHHOLDING PURPOSES, YOU MAY REQUEST A REVIEW.

To do so, write to:

W-4 Unit
Franchise Tax Board MS F180
P.O. Box 2952
Sacramento, CA 95812-2952
Fax: (916) 843-1094

Your letter should contain the basis of your request for review. You will have the burden of showing the federal determination incorrect for state withholding purposes. The Franchise Tax Board (FTB) will limit its review to that issue. FTB will notify both you and your employer of its findings. Your employer is then required to withhold state income tax as instructed by FTB. In the event FTB or IRS finds there is no reasonable basis for the number of withholding exemptions that you claimed on your W-4/DE 4, you may be subject to a penalty.

PENALTY: You may be fined $500 if you file, with no reasonable basis, a DE 4 that results in less tax being withheld than is properly allowable. In addition, criminal penalties apply for willfully supplying false or fraudulent information or failing to supply information requiring an increase in withholding. This is provided for by Section 19176 of the California Revenue and Taxation Code.

INSTRUCTIONS — 1 — ALLOWANCES*

When determining your withholding allowances, you must consider your personal situation:
— Do you claim allowances for dependents or blindness?
— Are you going to itemize your deductions?
— Do you have more than one income coming into the household?

TWO-EARNER/TWO-JOBS: When earnings are derived from more than one source, underwithholding may occur. If you have a working spouse or more than one job, it is best to check the box "SINGLE or MARRIED (with two or more incomes)." Figure the total number of allowances you are entitled to claim on all jobs using only one DE 4 form. Claim allowances with one employer. Do not claim the same allowances with more than one employer. Your withholding will usually be most accurate when all allowances are claimed on the DE 4 or W-4 filed for the highest paying job and zero allowances are claimed for the others.

MARRIED BUT NOT LIVING WITH YOUR SPOUSE: You may check the "Head of Household" marital status box if you meet all of the following tests:

(1) Your spouse will not live with you at any time during the year;
(2) You will furnish over half of the cost of maintaining a home for the entire year for yourself and your child or stepchild who qualifies as your dependent; and
(3) You will file a separate return for the year.

HEAD OF HOUSEHOLD: To qualify, you must be unmarried or legally separated from your spouse and pay more than 50% of the costs of maintaining a home for the entire year for yourself and your dependent(s) or other qualifying individuals. Cost of maintaining the home includes such items as rent, property insurance, property taxes, mortgage interest, repairs, utilities, and cost of food. It does not include the individual's personal expenses or any amount which represents value of services performed by a member of the household of the taxpayer.

WORKSHEET A — REGULAR WITHHOLDING ALLOWANCES

(A) Allowance for yourself — enter 1	**(A)**	
(B) Allowance for your spouse (if not separately claimed by your spouse) — enter 1	**(B)**	
(C) Allowance for blindness — yourself — enter 1	**(C)**	
(D) Allowance for blindness — your spouse (if not separately claimed by your spouse) — enter 1	**(D)**	
(E) Allowance(s) for dependent(s) — do not include yourself or your spouse	**(E)**	
(F) Total — add lines (A) through (E) above	**(F)**	

INSTRUCTIONS — 2 — ADDITIONAL WITHHOLDING ALLOWANCES

If you expect to itemize deductions on your California income tax return, you can claim additional withholding allowances. Use Worksheet B to determine whether your expected estimated deductions may entitle you to claim one or more additional withholding allowances. Use last year's FTB 540 form as a model to calculate this year's withholding amounts.

Do not include deferred compensation, qualified pension payments or flexible benefits, etc., that are deducted from your gross pay but are not taxed on this worksheet.

You may reduce the amount of tax withheld from your wages by claiming one additional withholding allowance for each $1,000, or fraction of $1,000, by which you expect your estimated deductions for the year to exceed your allowable standard deduction.

WORKSHEET B — ESTIMATED DEDUCTIONS

1.	Enter an estimate of your itemized deductions for California taxes for this tax year as listed in the schedules in the FTB 540 form		1.
2.	Enter $7,384 if married filing joint, head of household, or qualifying widow(er) with dependent(s) or $3,692 if single or married filing separately	-	2.
3.	Subtract line 2 from line 1, enter difference	=	3.
4.	Enter an estimate of your adjustments to income (alimony payments, IRA deposits)	+	4.
5.	Add line 4 to line 3, enter sum	=	5.
6.	Enter an estimate of your nonwage income (dividends, interest income, alimony receipts)	-	6.
7.	If line 5 is greater than line 6 (if less, see below); Subtract line 6 from line 5, enter difference	=	7.
8.	Divide the amount on line 7 by $1,000, round any fraction to the nearest whole number. Enter this number on line 1 of the DE 4. Complete Worksheet C, if needed.		8.
9.	If line 6 is greater than line 5; Enter amount from line 6 (nonwage income)		9.
10.	Enter amount from line 5 (deductions)		10.
11.	Subtract line 10 from line 9, enter difference. Complete Worksheet C		11.

*Wages paid to registered domestic partners will be treated the same for state income tax purposes as wages paid to spouses for California personal income tax (PIT) withholding and PIT wages. This new law does not impact federal income tax law. A registered domestic partner means an individual partner in a domestic partner relationship within the meaning of Section 297 of the Family Code. For more information, please call our Taxpayer Assistance Center at 1-888-745-3886.

WORKSHEET C **TAX WITHHOLDING AND ESTIMATED TAX**

1. Enter estimate of total wages for tax year 2009 . . . . 1. ____________
2. Enter estimate of nonwage income (line 6 of Worksheet B) . . . . 2. ____________
3. Add line 1 and line 2. Enter sum . . . . 3. ____________
4. Enter itemized deductions or standard deduction (line 1 or 2 of Worksheet B, whichever is largest) . . . . 4. ____________
5. Enter adjustments to income (line 4 of Worksheet B) . . . . 5. ____________
6. Add line 4 and line 5. Enter sum . . . . 6. ____________
7. Subtract line 6 from line 3. Enter difference . . . . 7. ____________
8. Figure your tax liability for the amount on line 7 by using the 2009 tax rate schedules below . . . . 8. ____________
9. Enter personal exemptions (line F of Worksheet A x $99) . . . . 9. ____________
10. Subtract line 9 from line 8. Enter difference . . . . 10. ____________
11. Enter any tax credits. (See FTB Form 540) . . . . 11. ____________
12. Subtract line 11 from line 10. Enter difference. This is your total tax liability . . . . 12. ____________
13. Calculate the tax withheld and estimated to be withheld during 2009. Contact your employer to request the amount that will be withheld on your wages based on the marital status and number of withholding allowances you will claim for 2009. Multiply the estimated amount to be withheld by the number of pay periods left in the year. Add the total to the amount already withheld for 2009 . . . . . . 13. ____________
14. Subtract line 13 from line 12. Enter difference. If this is less than zero, you do not need to have additional taxes withheld . . . . 14. ____________
15. Divide line 14 by the number of pay periods remaining in the year. Enter this figure on line 2 of the DE 4 . 15. ____________

NOTE: Your employer is not required to withhold the additional amount requested on line 2 of your DE 4. If your employer does not agree to withhold the additional amount, you may increase your withholdings as much as possible by using the "single" status with "zero" allowances. If the amount withheld still results in an underpayment of state income taxes, you may need to file quarterly estimates on Form 540-ES with the FTB to avoid a penalty.

THESE TABLES ARE FOR CALCULATING WORKSHEET C AND FOR 2009 ONLY

SINGLE OR MARRIED WITH DUAL EMPLOYERS				
IF THE TAXABLE INCOME IS		COMPUTED TAX IS		
OVER	BUT NOT OVER		OF AMOUNT OVER . . .	PLUS*
$ 0	$ 7,168	1.25%	$ 0	$ 0.00
$ 7,168	$ 16,994	2.25%	$ 7,168	$ 89.60
$ 16,994	$ 26,821	4.25%	$ 16,994	$ 310.69
$ 26,821	$ 37,233	6.25%	$ 26,821	$ 728.34
$ 37,233	$ 47,055	8.25%	$ 37,233	$ 1,379.09
$ 47,055	$1,000,000	9.55%	$ 47,055	$ 2,189.41
$1,000,000	and over	10.55%	$1,000,000	$ 93,195.66

MARRIED FILING JOINT OR QUALIFYING WIDOW(ER) TAXPAYERS				
IF THE TAXABLE INCOME IS		COMPUTED TAX IS		
OVER	BUT NOT OVER		OF AMOUNT OVER . . .	PLUS*
$ 0	$ 14,336	1.25%	$ 0	$ 0.00
$ 14,336	$ 33,988	2.25%	$ 14,336	$ 179.20
$ 33,988	$ 53,642	4.25%	$ 33,988	$ 621.27
$ 53,642	$ 74,466	6.25%	$ 53,642	$ 1,456.67
$ 74,466	$ 94,110	8.25%	$ 74,466	$ 2,758.17
$ 94,110	$ 1,000,000	9.55%	$ 94,110	$ 4,378.80
$ 1,000,000	and over	10.55%	$ 1,000,000	$ 90,891.30

HEAD OF HOUSEHOLD TAXPAYERS				
IF THE TAXABLE INCOME IS		COMPUTED TAX IS		
OVER	BUT NOT OVER		OF AMOUNT OVER . . .	PLUS*
$ 0	$ 14,345	1.25%	$ 0	$ 0.00
$ 14,345	$ 33,989	2.25%	$ 14,345	$ 179.31
$ 33,989	$ 43,814	4.25%	$ 33,989	$ 621.30
$ 43,814	$ 54,225	6.25%	$ 43,814	$ 1,038.86
$ 54,225	$ 64,050	8.25%	$ 54,225	$ 1,689.55
$ 64,050	$ 1,000,000	9.55%	$ 64,050	$ 2,500.11
$ 1,000,000	and over	10.55%	$ 1,000,000	$ 91,883.34

*marginal tax

IF YOU NEED MORE DETAILED INFORMATION, SEE THE INSTRUCTIONS THAT CAME WITH YOUR LAST CALIFORNIA INCOME TAX RETURN OR CALL FRANCHISE TAX BOARD:

IF YOU ARE CALLING FROM WITHIN THE UNITED STATES 1-800-852-5711 (voice)
1-800-822-6268 (TTY)

IF YOU ARE CALLING FROM OUTSIDE THE UNITED STATES (Not Toll Free) (916) 845-6500

DE 4 information is collected for purposes of administering the Personal Income Tax law and under the Authority of Title 22 of the California Code of Regulations and the Revenue and Taxation Code, including Section 18624. The Information Practices Act of 1977 requires that individuals be notified of how information they provide may be used. Further information is contained in the instructions that came with your last California income tax return.

Form W-4 (2010)

Purpose. Complete Form W-4 so that your employer can withhold the correct federal income tax from your pay. Consider completing a new Form W-4 each year and when your personal or financial situation changes.

Exemption from withholding. If you are exempt, complete **only** lines 1, 2, 3, 4, and 7 and sign the form to validate it. Your exemption for 2010 expires February 16, 2011. See Pub. 505, Tax Withholding and Estimated Tax.

Note. You cannot claim exemption from withholding if (a) your income exceeds $950 and includes more than $300 of unearned income (for example, interest and dividends) and (b) another person can claim you as a dependent on his or her tax return.

Basic instructions. If you are not exempt, complete the **Personal Allowances Worksheet** below. The worksheets on page 2 further adjust your withholding allowances based on itemized deductions, certain credits, adjustments to income, or two-earners/multiple jobs situations.

Complete all worksheets that apply. However, you may claim fewer (or zero) allowances. For regular wages, withholding must be based on allowances you claimed and may not be a flat amount or percentage of wages.

Head of household. Generally, you may claim head of household filing status on your tax return only if you are unmarried and pay more than 50% of the costs of keeping up a home for yourself and your dependent(s) or other qualifying individuals. See Pub. 501, Exemptions, Standard Deduction, and Filing Information, for information.

Tax credits. You can take projected tax credits into account in figuring your allowable number of withholding allowances. Credits for child or dependent care expenses and the child tax credit may be claimed using the **Personal Allowances Worksheet** below. See Pub. 919, How Do I Adjust My Tax Withholding, for information on converting your other credits into withholding allowances.

Nonwage income. If you have a large amount of nonwage income, such as interest or dividends, consider making estimated tax payments using Form 1040-ES, Estimated Tax for Individuals. Otherwise, you may owe additional tax. If you have pension or annuity income, see Pub. 919 to find out if you should adjust your withholding on Form W-4 or W-4P.

Two earners or multiple jobs. If you have a working spouse or more than one job, figure the total number of allowances you are entitled to claim on all jobs using worksheets from only one Form W-4. Your withholding usually will be most accurate when all allowances are claimed on the Form W-4 for the highest paying job and zero allowances are claimed on the others. See Pub. 919 for details.

Nonresident alien. If you are a nonresident alien, see Notice 1392, Supplemental Form W-4 Instructions for Nonresident Aliens, before completing this form.

Check your withholding. After your Form W-4 takes effect, use Pub. 919 to see how the amount you are having withheld compares to your projected total tax for 2010. See Pub. 919, especially if your earnings exceed $130,000 (Single) or $180,000 (Married).

Personal Allowances Worksheet (Keep for your records.)

A Enter “1” for **yourself** if no one else can claim you as a dependent . . . . **A** ______

B Enter “1” if:
- You are single and have only one job; or
- You are married, have only one job, and your spouse does not work; or
- Your wages from a second job or your spouse’s wages (or the total of both) are $1,500 or less.

. . **B** ______

C Enter “1” for your **spouse.** But, you may choose to enter “-0-” if you are married and have either a working spouse or more than one job. (Entering “-0-” may help you avoid having too little tax withheld.) . . . . **C** ______

D Enter number of **dependents** (other than your spouse or yourself) you will claim on your tax return . . . . **D** ______

E Enter “1” if you will file as **head of household** on your tax return (see conditions under **Head of household** above) . **E** ______

F Enter “1” if you have at least $1,800 of **child or dependent care expenses** for which you plan to claim a credit . . **F** ______
(**Note.** Do **not** include child support payments. See Pub. 503, Child and Dependent Care Expenses, for details.)

G **Child Tax Credit** (including additional child tax credit). See Pub. 972, Child Tax Credit, for more information.
- If your total income will be less than $61,000 ($90,000 if married), enter “2” for each eligible child; then **less** “1” if you have three or more eligible children.
- If your total income will be between $61,000 and $84,000 ($90,000 and $119,000 if married), enter “1” for each eligible child plus “1” **additional** if you have six or more eligible children.

G ______

H Add lines A through G and enter total here. (**Note.** This may be different from the number of exemptions you claim on your tax return.) ▶ **H** ______

For accuracy, **complete all worksheets that apply.**
- If you plan to **itemize or claim adjustments to income** and want to reduce your withholding, see the **Deductions and Adjustments Worksheet** on page 2.
- If you have **more than one job** or are **married and you and your spouse both work** and the combined earnings from all jobs exceed $18,000 ($32,000 if married), see the **Two-Earners/Multiple Jobs Worksheet** on page 2 to avoid having too little tax withheld.
- If **neither** of the above situations applies, **stop here** and enter the number from line H on line 5 of Form W-4 below.

Cut here and give Form W-4 to your employer. Keep the top part for your records.

Form **W-4**

Department of the Treasury
Internal Revenue Service

Employee’s Withholding Allowance Certificate

▶ **Whether you are entitled to claim a certain number of allowances or exemption from withholding is subject to review by the IRS. Your employer may be required to send a copy of this form to the IRS.**

OMB No. 1545-0074

2010

1 Type or print your first name and middle initial.	Last name	**2 Your social security number**
Home address (number and street or rural route)	**3** ☐ Single ☐ Married ☐ Married, but withhold at higher Single rate. **Note.** If married, but legally separated, or spouse is a nonresident alien, check the “Single” box.	
City or town, state, and ZIP code	**4 If your last name differs from that shown on your social security card, check here. You must call 1-800-772-1213 for a replacement card.** ▶ ☐	

5 Total number of allowances you are claiming (from line **H** above **or** from the applicable worksheet on page 2) **5** ______

6 Additional amount, if any, you want withheld from each paycheck . . . . **6** $ ______

7 I claim exemption from withholding for 2010, and I certify that I meet **both** of the following conditions for exemption.
- Last year I had a right to a refund of **all** federal income tax withheld because I had **no** tax liability **and**
- This year I expect a refund of **all** federal income tax withheld because I expect to have **no** tax liability.

If you meet both conditions, write “Exempt” here . . . . ▶ **7** ______

Under penalties of perjury, I declare that I have examined this certificate and to the best of my knowledge and belief, it is true, correct, and complete.

Employee’s signature
(Form is not valid unless you sign it.) ▶ **Date** ▶

8 Employer’s name and address (Employer: Complete lines 8 and 10 only if sending to the IRS.)	**9** Office code (optional)	**10** Employer identification number (EIN)

Deductions and Adjustments Worksheet

Note. Use this worksheet *only* if you plan to itemize deductions or claim certain credits or adjustments to income.

1	Enter an estimate of your 2010 itemized deductions. These include qualifying home mortgage interest, charitable contributions, state and local taxes, medical expenses in excess of 7.5% of your income, and miscellaneous deductions	1	$
2	Enter: $11,400 if married filing jointly or qualifying widow(er); $8,400 if head of household; $5,700 if single or married filing separately	2	$
3	**Subtract** line 2 from line 1. If zero or less, enter "-0-"	3	$
4	Enter an estimate of your 2010 adjustments to income and any additional standard deduction. (Pub. 919)	4	$
5	**Add** lines 3 and 4 and enter the total. (Include any amount for credits from *Worksheet 6* in Pub. 919.)	5	$
6	Enter an estimate of your 2010 nonwage income (such as dividends or interest)	6	$
7	**Subtract** line 6 from line 5. If zero or less, enter "-0-"	7	$
8	**Divide** the amount on line 7 by $3,650 and enter the result here. Drop any fraction	8	
9	Enter the number from the **Personal Allowances Worksheet,** line H, page 1	9	
10	**Add** lines 8 and 9 and enter the total here. If you plan to use the **Two-Earners/Multiple Jobs Worksheet,** also enter this total on line 1 below. Otherwise, **stop here** and enter this total on Form W-4, line 5, page 1	10	

Two-Earners/Multiple Jobs Worksheet (See *Two earners or multiple jobs* on page 1.)

Note. Use this worksheet *only* if the instructions under line H on page 1 direct you here.

1	Enter the number from line H, page 1 (or from line 10 above if you used the **Deductions and Adjustments Worksheet**)	1	
2	Find the number in **Table 1** below that applies to the **LOWEST** paying job and enter it here. **However,** if you are married filing jointly and wages from the highest paying job are $65,000 or less, do not enter more than "3."	2	
3	If line 1 is **more than or equal to** line 2, subtract line 2 from line 1. Enter the result here (if zero, enter "-0-") and on Form W-4, line 5, page 1. **Do not** use the rest of this worksheet	3	

Note. If line 1 is ***less than*** line 2, enter "-0-" on Form W-4, line 5, page 1. Complete lines 4–9 below to figure the additional withholding amount necessary to avoid a year-end tax bill.

4	Enter the number from line 2 of this worksheet	4	
5	Enter the number from line 1 of this worksheet	5	
6	**Subtract** line 5 from line 4	6	
7	Find the amount in **Table 2** below that applies to the **HIGHEST** paying job and enter it here	7	$
8	**Multiply** line 7 by line 6 and enter the result here. This is the additional annual withholding needed	8	$
9	Divide line 8 by the number of pay periods remaining in 2010. For example, divide by 26 if you are paid every two weeks and you complete this form in December 2009. Enter the result here and on Form W-4, line 6, page 1. This is the additional amount to be withheld from each paycheck	9	$

Table 1

Married Filing Jointly: If wages from **LOWEST** paying job are—	Enter on line 2 above	All Others: If wages from **LOWEST** paying job are—	Enter on line 2 above
$0 - $7,000 -	0	$0 - $6,000 -	0
7,001 - 10,000 -	1	6,001 - 12,000 -	1
10,001 - 16,000 -	2	12,001 - 19,000 -	2
16,001 - 22,000 -	3	19,001 - 26,000 -	3
22,001 - 27,000 -	4	26,001 - 35,000 -	4
27,001 - 35,000 -	5	35,001 - 50,000 -	5
35,001 - 44,000 -	6	50,001 - 65,000 -	6
44,001 - 50,000 -	7	65,001 - 80,000 -	7
50,001 - 55,000 -	8	80,001 - 90,000 -	8
55,001 - 65,000 -	9	90,001 -120,000 -	9
65,001 - 72,000 -	10	120,001 and over	10
72,001 - 85,000 -	11		
85,001 -105,000 -	12		
105,001 -115,000 -	13		
115,001 -130,000 -	14		
130,001 - and over	15		

Table 2

Married Filing Jointly: If wages from **HIGHEST** paying job are—	Enter on line 7 above	All Others: If wages from **HIGHEST** paying job are—	Enter on line 7 above
$0 - $65,000	$550	$0 - $35,000	$550
65,001 - 120,000	910	35,001 - 90,000	910
120,001 - 185,000	1,020	90,001 - 165,000	1,020
185,001 - 330,000	1,200	165,001 - 370,000	1,200
330,001 and over	1,280	370,001 and over	1,280

Privacy Act and Paperwork Reduction Act Notice. We ask for the information on this form to carry out the Internal Revenue laws of the United States. Internal Revenue Code sections 3402(f)(2) and 6109 and their regulations require you to provide this information; your employer uses it to determine your federal income tax withholding. Failure to provide a properly completed form will result in your being treated as a single person who claims no withholding allowances; providing fraudulent information may subject you to penalties. Routine uses of this information include giving it to the Department of Justice for civil and criminal litigation, to cities, states, the District of Columbia, and U.S. commonwealths and possessions for use in administering their tax laws, and using it in the National Directory of New Hires. We may also disclose this information to other countries under a tax treaty, to federal and state agencies to enforce federal nontax criminal laws, or to federal law enforcement and intelligence agencies to combat terrorism.

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The average time and expenses required to complete and file this form will vary depending on individual circumstances. For estimated averages, see the instructions for your income tax return.

If you have suggestions for making this form simpler, we would be happy to hear from you. See the instructions for your income tax return.

ACKNOWLEDGMENT

State of California
County of ______________________} ss.

On ________________________ before me, ______________________________, Notary Public, personally appeared ____
____,who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signatures(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

____
Signature

(seal)