[Date]

[Client Name]
[Client Address]
[City, State, Zip Code]

Re: Tax Opinion Regarding Debt Restructuring of [Company Name]

Dear [Client Contact Name],

1. Introduction

This letter provides our legal opinion regarding the federal income tax consequences of the proposed restructuring of the debt obligations (the "Restructuring") of [Company Name] (the "Company").

2. Description of Transaction

We understand that the Company and its creditors intend to modify the terms of [Description of Debt Instrument]. The modification involves [Summary of changes: e.g., reduction in principal, change in interest rate, or extension of maturity].

3. Significant Modification Analysis

Under Treasury Regulation Section 1.1001-3, we have evaluated whether the Restructuring constitutes a "significant modification." Based on our review, the changes to the debt terms [do/do not] result in a deemed exchange of the old debt instrument for a new debt instrument for tax purposes.

4. Cancellation of Indebtedness Income (CODI)

Pursuant to Section 61(a)(11) of the Internal Revenue Code (the "Code"), gross income generally includes income from the discharge of indebtedness. We have evaluated the following implications:

- Calculation of CODI based on the issue price of the new debt versus the adjusted issue price of the old debt.
- The applicability of the Insolvency Exception under Section 108(a)(1)(B).
- The applicability of the Bankruptcy Exception under Section 108(a)(1)(A).
- The requirement for Attribute Reduction under Section 108(b).

5. Opinion

Based on the facts and assumptions set forth above, it is our opinion that:

1. [First Conclusion: e.g., The modification is a significant modification.]

2. [Second Conclusion: e.g., The Company will realize CODI in the amount of $X.]
3. [Third Conclusion: e.g., Such CODI may be excluded from gross income to the extent of insolvency.]

6. Limitations

This opinion is based on the Code, Treasury Regulations, and administrative rulings currently in effect. This letter is intended solely for the benefit of [Client Name] and may not be relied upon by any other party.

Sincerely,

[Signature]
[Name of Firm/Attorney]
[Title]