

[Law Firm Letterhead]

[Date]

[Client Name]

[Client Address]

[City, State, Zip Code]

Re: Legal Opinion Regarding Potential Preference Liability - [Debtor Name]

Dear [Client Name],

You have requested our legal opinion regarding the demand for the return of payments totaling \$[Amount] made to you by [Debtor Name] (the "Debtor") during the 90-day period prior to their bankruptcy filing on [Petition Date]. This letter analyzes whether these transfers constitute avoidable preferences under 11 U.S.C. § 547(b) and identifies applicable defenses under § 547(c).

I. Analysis of Preference Elements

Under the Bankruptcy Code, a transfer is preferential if it was made: (1) to or for the benefit of a creditor; (2) for an antecedent debt; (3) while the debtor was insolvent; (4) within 90 days of the petition date; and (5) enables the creditor to receive more than they would in a Chapter 7 liquidation. Based on the records provided, it appears the Trustee can establish a prima facie case for preference.

II. Statutory Defenses

Notwithstanding the above, we believe the following defenses apply to the transfers in question:

- **Ordinary Course of Business:** The payments were made according to the standard historical billing cycle and payment terms established between you and the Debtor.
- **Subsequent New Value:** After receiving the alleged preferential payments, you provided additional goods or services to the Debtor for which you were not paid, reducing the net liability.
- **Contemporaneous Exchange:** Certain payments were intended to be, and were in fact, a substantially contemporaneous exchange for new value given to the Debtor.

III. Legal Opinion

Based on the documentation reviewed, it is our opinion that you have meritorious defenses to a significant portion, if not all, of the preference demand. While the Trustee has the initial burden of proof, the burden shifts to you to prove the applicability of the defenses noted above.

IV. Limitations

This opinion is based on the facts provided to date and the current state of bankruptcy law. It is not a guarantee of the outcome of any potential litigation.

Sincerely,

[Attorney Signature]
[Attorney Name]
[Law Firm Name]