

[Law Firm Letterhead]

[Date]

[Client Name]

[Client Address]

[City, State, Zip Code]

Re: Legal Opinion Regarding Potential Preference Liability for Insider Transfers

Dear [Client Name],

You have requested our legal opinion regarding the potential liability under Section 547 of the Bankruptcy Code concerning payments made by [Debtor Name] (the "Debtor") to [Insider Name] (the "Insider") prior to the bankruptcy filing.

1. Factual Background

Based on the documentation provided, the Debtor transferred [Amount] to the Insider on [Date]. We understand that the Insider holds a position as [Title/Relationship] and therefore qualifies as an "insider" under 11 U.S.C. § 101(31).

2. Legal Analysis

Under Section 547(b), a trustee may avoid a transfer made to an insider if it occurred within one year before the date of the filing of the petition. For a transfer to be avoidable, it must have been made:

- To or for the benefit of a creditor;
- For or on account of an antecedent debt;
- While the debtor was insolvent;
- On or within one year before the date of the filing of the petition (for insiders); and
- That enables the creditor to receive more than they would receive in a Chapter 7 liquidation.

3. Potential Defenses

We have evaluated the following statutory defenses under Section 547(c):

- **Ordinary Course of Business:** Whether the transfer was made in the normal course of financial affairs between the parties.
- **Contemporaneous Exchange for New Value:** Whether the transfer was intended to be, and was, a substantially contemporaneous exchange for new value given to the debtor.
- **Subsequent New Value:** Whether, after the transfer, the Insider gave new value to the debtor that remains unpaid.

4. Conclusion and Opinion

Based on the foregoing, it is our opinion that [Legal Conclusion regarding the likelihood of the transfer being avoided or the strength of available defenses].

This opinion is limited to the facts presented and the laws currently in effect.

Sincerely,

[Attorney Signature]

[Print Name]

[Law Firm Name]