

**[Law Firm Letterhead]**

**DATE:** [Date]

**TO:** [Client Name/Board of Directors]

**RE:** Legal Opinion Regarding Potential Preference Liability and Trustee Clawback Exposure

Dear [Client Name],

At your request, we have reviewed the payments made by [Debtor Name] (the "Debtor") to [Creditor Name] (the "Creditor") during the ninety (90) days preceding the bankruptcy filing on [Petition Date] (the "Preference Period"). This letter provides our legal opinion regarding the likelihood of a Bankruptcy Trustee successfully recovering these payments as "voidable preferences" under 11 U.S.C. § 547.

### **I. Summary of Transactions**

The total amount of transfers made during the Preference Period is \$[Amount]. These transfers consist of [Number] payments made between [Start Date] and [End Date].

### **II. Statutory Requirements for Avoidance**

To succeed in a clawback action, the Trustee must prove that the transfers were:

- To or for the benefit of a creditor;
- For or on account of an antecedent debt;
- Made while the debtor was insolvent;
- Made on or within 90 days before the date of the filing of the petition; and
- Enabled the creditor to receive more than it would receive in a Chapter 7 liquidation.

### **III. Analysis of Affirmative Defenses**

Based on our review of the records, we believe the following defenses under § 547(c) may apply:

**1. Ordinary Course of Business:** [Analyze if payments followed the historical timing and manner of previous dealings].

**2. Subsequent New Value:** [Analyze if the Creditor provided new goods or services to the Debtor after receiving the preferential payments].

**3. Contemporaneous Exchange for New Value:** [Analyze if any payments were intended to be, and were in fact, substantially contemporaneous exchanges].

### **IV. Opinion on Exposure**

Based upon the facts currently available, it is our opinion that:

[Insert Conclusion: e.g., "The Creditor maintains a strong defense," or "There is a high probability of partial exposure in the amount of \$X."]

## **V. Limitations**

This opinion is based on the documentation provided to date and current bankruptcy law. Changes in fact or law may alter this analysis.

Sincerely,

[Attorney Name]

[Firm Name]