

[Law Firm/Consultancy Letterhead]

Date: [Insert Date]

To: [Client Name/Board of Directors]

From: [Attorney/Consultant Name]

Subject: Legal Opinion on Worker Classification of Equity Partners

1. PURPOSE

This letter provides a formal legal opinion regarding the classification of [Name of Individual] as an Equity Partner rather than an employee of [Company Name] (the "Company") for purposes of federal tax, labor, and employment laws.

2. DOCUMENTS REVIEWED

In forming this opinion, we have reviewed the following:

- The Company's Operating Agreement or Partnership Agreement.
- The Capital Contribution records for [Name of Individual].
- Schedule K-1 (Form 1065) filings.
- The Profit and Loss sharing provisions of the Company.
- Management and Voting rights documentation.

3. ANALYSIS OF PARTNER STATUS

Our classification is based on the following criteria:

- **Capital Investment:** The individual has made a substantial capital contribution and maintains a personal investment at risk in the business.
- **Control and Management:** The individual participates in high-level decision-making, holds voting rights, and exerts control over the entity's direction.
- **Profit and Loss Sharing:** Compensation is primarily derived from a distributive share of profits rather than a fixed salary, and the individual is liable for a share of losses.
- **Liability:** The individual shares in the liabilities of the entity as outlined in the governing documents.

4. OPINION

Based on the facts reviewed, it is our professional opinion that [Name of Individual] meets the legal definition of a partner. Because the individual acts as a co-owner for profit and exercises management authority, they are correctly classified as an Equity Partner and not as an employee under [Applicable Law/IRS Guidelines].

5. LIMITATIONS

This opinion is limited to the facts presented and the laws currently in effect. Any change in the individual's role or the Company's structure may void this classification.

Signature: _____

[Name and Title]