[Law Firm Letterhead]

[Date]

[Recipient Name]
[Recipient Title]
[Company Name]
[Address]
[City, State, Zip Code]

RE: Legal Opinion Regarding Commingling of Assets and Potential Piercing of the Corporate Veil

Dear [Name],

You have requested our legal opinion regarding whether the current financial practices of [Subsidiary/Affiliate Company Name] (the "Company") could lead to a judicial "piercing of the corporate veil," thereby holding [Parent Company/Shareholder Name] personally liable for the obligations of the Company due to the commingling of assets.

1. Scope of Review
In rendering this opinion, we have reviewed the following: [List documents, e.g., Bank statements, Intercompany transfer ledgers, Corporate bylaws, and Minutes of Board meetings].

2. Legal Standard
The "corporate veil" protects shareholders from the liabilities of a corporation. However, courts may disregard the corporate entity under the "alter ego" doctrine if there is such a unity of interest and ownership that the separate personalities of the corporation and the individual/parent no longer exist. A primary factor in this determination is the commingling of funds and assets.

3. Analysis of Facts
Based on our review, we have identified the following practices:
- [Detail specific instance of commingled funds]
- [Detail any failure to maintain separate bank accounts]
- [Detail use of corporate funds for personal/parent expenses]

4. Legal Opinion
It is our opinion that the current practices [do / do not] constitute a significant risk of piercing the corporate veil. Specifically, the [absence/presence] of distinct financial records and the [regular/irregular] transfer of capital without formal loan agreements suggests that the Company is being treated as a mere instrumentality of [Parent/Shareholder Name].

5. Recommendations
To mitigate the risk of liability, we recommend the following remedial actions:
- Cease all direct payment of personal/parent obligations from Company accounts.

- Execute formal, interest-bearing promissory notes for all intercompany transfers.
- Maintain strictly separate accounting ledgers and bank accounts.

6. Conclusion
While the law presumes corporate separateness, the commingling of assets serves as strong evidence to the contrary. Adherence to the recommendations above is essential to preserving limited liability protections.

Sincerely,

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