[Date]

[Attorney Name/Law Firm Name]
[Address]
[City, State, Zip Code]

RE: Letter of Restrictions Regarding Compensation and Dividends

Dear [Name],

This letter serves to formally outline the restrictions regarding compensation and the issuance of dividends as agreed upon in connection with [Case Name/Project/Financing Agreement]. These restrictions are effective as of [Effective Date].

1. Restrictions on Compensation
The Firm agrees that total compensation, including bonuses, performance incentives, and deferred payments to any partner, associate, or employee, shall not exceed [Amount or Percentage] during the restricted period. Any increase in compensation must receive prior written approval from [Governing Body/Lender/Client].

2. Restrictions on Dividends and Distributions
The Firm shall not declare, pay, or distribute any dividends or return of capital to its shareholders or partners unless the following conditions are met:
- [Condition 1: e.g., Maintenance of a specific debt-to-equity ratio]
- [Condition 2: e.g., Full payment of outstanding legal fees/liens]
- [Condition 3: e.g., Written consent from the oversight committee]

3. Reporting Requirements
The Firm agrees to provide [Frequency, e.g., quarterly] financial statements to demonstrate compliance with these restrictions. Failure to provide documentation shall be considered a breach of this agreement.

4. Duration
These restrictions shall remain in full force and effect until [Termination Event or Date], or until such time as [Name of Entity] provides a formal release of restrictions in writing.

Please acknowledge your receipt and acceptance of these terms by signing below.

Sincerely,

[Your Name/Title]
[Company/Entity Name]

Acknowledged and Agreed:

____
[Attorney Signature]
Date: ______________________