

[Date]

[Selling Shareholder Name]

[Firm Name]

[Address]

[City, State, Zip]

## **RE: Letter of Intent for Shareholder Buyout and Transition to Of Counsel Status**

Dear [Name],

This Letter of Intent ("LOI") outlines the proposed terms for [Firm Name] (the "Firm") to purchase your shares and for your transition from an equity shareholder to an "Of Counsel" position.

**1. Purchase of Shares:** The Firm shall purchase all of your [Number] shares of common stock. The proposed purchase price is \$[Amount], determined by [Valuation Method].

**2. Payment Terms:** The purchase price shall be paid as follows:

- \$[Amount] as a down payment upon execution of the definitive agreement.
- The balance of \$[Amount] to be paid in [Number] monthly installments at an interest rate of [Percentage]%.

**3. Transition to Of Counsel:** Effective [Date], you will resign as a Shareholder/Director and transition to "Of Counsel" status. Your primary duties will include [Brief Description of Duties, e.g., client transition, mentoring, or specific litigation].

**4. Compensation and Benefits:** In your capacity as Of Counsel, you will receive:

- [Base Salary or Hourly Rate]
- [Percentage]% of collections from existing clients managed by you.
- Continued coverage under the Firm's [Health/Malpractice] insurance through [Date].

**5. Office and Support:** The Firm will provide you with [Private/Shared] office space, access to administrative support, and firm software for the duration of your Of Counsel tenure.

**6. Non-Compete and Confidentiality:** The definitive agreement will include standard provisions regarding the protection of firm clients and confidential information, subject to applicable State Bar ethical rules.

**7. Definitive Agreement:** This LOI is a statement of intent and is non-binding, except for the confidentiality of these negotiations. The transaction is subject to the execution of a formal Share Purchase Agreement and Of Counsel Agreement.

If these terms are acceptable, please sign below.

Sincerely,

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[Managing Partner Name]  
On behalf of [Firm Name]

**Accepted and Agreed:**

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[Selling Shareholder Name]  
Date: \_\_\_\_\_