

Date: [Insert Date]

To:

[Partner A Name]

[Partner B Name]

[Partnership/Entity Name]

Subject: Conflict of Interest Waiver - Apportionment of Partnership Debt

Dear Partners,

This letter confirms that [Law Firm/Accounting Firm Name] has been requested to advise [Partnership Name] and its individual partners regarding the allocation and apportionment of partnership debt for tax and accounting purposes.

1. Nature of the Conflict

The apportionment of partnership debt affects each partner's basis in their partnership interest. Because an increase in debt allocation to one partner may result in a decrease to another, the interests of the partners are inherently adverse. Decisions made regarding "recourse" vs. "non-recourse" classifications or "bottom-dollar guarantees" may provide a tax benefit to one partner while creating a tax liability for another.

2. Role of the Advisor

Our firm intends to act as a neutral advisor to the partnership as an entity. We will provide technical analysis based on current tax laws and regulations. However, we cannot advocate for the specific personal tax position of one partner over another in this matter.

3. Waiver and Consent

By signing this letter, you acknowledge the following:

- You are aware of the potential conflict of interest regarding debt apportionment.
- You waive any formal conflict of interest claim arising from our joint representation in this specific matter.
- You have been advised of your right to seek independent legal or tax counsel before signing this waiver.
- Information shared with us regarding partnership debt will not be privileged or confidential between the partners, although it remains confidential as to third parties.

4. Termination

If a formal dispute or litigation arises between the partners regarding this apportionment, our firm will be required to withdraw from representing any party in this specific matter.

Please indicate your consent by signing below.

Sincerely,

[Signature of Advisor]
[Name and Title]

ACKNOWLEDGED AND AGREED:

[Partner A Name]
Date:

[Partner B Name]
Date: