

Legal Contingencies Representation Letter

[Client's Name]

[Client's Address]

[City, State ZIP Code]

[Date]

[Auditor's Name]

[Auditor's Firm Name]

[Auditor's Address]

[City, State ZIP Code]

Dear [Auditor's Name],

In connection with your audit of the financial statements of [Company Name] as of [Date], management is providing this representation regarding legal contingencies as required by professional auditing standards.

1. General Representations

As of [Date], we confirm the following to the best of our knowledge and belief regarding legal matters having a material impact on the financial statements:

- We have disclosed all known actual or possible litigation, claims, and assessments whose effects should be considered when preparing the financial statements.
- We have received legal advice from our legal counsel regarding the above matters and have informed you of the substance of those communications.
- All material contingent liabilities and related information have been appropriately accounted for, or disclosed, in the financial statements in accordance with applicable standards.

2. Specific Legal Matters

We have reviewed with legal counsel and provided to you details of the following:

- Pending or threatened litigation and claims, including the nature of each case, the progress to date, and management's assessment of the probability and amount of potential loss, if any.
- Any unasserted claims or assessments considered probable of assertion and that, if asserted, would have at least a reasonable possibility of an unfavorable outcome.

3. Other Representations

There are no other legal matters requiring disclosure or adjustment in the financial statements other than those already discussed and communicated to you.

Sincerely,

[Name of Authorized Officer]

[Title]

[Company Name]

[Date]

Important Notes:

- This letter should be appropriately dated and signed by authorized company management.

- Contents must be prepared in consultation with legal counsel to ensure accuracy.
- Include clear identification of all known or potential legal matters as of the reporting date.
- This letter forms a significant part of audit documentation and legal compliance.
- Retention of this letter should follow proper document retention policies.