

SAMPLE INSERT TO ENGAGEMENT LETTER WHERE LAW FIRM IS RETAINED TO CREATE A BUSINESS ENTITY

Insert:

[Law Firm] has been engaged by [name of client/s] to form [name of entity] and thereafter to represent [name of entity]. [If in the formation stage, [Law Firm] is representing more than one person in a joint representation, then necessary disclosures must be made and conflict waivers obtained concerning the joint representation. If in the formation stage, [Law Firm] does not represent all the persons who will have an interest in the entity, then send to the non-clients [Law Firm's] standard "I am not your lawyer" letter.] Until the [name of entity] has been formed, our only client will be [name of client/s] who will be solely responsible for payment of our invoices for services in forming [name of entity] in the event that [name of entity] is not formed or does not pay for these services when it is formed.

When [name of entity] is legally formed, [Law Firm's] only client will be [name of entity] and we will no longer represent any of the persons who formed [name of entity] in any manner relating to [name of entity]. [If it is intended that [Law Firm] will jointly represent the entity and one or more its owners, officers, directors, etc., in matters relating to the entity, then necessary disclosures must be made and conflict waivers obtained concerning such joint representation.] Any representation by [Law Firm] of any person involved in the formation, ownership or management of [name of entity] in any matter relating to [name of entity], will be subject to advance disclosure by [Law Firm], with full explanation of any conflict issues and receipt of any necessary consents and waivers if any conflicts exist.

