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November 18, 2003

**VIA FEDERAL EXPRESS**

The Honorable Norm Coleman, Chairman  
The Honorable Carl Levin, Ranking Minority Member  
Permanent Subcommittee on Investigations  
Committee on Governmental Affairs  
United States Senate  
Washington, D.C. 20510-6250

Dear Messrs. Coleman and Levin:

The following responds to the three questions raised in your letter to me of November 6, 2003 concerning the hearings you are holding on the development, marketing, and implementation of tax products designed to be sold to multiple clients. You indicated that you intend to focus in particular on the Bond Linked Issue Premium Structure (BLIPS), the Offshore Portfolio Investment Strategy (OPIS), and the Foreign Leveraged Investment Program (FLIP), as well as the S-Corporation Charitable Contribution Strategy (SC2). I have no knowledge of the latter transaction. However, you asked me three questions concerning the other three transactions. I cannot, of course, ethically disclose confidential information acquired in connection with representation of clients. I can, however, respond to your questions without disclosing client confidences, and my responses are as follows:

1. Sutherland Asbill & Brennan LLP ("SAB") has had no involvement in the development, marketing or implementation of the transactions that your letter of November 6, 2003, refers to as FLIP, OPIS and BLIPS. Nor did SAB prepare, comment on, or have anything to do with any legal or tax opinions that may have issued in connection with these transactions. SAB does represent individual taxpayers in controversies arising out of audits by the Internal Revenue Service (the "IRS") with respect to transactions that the IRS has characterized as within that described grouping.

These taxpayers engaged SAB long after they had entered into these transactions.

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2. SAB has represented the major accounting firms in connection with lawsuits filed against those firms, none involving any of the transactions described above. SAB has never represented any accounting firm in any litigation or other controversy involving any such transaction. Our representation of accounting firms in matters unrelated to these transactions and of individual clients in tax controversies concerning these transactions thus would not give rise to any conflict of interest.

Whenever SAB and a prospective client discuss representation in a matter that could involve an accounting firm whom we represent in unrelated matters, it is the firm's policy to inform the prospective client that we represent the accounting firm and that we could not accept a representation related to any claim against the accounting firm.

3. In representing clients, SAB acts in conformity with all professional and legal requirements. SAB does not "negotiate" mass settlements with the IRS. The IRS will not negotiate global resolutions. It will, however, listen to arguments made on behalf of clients. The IRS then makes its own decision as to whether it will offer a global settlement and, if so, what it will be.

Very truly yours,



N. Jerold Cohen

NJC/mjr