

[Date]

[Client Name]
[Client Address]
[City, State, Zip Code]

Dear [Client Name],

As part of our ongoing commitment to optimizing your investment portfolio and managing your overall tax liability, we have conducted a detailed review of your taxable accounts. We are writing to recommend the implementation of a tax-loss harvesting strategy for the current fiscal year.

Proposed Strategy:

Our analysis has identified specific securities currently trading below their original cost basis. By realizing these losses now, we can:

- Offset realized capital gains earned elsewhere in your portfolio.
- Offset up to \$3,000 of your ordinary income (if losses exceed total gains).
- Carry forward any remaining excess losses to future tax years.

Execution Details:

To maintain your target asset allocation, we intend to reinvest the proceeds from these sales into similar, but not identical, securities. This approach ensures you remain positioned for market recovery while strictly adhering to the IRS "Wash Sale" rules, which prohibit purchasing a "substantially identical" security within 30 days before or after the sale.

Next Steps:

We have prepared a summary of the specific positions we recommend selling. Please review the attached schedule. If you approve of this strategy, please provide your verbal or written authorization by [Date] to ensure execution within the current tax window.

We recommend that you consult with your tax professional to discuss how these transactions will integrate with your broader tax filing. We are happy to coordinate directly with your CPA if you wish.

Sincerely,

[Advisor Name]
[Firm Name]
[Phone Number]
[Email Address]