

CLOSING YOUR LAW PRACTICE

Practice 2.0

These are the suggested steps for planning when you are closing your law practice, whether it is a virtual practice or an actual office.

TAKE INVENTORY

What does your business account look like? Your trust account? Retirement and savings? Consider what it will cost you to continue to run your practice and whether your timing is right. Is there money you will have to refund to clients? How many cases are uncompleted? How much work is left to be done? Consider everything that makes up your practice including staff, clients, equipment, landlords, etc. and know exactly where you are at the moment.

MAKE A TIMELINE

Consider your inventory and the work that needs to be done on your cases. Can you ask another attorney to take over some cases (with your client's consent)? When would you like to officially close the practice? Pick a date that gives you time to get everything in order. Consider these steps and how long you want to take for each:

EVENT	DATE
Date pending cases finalize	
Last day to accept new cases	
Date to refer cases out	
Lease expiration	
Inform staff	
Inform clients	
Inform colleagues	
Closing/retirement/transition date	

CHANGE YOUR ADDRESS

NOTIFY	DONE
Courts	
Banks/Credit Union	
Subscriptions	
Creditors	
USPS	
State Bar of Arizona	
Clients	

CANCEL SERVICES

SERVICE TO CANCEL	DONE
Professional Liability Insurer	
Telephone	
Electric	
Water	
Internet	
Cleaning	
Magazines/Subscriptions	
Ads/Marketing	
Web hosting	

OTHER TASKS

TO-DO	DONE
Hire Movers/Storage	
Sell or donate furniture	
Arrange long-term file storage	
Hire shredding company as needed	
Notify landlord	
Get a final accounting	
Close IOLTA account	
Store files	
Celebrate!	

NOTIFYING CLIENTS

Once you've chosen a date for sending out official notification letters to existing clients, what do you say? Be sure to include in your letter:

- Your anticipated retirement date
- Your file retention/destruction policy
- Consent to withdraw from ongoing cases
- Instructions for clients to pick up their files
- Date clients can expect to receive a final bill
- Date clients can expect to receive any unearned fees refunded to them
- Address for clients to send final payments
- Information about how to reach you or a substitute attorney once you retire
- Information whether your website will still be active
- Information about how clients can get referrals if they need legal work after you retire
- Invite them to contact you with questions

If your client's matter will not be concluded prior to your retirement, you should speak with the client about having another attorney take over the case as soon as possible.

If you continue to see new clients tell potential clients about your plans to retire so that the client can determine if he or she is comfortable with having you start a matter that later would be referred to another attorney.

REFERRING YOUR CLIENTS TO OTHER ATTORNEYS

It may be best to find attorney within your geographical area as well as your area of practice, but that may not always be possible. Once you contact a referral attorney, he or she needs to know:

- Your anticipated retirement date
- Your file retention/destruction policy
- Instructions you have given your clients to pick up their files
- Information about how to reach you once you retire
- The time period you will be easily available to answer the attorney's questions about the case
- Determine whether there are any conflicts after obtaining your client's consent

Ask the attorney for his or her biography, brochures, website address and business cards to have handy for clients.

HANDLING FILES AND CONFIDENTIAL INFORMATION

Consider converting your files to digital unless you already have. Cloud storage is available which allows you and your clients access from anywhere. If you don't have a client portal, you may wish to getting one so that your clients can review their documents even long after you are retired.

Whether you keep your files digitally or on paper, be sure to keep track of the following:

- Client files in accordance with your retention policy
- Client billing and trust account records
- Client ledger
- Client list
- Administrative files
- CLE seminar materials
- Tax and employee records

When it's time to destroy even digital files or confidential client digital data you can use software designed to "clean" or "wipe" the computer or better yet, remove the computer's hard drive and save it in a secure location. Plan for disposition of closed files and data files in the event of death or disability.

BANK AND IOLTA ACCOUNTS

Be sure that the account is reconciled such that all funds remaining correspond to specific clients and/or administrative funds. Do a 3-way reconciliation.

Make sure all funds have been properly disbursed. Make sure all outstanding checks have been cleared before closing the account. If your bank charges a fee to close the account make sure there are enough administrative funds on deposit in the account to cover the fee.

After closing the account, shred the checkbook and deposit slips. Refer to Arizona *Ethics Op. 97-03* if there is an amount of funds left in the trust account that you are unable to identify or if you are unable to locate a client. Refer to IRS Publications 201 and 601 regarding abandoned property.

ENJOY YOUR RETIREMENT! YOU EARNED IT!