

# Checklist for Closing Your Law Office

## CONTEXT

This checklist is for the attorney who is voluntarily closing his/her law practice.

- ☐ 1. Finalize as many active files as possible.
- ☐ 2. Write to clients with active files, advising them that you are unable to continue representing them, and that they need to retain new counsel. Your letter should inform them about time limitations and time frames important to their case. The letter should explain how and where they can pick up copies of their files and should give a time deadline for doing this. (See Letter Advising That Lawyer is Closing His/her Office provided in this handbook.) If possible, refer the client to another attorney who may be able to handle the client's matter.
- ☐ 3. For cases that have pending court dates, depositions, or hearings, discuss with the clients how to proceed. Where appropriate, request extensions, continuances, and new hearing dates with notice to opposing counsel. Send written confirmations of these extensions, continuances, and new dates to opposing counsel and to your client.
- ☐ 4. For cases before administrative bodies and courts, obtain the clients' permission to submit a motion and order to withdraw as attorney of record. Review Rule 1.16 regarding assisting the client upon withdrawal.
- ☐ 5. In cases where the client is obtaining a new attorney, be certain that a Substitution of Attorney is filed.
- ☐ 6. Pick an appropriate date and check to verify that all cases have either a Motion and Order allowing your withdrawal as attorney of record, or a Substitution of Attorney filed with the Court.
- ☐ 7. Make copies of files for your clients. Retain your original files. All clients should either pick up their files (and sign a receipt acknowledging that they received them) or sign an authorization for you to release the files to their new attorneys. (See Acknowledgment of Receipt of File and Authorization provided in this handbook.) If a client is picking up the file, original documents should be returned to the client and copies should be kept in your file.
- ☐ 8. All clients should be informed in writing where their closed files will be stored and whom they should contact in order to retrieve them. Absent the client's consent to dispose of a file, a closed file must be maintained for a minimum of six years after the conclusion of the representation. (Note that some types of files must be retained for 10 years or longer due to statutes of limitation.) If a closed file is to be stored by another attorney, get the client's permission to allow the attorney to store the file and provide the client with the attorney's name, address, and phone number.
- ☐ 9. Provide the North Carolina State Bar with the name, address, and phone number of the person who will be retaining your closed files. Closed files must be stored in accordance with N.C. State Bar guidelines. RPC 209 provides guidelines for the disposal of stored client files.

- ☐ 10. If you are a solo practitioner, ask your phone service provider for a new phone number to be given out when your old phone number is called. Alternatively, consider having your office phone calls forwarded to either your home or to a lawyer who is assisting with the closure of your office. This will ensure clients receive the proper assistance if they attempt to contact you after you have closed your office.
- ☐ 11. Disburse funds held in your trust account to the appropriate clients with a final accounting. You can also deliver the funds to new legal counsel designated by the client. Close out your trust account. For questions, call the Trust Accounting Compliance Counsel at the North Carolina State Bar.
- ☐ 12. Call the N.C. State Bar Membership Section and update all your contact information and membership records.
- ☐ 13. If you wish to obtain "inactive" status, you must complete a petition to be placed on inactive status. These petitions can be found on the N.C. State Bar's website. The petition must be completed and received no later than December 30 in order to avoid fees for the following year. All petitions for inactive status are heard at the State Bar's quarterly meetings. If you have questions you may contact the Membership Department of the North Carolina State Bar. In 2014, the State Bar created a new subcategory of Inactive membership: Retired member. This subcategory includes those members who are retired from the practice of law and who no longer hold themselves out as practicing attorneys. A retired member must hold himself or herself out as a "Retired Member of the North Carolina State Bar" or by some similar designation, provided such designation clearly indicates that the attorney is "retired."
- ☐ 14. Contact Lawyers Mutual or your professional liability insurance carrier about necessary continued malpractice coverage.
- ☐ 15. Terminate your lease. You will need to notify your landlord of your decision to move. You may need to negotiate early termination terms.
- ☐ 16. Arrange for termination of equipment leases and removal. If you lease copiers and printers, these leases will also have to be terminated. Most printers, scanners, copiers, etc. are essentially computers these days and therefore have confidential client data stored in memory. Be sure to wipe these computers clean of any confidential client data before returning them to the lessors, or if you own the equipment, before selling or donating the equipment.
- ☐ 17. Consider purchasing an Extended Reporting Endorsement (ERE). Contact your professional liability insurance carrier for an ERE to your existing malpractice policy. An ERE is commonly referred to as a "tail policy." As the name implies, an ERE extends the period during which you may report a claim to your carrier. Discuss with your carrier the appropriate period of time for an ERE.
- ☐ 18. Accounting records. Retain your accounting records for IRS review, if necessary, to prove income, expenses, deductions, etc. Ask your CPA or accounting professional for advice concerning retention periods. Ethics Rule 1.15-3 provides guidance for records and accounting.
- ☐ 19. Contact Your Information Technology (IT) professional to inventory all office and personal equipment that may contain client sensitive information and to develop a decommissioning plan. Areas of concern that may need to be addressed with your IT professional include:
  - a. Professionally removing computer hard drives and safely packaging and storing them.
  - b. Giving sufficient notice to your internet service provider and your phone service provider.

- c. Protecting any check printing media.
- d. Retaining ownership of office's domain name to avoid impersonation.
- e. Turning off email services, as well as archiving, consolidating, and retaining existing email prior to cleaning them off the hard drive.
- f. Archiving security codes, passcodes, and usernames, particularly for encrypted devices.
- g. Archiving voice mail and erasing voice mail storage mechanism.
- h. Removing business account information from personal cell phone and clearing personal cell phone.
- i. Contacting equipment leasing companies that may store client information and insisting on a factory reset of the machines while on office premises with IT professional present.
- j. Contacting Professional Document Destruction Company regarding proper disposal (shredding) of Clients' Non-Public Personal Information and attorney's privileged information, as well as proper disposal by IT professional of any USB Drives and any "back- up" materials.