

## Notifications Checklist

### SOLO LAWYER RETIRES OR QUILTS PRACTICING LAW

#### **Accountant:**

- Discuss dissolution of firm and appropriate tax advice.
- Establish schedule for preparation of final financial statements, reconciliation.
- Determine schedule for final billing cycle and recording of write-offs.
- Discuss notifications to federal and state agencies (retirement of FEIN, final returns).
- Discuss firm's retirement plan, if any.
- Discuss final payroll and payroll tax preparation, 1099's and W-2's.
- Determine who is going to prepare/keep financial records after dissolution and who will review these records.

#### **Advertising:**

- Cancel or change any existing advertisements and legal industry directory listings when possible.
- Notify the South Carolina Bar Lawyer Referral Service of the closing of the office.

#### **Banking - Firm Accounts:**

- Notify banker of firm closing.
- Determine closure date for firm accounts.
- Arrange for emergency/wrap-up supply of banking supplies.
- Establish who will retain check-writing authority.
- Establish who will make deposits, pay bills, and track cash balances.

#### **Banking - Trust Accounts:**

- Prepare final reconciliation.
- If IOLTA account, notify South Carolina Bar Foundation.
- For disposal of unclaimed monies in trust account, see § 27-18-10 et seq, the

Uniform Unclaimed Property Act (1981).

**Banking - Lenders:**

Meet with all lenders as soon as possible after the announcement. Propose a repayment schedule, if possible. May have to offer additional collateral and/or guarantees.

Cancel law firm credit cards effective immediately.

**Banking - Safe Deposit Box:**

Arrange to retain safe deposit box for storage of important firm documents.

Establish how contents will be handled.

**Bar Associations:**

Notify local, state, and specialty bars that your practice is being closed and provide new mailing address.

**Computer Systems:**

Inventory. Make a complete inventory list for the accountant, along with all warranty dates and information, if applicable.

Licensing Agreements. Check all licensing agreements. Determine whether software can be transferred or sold.

Consider sale or charitable contribution or conversion to home use of computer equipment and software.

Backup data, matter related documents and information and software.

Determine storage location and retention period.

**Courts/Active Cases:**

Contact South Carolina Bar if departing lawyer is going inactive.

Notify client or new lawyer if one has been selected. Attempt to obtain client's permission to withdraw from active cases, if necessary.

Notify Courts. Notify judges and file appropriate documents to withdraw from active cases if necessary.

Notify opposing counsel.

**Dues and Licenses:**

Notify city and county occupational license offices.

**Files:**

Implement final disposition of client files and office administration files.

Where and for how long will files and other matter-related information be stored?

See Rule 1.15 and Rule 1.16, SCRPC. Also see *In re Ring*, 320 S.C. 249, 464 S.E.2d 328 (1995); *In re Meeder*, 320 S.C. 82, 463 S.E.2d 312 (1995); *In re Edwards*, 323 S.C. 3, 448 S.E. 2d 547 (1994); and S. C. Bar Ethics Advisory Op. #92-37.

Where will the master list of client/matters/files be stored? (Consider safe deposit box.)

**Furniture, Fixtures, Accessories, and Artwork:**

Establish final disposition of these assets and/or leases (determine buy-out options on leased items, if any).

Consider sale v. charitable contribution and/or conversion to home use by owner, if living.

Consider an independent appraiser to value all of the assets. Determine whether they will be offered to employees first and at market value or discount. If offering at discount, how much?

**Government:**

Notify state and federal offices and Employment Security Commission that the firm is being closed.

File final tax and payroll returns.

**Insurance:**

Cancel office liability insurance, workers compensation, etc.

Determine the need for professional liability tail coverage, which must be purchased through your last carrier. Tail coverage is actually an endorsement to your last policy and the terms for the tail coverage remain the same as for the last policy. This is usually non-negotiable. For example, if you have a million dollar

policy prior to retirement, you cannot purchase tail coverage for a lesser amount. When the lawyer retires or goes to another firm where the malpractice insurance does not provide sufficient coverage, there is always a small window of time in which to elect the tail coverage. If the lawyer allows the window to close, the lawyer will not be able to get the coverage. The window varies. ALPS, for example, has a large window - up to 30 days. The terms are renewable yearly with ALPS, and the premiums decrease annually, leveling out at 7 years. Each lawyer should contact his or her individual carrier for specific provisions. Consider conversion options for health, life, and disability insurance. Discuss retirement plans, if any, with accountant. Determine rollover options.

### **Library, Legal Research:**

Cancel subscriptions and online accounts.  
Determine disposal options for hard copy and CD-ROM resources.  
Consider charitable contributions.

### **Mail and Messengers:**

Determine how mail will be handled. Who will forward mail? For how long?  
[Note: Post Office will not allow individual forwarding addresses.]  
Keep post office box open for one year for wrap-up materials and post-dissolution matters.  
Dispose of mailing supplies.  
Cancel messenger/courier and express accounts.

### **Marketing:**

Consider thank-you letters to current and former clients, especially if taking a public position/job, post-dissolution.  
Cancel Web site account.

### **Office Supplies:**

Dispose of excess inventory. Consider charitable contribution to Head Start or a public or private school.

### **Personnel:**

Notice to Employees. All employees should receive a formal notice of dissolution and termination of employment.

COBRA. If there is a continuing underlying health plan so that COBRA can be offered, determine when COBRA notices will be sent and by whom.

Decide who will handle unemployment claims.

Decide who will handle verification of employment requests and requests for references. (They may come for a long time.)

Disability. If any employees are currently on disability, determine whether coverage is convertible.

Personal Life Insurance. Determine whether policies are convertible and whether they will be offered to employees.

Health/Dental Insurance. Provide information to employees regarding continuing coverage on their own. Review and cancel as appropriate.

Review any other insurance and cancel as appropriate.

Determine whether to pay severance and, if so, how much and to whom.

Accrued vacation/time off. Determine whether to pay in cash and when.

Retirement and 401(k) Plans. Determine whether they will be terminated and whether it is necessary or prudent to get a Determination Letter from the IRS prior to a formal dissolution.

Cafeteria Plans: Determine key dates and notify participants: last day to incur expenses, last day to request reimbursement.

Notify employees where personnel files may be obtained. Explain that the files will be destroyed at a specified time in the future if the files have not been picked up by the employee.

**Space:**

Determine lease termination options or subletting. Contact landlord as soon as possible.

For owned space, consider listing for sale six months before dissolution.

Determine move date and arrange moving service.

Coordinate move information with landlord or buyer.

**Telecommunications:**

Establish a date for telephone service cut-off.

Cancel telephone calling cards effective immediately.

Provide informational recording for callers past service cut-off date.

Dispose of telephone equipment or establish lease termination options and date

Consider sale or charitable donation of old equipment.

Determine what callers will be told during the dissolution phase.

**Vendors:**

Review accounts payable list and prepare notification to vendors to close accounts. (The accountant may do this.)

**Mediation or Arbitration:**

Mediation or arbitration should be considered if there are unresolved issues.