

## CHECKLIST FOR CLOSING YOUR OWN OFFICE

### Active Files

1. Finalize as many active files as possible.
2. If you have clients with active files, advise them in writing 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 cases. The letter should explain how and where they can pick up copies of their files and should give a time deadline for doing this.
3. For cases with pending court dates, depositions, or hearings, discuss with the clients how to proceed. Options include: requesting extensions, continuances, and resetting of hearing dates; submitting a motion, memo and order to withdraw as attorney of record; or filing a Substitution of Counsel motion and order if client is obtaining a new attorney.
4. Send written confirmations of these extensions, continuances, and resets to opposing counsel and your client.
5. Pick an appropriate date to check whether all cases either have a motion and order allowing your withdrawal as attorney of record or have a Substitution of Attorney filed with the court.
6. Have clients sign an [Authorization for Transfer of Client File](#) to release the files to their new attorneys.
7. Retain the original files and make copies for the clients. If there are original documents in the files which should be returned to the clients, make copies for the retained files and give the originals to the clients.
8. When clients pick up their old files, have them sign a receipt acknowledging that they received them.

### Old Client Files

9. The South Carolina Rules of Professional Conduct do not state how long to keep client files. The rule on [Financial Recordkeeping \(SCACR 417\)](#) recommends keeping designated financial records for six years after termination of representation. The Revised Rule 417 contains specifics about what items from the client's file must be retained. The Ethics Committee of the Bar suggests that client files should be retained for a period of at least six years.
10. Files that should be kept longer than the suggested minimum of 6 years include the following:
  - a. Cases involving a minor who is still a minor at the end of 6 years.

- b. Estate plans for a client who is still alive 6 years after the work is performed.
  - c. Contracts or other agreements that are still being paid off at the end of 6 years.
  - d. Cases in which a judgment should be renewed.
  - e. Files establishing a tax basis for property.
  - f. Criminal law files should be kept for one year after the client is released from custody.
  - g. Support and custody files in which the children are minors or the support obligation continues.
  - h. Corporate books and records.
  - i. Files of problem clients.
  - j. Adoption files.
11. For a further discussion of how long to keep client files, visit the [Bar Ethics Committee Frequently Asked Questions \(FAQs\)](#).
12. Determine where files will be stored and in what medium. A storage unit in a secure storage facility is a good option. If you are paying to store a lot of files, cull them yearly to reduce the number. In SC, it is ethically permissible to store most files in an electronic format and to destroy the paper file. (See [Ethics Advisory Op. 98-33](#))
13. Destroy files older than 6 years old by shredding them. A reputable storage company or shredding company can do this for you. Keep an index or list of client files that were destroyed in case the client contacts you later and keep the receipt for shredding.

#### Bank Accounts

14. Reconcile your trust account and return any property to clients. If funds are transferred to another lawyer chosen by the client, the check should be made payable jointly to the client and to the new lawyer when disbursed from the trust account.
15. If unclaimed client funds remain in the trust account, determine if the funds are “stale” under [S.C. Code §36-4-404](#). If you have complied with [Rule 1.15](#) of the Rules of Professional Conduct, exhausted all means of notifying the client that the funds are available (including notice by publication), and confirmed that the checks have become stale, you may turn the money over to the South Carolina State Treasurer’s office and close your trust account.
16. Notify the Bar Foundation that you are closing your trust account by completing the [Change of Status form](#) and returning it to the Bar Foundation at the address on the form. Forms can be found online at <http://www.sbarfoundation.org/>.

#### Business Dissolution

17. If you are incorporated, file Articles of Dissolution with the SC Secretary of State office (forms online at [www.SCSOS.com](http://www.SCSOS.com))

18. Cancel local business licenses
19. Settle all outstanding account balances you may owe.
20. Meet with your accountant about final tax issues, such as sale of business assets and income tax.

#### Notifications

21. Decide whether you want to place a notice in your local paper of your office closing. If you have been winding down your practice over a period of years, this is probably not necessary but you should consider whether public notice would be beneficial to your former clients.
22. If you are a sole practitioner, ask the telephone company for a new phone number to be given out when your disconnected phone number is called. This eliminates the problem created when clients call your phone number, get a recording stating that the number is disconnected, and do not know where else to turn for information.
23. Have a post office box for a period of time after closing your office where mail can be forwarded by the postal service.
24. Cancel any law firm credit cards or credit card merchant accounts if your firm accepted credit cards for payment.
25. Cancel yellow page ads or any other advertising or business listings.
26. Notify the Supreme Court Attorney Information System (AIS) of your change in status and or address. <https://www.sccourts.org/AIS>.
27. Contact any local or national bar organizations of which you are a member.
28. Discuss with Bar membership services which membership status you wish to retain. If you no longer wish to practice law and you are 65 or over, you can choose "Retired" status. You will pay no bar dues, but you must report to the Bar each year to verify status and address. If you do not currently wish to practice law, but may want to return one day in the future, consider "Inactive" status. Inactive members cannot practice law in SC, but will continue to pay Inactive license fees (currently \$195.00 a year). If you choose to return to active status, you will have to show that you are current on CLE hours and pay the difference in dues from Inactive to Active status. Both Retired and Inactive members continue to receive the Bar magazine.
29. Notify your insurance carriers, including your malpractice carrier, of your change in status. Ask your malpractice insurer if they have any advice for lawyers closing a firm and ask about "tail" coverage.

30. If you have a website, place an announcement on it so that visitors know you are closing your practice. Remove the website completely six months after you close your doors for good. If your website had a “contact us” link or form, disable or remove it entirely.
31. Cancel all magazine and newspaper subscriptions that come to your office.
32. Notify legal publishers that you are cancelling your update services, if you have any.
33. If you use Westlaw or Lexis, cancel your subscriptions.
34. If you have law office software service and maintenance agreements, cancel them.
35. If you receive coffee service, janitorial services, yard services, etc., cancel or notify them.
36. Contact the electric company, water company and internet provider to cancel.
37. If you rent, notify your landlord of your intent to vacate.

#### Office furnishings and books

38. Sell or donate to local charities any office furniture you don't want
39. Since there is almost no “market” for used law books – Reporters, Codes, Digests, Treatises – the Bar started the “Bar Book Exchange” to find a new home for old law books that can't be sold. The Book Exchange works in this way: the donating lawyer notifies the Practice Management Advisor ([pmap@scbar.org](mailto:pmap@scbar.org)) at the Bar of the items available. The Practice Management Advisor notifies other Bar members of the law book availability. Interested lawyers must contact the donating lawyer directly and pick up the books within a reasonable amount of time. Although there is no tax write-off, the donating lawyer has the satisfaction of helping a new generation of lawyers and knowing the books didn't end up in the trash.

#### Computers and computer media (CD-ROMs, backup tapes, etc.)

40. Old computers and computer media like CD's and tapes must be disposed of properly. Lawyers are advised to make sure all media is “wiped clean” before it is recycled, donated, or sold to others. For more advice on this, please contact the Bar's Practice Management Advisor.

If you have any questions, please contact the South Carolina Bar (803)799-6653 or the Practice Management Assistance Program (803)799-6653 ext. 183 or [pmap@scbar.org](mailto:pmap@scbar.org).