

## CHECKLIST FOR RETIREMENT OR CLOSING SOLO LAW OFFICE

*This checklist covers many frequently asked questions about winding down a practice but also may be helpful to lawyers changing jobs. Before printing, please check the links to other resources within the list. For more assistance or to suggest changes or additions, please contact [pmap@scbar.org](mailto:pmap@scbar.org).*

### Clients

1. Set a target closing date and stop accepting new clients.
2. Finalize as many active files as possible.
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. If the new attorney has already filed a Notice of Appearance in the case, you may move to withdraw on that basis.
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 Counsel filed with the Court.
6. 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 case. To ensure you get a response, send a self-addressed, stamped envelope and have clients choose either to pick up their files or have them transferred to a new attorney. Give clients a time deadline to return the letter or call your office. Have clients sign a disengagement letter and an authorization to transfer their file (make a copy of their ID for your file). Sample forms at <https://www.scbar.org/lawyers/managing-your-law-practice/your-forms/>.

### Old/Closed Files

7. Absent any obligation to retain a client's file which is imposed by law, court order, or rules of a tribunal, a lawyer shall securely store a client's file (or copy) for a minimum of six (6) years after completion or termination of the representation unless: (1) the lawyer delivers the file to the client or the client's designee; or (2) the client authorizes destruction of the file in a writing signed by the client, and there are no pending or threatened legal proceedings known to the lawyer that relate to the matter. SCRPC [Rule 1.15\(i\)](#). Also read [Rule 417, SCACR](#) (Financial Recordkeeping) for which records must be retained *regardless of the arrangement made with clients*.
8. If the client does not request the file within six (6) years after completion or termination of the representation, the file may be deemed abandoned by the client and may be destroyed unless there are pending or threatened legal proceedings known to the lawyer that relate to the matter. A lawyer who elects to destroy files shall do so in a manner which protects client confidentiality. SCRPC [Rule 1.15\(i\)](#).
9. Keep an index of files or list of clients whose files were destroyed in case you are contacted later.

10. Determine where files will be stored and in what medium- paper or electronic. In SC, it is ethically permissible to store most files in an electronic format and to destroy the paper file. (See [S.C. Ethics Advisory Op. 98-33](#) and [Rule 3 of Rule 417](#), SCACR.) A storage unit in a secure storage facility is a good option but can be expensive. Wherever files are stored, make sure they are protected from theft or damage. Cull files yearly to reduce the number.
11. Shredding is recommended as a proper means of destroying old files. A reputable file storage or shredding company can do this for you.

### Computers and Tech

12. Old computers and computer media like USB drives, CDs and tapes must be disposed of properly. Lawyers are advised to make sure all media is securely wiped clean before it is recycled, donated, sold to others, or destroyed. For more advice, please contact the Bar's Practice Management Advisor ([pmap@scbar.org](mailto:pmap@scbar.org)).
13. If you are using cloud software or data storage, contact the product vendor about securely deleting the data at the proper time and ask what will happen if the account lapses because of nonpayment or your death. You may wish to authorize your lawyer successor to access accounts in your place.
14. 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. (Note: if you allow a domain name to expire due to nonpayment, it can be bought by someone else. Due to fraud, you may wish to continue renewing old domain names.)
15. Keep firm email accounts active and checked for a reasonable period of time, using your professional judgment as to what is reasonable for your practice. Use a strong password and two-factor authentication for all email accounts. Set an automatic greeting with information about the firm's closing. Ask your Internet or email provider what happens to old emails and whether the email address itself expires. Remember to protect and save client emails that are part of the client file.
16. Cancel social media accounts. If you maintain social media accounts or old email accounts, remember to use strong passwords, two-factor authentication, and change the password every 3-4 months.
17. Maintain a list of passwords and other important information in a software password manager, such as Dashlane or 1Password, using a long, strong password. Entrust the master password for the password manager with a lawyer successor or personal representative in case of emergency. If passwords are written down, make sure they're stored securely. Never keep passwords in a document or file on your computer.
18. Consider what you want to happen to intellectual property you own, such as trademarks and service marks.
19. Cancel your subscriptions to software products when you no longer need them. Discuss with software providers what will happen to data stored on providers' servers.

### Bank Accounts

20. Reconcile your trust account and return any remaining funds to clients. If a client has obtained new counsel, trust funds may be transferred to the client's new lawyer either by check payable to the new

lawyer in trust or by electronic transfer to the new lawyer's trust account. Inform the client of the method of disbursement and document in the file how and when you informed client. Keep a record of disbursements in the financial records for the file.

21. If unclaimed client funds remain in the trust account, for detailed instructions please read "New Year's Resolution: Escheat Unclaimed Funds" by Barbara M. Seymour in the South Carolina Lawyer, January 2018. A link is found at [https://www.scbare.org/media/filer\\_public/32/33/3233914d-65cc-4044-b90d-261965fe85e4/unclaimed\\_funds.pdf](https://www.scbare.org/media/filer_public/32/33/3233914d-65cc-4044-b90d-261965fe85e4/unclaimed_funds.pdf) (or <https://tinyurl.com/yd9lj396>). See the [Unclaimed Property Program](#) on the SC State Treasurer's website.
22. Notify the SC 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. The form is found on their website. The phone number for the Bar Foundation is (803)765-0517.
23. Cancel any law firm credit cards or credit card merchant accounts if your firm accepted credit cards for payment.

#### Business Dissolution

24. If you are incorporated, consult with your trusted financial advisor or a corporate lawyer about when to dissolve your corporation. Articles of Dissolution are filed with the SC Secretary of State office (forms online at [www.SCSOS.com](http://www.SCSOS.com)).
25. Cancel local business licenses.
26. Settle all outstanding account balances you may owe.
27. Meet with your accountant about final tax issues, such as sale of business assets and income tax.

#### Bar Membership Changes

28. The South Carolina Bar, the Bar Foundation, and the Commission on CLE are automatically notified when you update your status and address in the Attorney Information System (AIS) at [www.sccourts.org/AIS](http://www.sccourts.org/AIS). For assistance using AIS, call (855)235-2500 or email [aissupport@sccourts.org](mailto:aissupport@sccourts.org).
29. When you're ready, change your membership class in AIS. If you think you will practice law at all, keep "Active" status. The classes of membership with the fees and requirements of each are online in [Rule 410](#), SCACR. When leaving the practice of law entirely, the two choices for most lawyers are "Retired" or "Inactive."
  - a. If you're over 65, you can choose "Retired." You will pay **no** bar fees. You may continue to receive *South Carolina Lawyer* magazine and eBlast.
  - b. If you're under age 65, choose "Inactive." You will receive a license fee statement for a lesser amount than "Active" class (check [Rule 410](#) or call membership services for current fees). You may continue to receive *South Carolina Lawyer* magazine and eBlast.
  - c. If you are under age 65, you may also move to "Retired" class for serious illness or total and permanent disability.

- d. You may return from “Retired” class to “Active” class by meeting requirements in Rule 410(h)(1)(G)
  - e. You may return from “Inactive” class to “Active class” by meeting requirements in Rule 410(h)(1)(B)
  - f. For all practical purposes, there is very little difference between “retirement” and “inactive” status when contemplating a return to active status. To return to Active, in general, both require paying Bar fees and may require being current on CLE requirements, depending upon your age or how long you were retired.
  - g. Note: If you resign or surrender your Bar license instead of choosing to retire or go inactive, you will have to take the Bar exam again if you want to return to law practice. You will also need to petition the Supreme Court. For these reasons, it is recommended you choose one of the other alternatives.
30. To change your membership status, login to AIS [www.sccourts.org/ais](http://www.sccourts.org/ais) and click on link to “Request New Membership Class.” Call 855-235-2500 for AIS help or 803-734-1799 for tech support.
31. Contact any local or national bar organizations of which you are a member.

#### Insurance

32. Notify all your insurance carriers, including your malpractice carrier, of your change in status. Your malpractice insurer can explain your extended reporting endorsement (ERE) or “tail” coverage options to you. You don’t purchase “tail” insurance, rather, ERE typically extends the time in which a claim may be reported to the insurance carrier. For a quick explanation of ERE, read “[Understanding Tail Coverage](#)” from ALPS.

#### Cancellations

33. Using your discretion, decide how long to keep your phone numbers active after you cease practice. Make sure that clients and other people can still reach you if necessary. If you use an answering machine or answering service, you must check your messages.
34. If your office is closed, have a post office box for a period after closing your office and have mail forwarded by the postal service if necessary.
35. Notify legal publishers and paid online legal research providers that you are cancelling your service.
36. Decide whether you want to place a notice in your local paper of your office closing. If you have been winding down your practice for a while this is probably not necessary. While there is no requirement to publish a notice, consider whether public notice would be beneficial to your former clients.
37. Cancel advertising and business listings.
38. Cancel all magazine and newspaper subscriptions that come to your office.
39. Contact the utility company, water company, and internet provider to cancel.
40. If you rent, notify your landlord of your intent to vacate.

41. If you receive coffee service, janitorial services, yard services, etc., cancel or notify them.

#### Office Furnishings and Books

42. Sell or donate to local charities any office furniture you don't want.

43. Used law books (reporters, codes, digests, treatises) are nearly impossible to sell. As a service to Bar members, PMAP started the "Bar Book Exchange" to help lawyers give their old law books with other South Carolina lawyers. PMAP will help publicize the availability of books but the Bar cannot accept book donations directly. 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. For more information, email [pmap@scbar.org](mailto:pmap@scbar.org) or [emily.worley@scbar.org](mailto:emily.worley@scbar.org).

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).