

Checklists for Closing Your Practice and Winding Up Your Business

Disclaimer: This material is intended as only an example which you may use in developing your own form. It is not considered legal advice and as always, you will need to do your own research to make your own conclusions regarding the laws and ethical opinions of your jurisdiction. In no event will ALPS be liable for any direct, indirect, or consequential damages resulting from the use of this material.

Meet Mark:

Mark Bassingthwaighte, Esq., serves as Risk Manager at [ALPS](#), a leading provider of insurance and risk management solutions for law firms. Since joining ALPS in 1998, Mark has worked with more than 1200 law firms nationwide, helping attorneys identify vulnerabilities, strengthen firm operations, and reduce professional liability risks.

He has presented over 700 continuing legal education (CLE) seminars across the United States and written extensively on the topics of risk management, legal ethics, and cyber security.

A trusted voice in the legal community, Mark is a member of the State Bar of Montana and the American Bar Association and holds a J.D. from Drake University Law School. His mission is to help attorneys build safer, more resilient practices in a rapidly evolving legal environment.



Contact Information:

Mark Bassingthwaighte, Esq.
ALPS Insurance Agency
111 N. Higgins Ave, Suite 600
Missoula, MT 59802

(T) 800.367.2577 | (D) 406.523.3859

mbass@alpsinsurance.com

www.alpsinsurance.com



Checklist for Closing Your Practice:

Planning, Timing, and Case Assessment

- Develop a realistic timeline for closing your practice and assess the status of all active matters.
- Cease taking on any new matters.
- Complete and close as many active matters as you are able.

Staff Notification and Transition Support

- Let your most trusted staff know what your plan is as you will need their assistance in implementing it. Additionally, key staff deserve to know your intentions once you know the date you hope to have the transition completed. If possible, give them a certain date and advise them if you are willing to be a reference for them. After all, these folks need to be able to plan for their transition as well.

Client Notification Regarding Transition of Representation

- Notify all clients on matters you cannot complete. The notice should explain that you are unable to continue representation and that the client must retain new counsel. Advise clients of any relevant deadlines or time limitations affecting their matter. Explain how and where clients may obtain their files and set a reasonable deadline for doing so.

Client Files, Records, and Retention

- Make a copy of all active client files before turning over the original. Have clients who pick up their files sign a receipt and clients who request a transfer of their files to new counsel sign a written authorization.
- Arrange for the secure long-term storage of closed files, whether physical or digital, and then notify all clients of these arrangements, to include where files will be stored, how they can obtain their file in the future, and what your file retention policy is if this has not been previously communicated. If closed files are to be stored by another attorney or firm, obtain client consent prior to the transfer and provide that attorney's or firm's contact information.

Withdrawing and Court Notification

- Notify the court of your need to withdraw. For matters with pending hearings, depositions, or deadlines, consult with each client regarding next steps. Request continuances, extensions, or rescheduling as appropriate. Provide written confirmation of these actions to opposing counsel and your client. Obtain permission to file a motion and order to withdraw as attorney of record.
- Confirm that your withdrawal is complete. For matters before courts or administrative bodies, select a future date to verify that a substitution of counsel has been filed or that your motion to withdraw has been granted and follow through with that confirmation.

Trust Accounts, Client Property, and Compliance Obligations

- Close out your trust account after it has been fully audited and reconciled. If trust funds are being transferred to new counsel, issue checks payable to both the client and the new attorney. Notify the bar that the trust account has been closed and retain trust account records in compliance with your jurisdiction's rules.
- Preserve your books and records. In many jurisdictions, RPC 1.15 requires retention of general and trust account records for at least five years following termination of the fiduciary relationship. These records may be maintained in digital format.
- Address client property still in your possession, including original wills, corporate records, unclaimed funds, or other entrusted items.

Insurance, Bar Notifications, and Professional Obligations

- Review your malpractice policy and contact your carrier in order to understand the options and costs associated with the purchase of an extended reporting endorsement, commonly referred to as a "tail."
- Notify relevant bar associations and professional organizations.

Winding Up the Business Checklist

Office Space, Utilities, and Physical Assets

- Provide notice of termination for all office leases or rental agreements.
- Arrange for all utilities to be shut off in a timely manner.
- Determine the disposition of furniture, fixtures, equipment, library materials, artwork, and other physical assets.
- Dispose of unused office supplies. Consider donating usable items to schools or charitable organizations.

Communications, Mail, and Post-Closure Contact

- Cancel your telephone service and arrange to have calls to your office forwarded to your home or other number or consider placing an automated message on your office line that will remain active for at least several months post closure.
- Decide where physical mail and email should be directed after closure, notify the post office, and update all email account settings accordingly.
- Consider setting up an automated reply on email accounts that are to be closed and placing a static page on your website that announces the closure of your practice along with information about where closed files will be stored.

Technology, Data Security, and Online Presence

- Address confidentiality and file security issues related to computers and other technology. Before selling, donating, or disposing of any device, back up all data you intend to retain and permanently wipe all remaining data from the device.
- Cancel or update all advertisements and legal directory listings, including your website and social media profiles.
- Reduce fraud and identity theft risks by responsibly retiring your online presence, including your firm's domain name, website, email accounts, online listings, and social media accounts. This link (<https://www.themodernfirm.com/retirement-guide-law-firms-website-online-presence>) will take you to a helpful resource outlining recommended steps and considerations.

Vendors, Subscriptions, and Memberships

- Notify all vendors and arrange for the closure of these accounts.
- Cancel all business memberships and subscriptions to include online accounts.

Financial Accounts, Credit, and Loans

- Meet with your accountant to discuss dissolution of the firm, obtain tax guidance, establish a timeline for final financial statements, and identify required state and federal notifications.
- Meet with any lenders to address repayment of outstanding loans.
- Cancel all firm credit cards and then shred them.
- Close the operating account once all outstanding receivables have been collected and all outstanding bills have been paid. And then shred any associated debit cards.
- Destroy all unused checks, deposit slips, and similar financial interments.

Business Records and Long-Term Planning

- Determine where and for how long business records must be maintained.
- Consult with your accountant or financial planner regarding retirement plans and rollover options.

Insurance and Risk Management

- Notify all insurance carriers, including premises liability and workers' compensation insurers. Obtain guidance regarding conversion or continuation options for health, life, and disability insurance.