

EXAMPLE – CLOSING A LAW FIRM CHECKLIST¹

| <u>OPEN CLIENT MATTERS</u> | <u>Target Date</u> | <u>Completed</u> |
|---|--------------------|------------------|
| Inventory open client files | | |
| Update and organize all open client files | | |
| Review Rule 16-116 NMRA and ensure that termination of representation and withdrawal for each client are done in compliance with Rule (including taking any and all steps necessary to avoid prejudice to clients' interests) | | |
| Notify clients of plan to close, date of closing, and intention to withdraw as counsel | | |
| Highlight for clients all time limitations or deadlines in matters | | |
| Advise clients of need for successor counsel | | |
| Prepare motion and obtain order allowing withdrawal for all matters pending before a tribunal | | |
| Prepare transfer memos and obtain clients' consent for transfer of file to successor counsel, if any | | |
| If no successor counsel is identified by a client, arrange for that client to retrieve file materials and obtain written receipt when retrieved | | |
| Prepare final accounting and invoice clients for whom payment is due | | |
| Prepare final accounting and reconciliation of IOLTA, if any, and distribute unearned funds to clients in accordance with accounting and reconciliation | | |
| Return any client property in firm's possession | | |

¹ This checklist is provided to members of the State Bar of New Mexico for informational purposes only and is not intended to be exhaustive or applicable to all circumstances. Further it is not intended to nor does it constitute legal advice to a lawyer or law firm, nor does the use of this checklist establish any type of attorney-client relationship between employees of the State Bar of New Mexico and any person or entity. Further, this checklist is not a substitute for independent analysis and research by a lawyer or law firm. Each lawyer and law firm are responsible for their own compliance with applicable rules and laws and should consider seek appropriate counsel for advice.

| Open Client Matters cont'd | Target Date | Completed |
|--|--------------------|------------------|
| Arrange for and retain copies of client files (digital and/or hard copies) for no less than five (5) years and possibly longer depending upon the nature of the practice (e.g. estate planning may warrant longer retention) | | |
| Arrange for and retain copies of all IOLTA records for no less than five (5) years | | |

CLOSED CLIENT MATTERS

Target Date

Completed

| | | |
|---|--|--|
| If not already done, inventory all closed client files | | |
| Determine if any clients for closed files need to/should be notified of closing of practice (e.g. clients for whom original documents or other such documents might be held) | | |
| Notify those clients in closed matters who you determine need to be or should be notified of closing | | |
| Return to clients any original documents, documents that would be difficult to recreate, and documents you can reasonably anticipate a client would like returned | | |
| Return any client property in firm's possession | | |
| Arrange for and retain copies of client files (digital and/or hard copies) for no less than five (5) years from the date of closing and possibly longer depending upon the nature of the practice (e.g. estate planning may warrant longer retention) | | |
| Arrange for and retain copies of all IOLTA records for no less than five (5) years | | |

NOTICE AND ACTIONS TO TAKE WITH OTHERS

Target Date

Completed

| | | |
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| Notify all courts and other tribunals (state, federal, tribal, administrative) where any matters are pending and obtain approval in accordance with Rule 16-116 NMRA for all pending matters | | |
| Notify State Bar(s) and State Supreme Court(s) and provide address change and registration change if going inactive | | |
| Notify any voluntary associations of any address change | | |

INSURANCE

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| Notify professional liability insurance carrier and discuss “tail” or extended reporting period coverage | | |
| | | |
| If applicable, notify carriers for and terminate general liability insurance, property insurance, motor vehicle insurance, workers compensation insurance, unemployment compensation insurance | | |
| | | |
| Review need for and if discontinuing notify life, disability, health insurance carriers (for yourself and/or employees) | | |

OFFICE/OPERATIONAL MATTERS

| | | |
|---|--|--|
| Reconcile IOLTA, distribute funds, and close IOLTA | | |
| | | |
| Notify and cancel utilities, vendor services and equipment rentals (e.g. copier, landline, business cell phone), and request and pay final bills/invoices | | |
| | | |
| If office space is subject to lease, review lease terms, ensure they have been satisfied, notify landlord, request security deposit | | |
| | | |
| Cancel business credit cards and any lines of credit and pay outstanding balances | | |
| | | |
| Cancel/close subscriptions, advertisements, websites, and social media accounts | | |
| | | |
| Reconcile operating account, distribute funds, and close | | |
| | | |
| Review need for and if discontinuing notify life, disability, health insurance carriers (for yourself and/or employees) and consider COBRA options | | |
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| Sell any owned office furniture and equipment making sure to scrub any electronic equipment of all data | | |
| | | |
| Add auto-reply to business email notifying senders that the law office is closed and arrange for emails to be forwarded and/or monitored | | |
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| Backup all electronic data and determine two or more secure locations for backed up data | | |
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| Add voicemail message advising callers of closing | | |

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| <u>Office/Operational Matters cont'd</u> | | |
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| Pay final payroll to staff and contributions to retirement accounts, if any | | |
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| Arrange for and retain personnel files and determine destruction schedule | | |
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| Prepare final W-2s for staff | | |
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| Consider and resolve any COBRA issues | | |
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| Determine how law firm entity should be dissolved | | |
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| Prepare final financial statements and tax accounting (consider consultation with CPA and/or Tax advisor) | | |
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| Prepare and provide necessary paperwork for and notice of closure and/or entity dissolution to appropriate governmental entities | | |