

## Succession planning: What to consider when closing and/or transferring a law practice

When winding up a law practice, here are some elements and resources to consider and to develop an overall plan in compliance with NSBS requirements. It is not meant to be all inclusive, nor is it a substitute for exercising your professional judgment.

1. **Active or open client files**
2. **Closed client files**
3. **Outstanding undertakings, trust conditions, obligations, reporting to the client**
4. **Client funds, accounting, books and records**
5. **Other client property**
6. **Estate trustee or attorney, other appointments**
7. **Office premises, equipment, employees, and public notice**
8. **Practice closure or transfer due to illness, disability, or death**
9. **Miscellaneous**

### 1. Active or open client files

Elements to consider	Resources
<ul style="list-style-type: none"><li>• Review your calendar and active files to determine which items are urgent and/or scheduled for hearings, trials, discoveries, court appearances, etc and that may require immediate attention. Identify files that may be completed prior to closing and files that cannot and must be transferred. Decide when you will cease to accept new files.</li><li>• Complete work on all open files that you have retained</li></ul>	<ul style="list-style-type: none"><li>• LIANS' <a href="#">Office Closure File Tracking Chart</a>.</li><li>• NSBS <a href="#">Code of Professional Conduct</a> section 3.7 "Withdrawal</li></ul>

before the office is closed. If you have outstanding client matters that will not be completed before the closure of your practice, you are effectively withdrawing from representation and must comply with the NSBS *Code of Professional Conduct*.

- If transferring to another lawyer, obtain new dates for hearings or extensions where necessary. Confirm extensions and rescheduled appearances in writing. Prepare a memo outlining the relevant facts, deadlines, opposing lawyer(s) and others involved in the case.
- Check for potential conflicts before referring and transferring client files to another lawyer.
- If the client would like to obtain the file or chooses to self represent, have a receipt of file signed by the client. Maintain a copy of the file.
- When contacting clients whose matters you cannot complete, provide them with reasonable notice of withdrawal to ensure:
  - their interests are protected to the best of your ability;
  - they are not deserted at a critical stage of the matter or when withdrawal would put the client in a position of disadvantage;
  - that governing statutory provisions or rules of court are followed, if applicable.
- In matters that cannot be completed, contact clients to seek instructions regarding the transfer of their matter and provide written notice that advises
  - the law practice is closing or being transferred, and when this will occur
  - you will no longer be able to continue acting on the clients' behalf
  - the contact information of the firm or lawyer that

from Representation”

- [“Acknowledgement of receipt of file”](#) LIANS
  
- [“Letter advising that lawyer is closing his/her office”](#) LIANS
- [“Letter to client advising of law practice closure or transfer”](#) LIANS

- has agreed to continue with the file, if applicable
  - clients may direct their files to the lawyer of their choice, if they prefer
  - clients may attend at the office to pick up their file
- If transferring files to another lawyer, obtain a written direction from the client directing you to transfer the file and any applicable funds held in trust to the new lawyer.
- Where the client is to pick up the file and other client property, obtain a written acknowledgement of receipt from the client.
- Consider whether you should make and retain copies of file documents, for your own benefit and at your own cost, before transferring the file to the client or another lawyer.
- Where, after making reasonable efforts, the client cannot be located and you do not have instructions from the client regarding transfer of his or her ongoing matter, consider sending a written notice by registered mail to the client's last known address to advise that the practice is closing and retain a copy of the notice and the delivery receipt for your file.
- For files to be transferred, either to a new lawyer or the client, prepare a transfer memo to the new lawyer or the file that includes:
  - a summary of the file
  - important dates
  - important tasks
  - important issues
  - important facts
  - limitation periods
- If you are transferring active files to another lawyer, check for conflicts to ensure the receiving lawyer does not have

- [“Authorization for transfer of client file”](#) LIANS
- [“Notice to transfer client file, funds or other property”](#) LIANS
- [“Client request for file, funds or other property”](#) LIANS
- [“Client acknowledgement of receipt of file, funds or other property”](#) LIANS
- [“File and record retention”](#) LIANS
- [“Transfer memo to file or new lawyer”](#) LIANS
- Review Nova Scotia [Civil Procedure Rule 33: Counsel](#)
- NSBS [Code of Professional Conduct](#), rules 3.4-17 to 3.4-23

<p>a disqualifying conflict of interest as outlined in the NSBS <i>Code of Professional Conduct</i>.</p> <ul style="list-style-type: none"> <li>• If required, you may remove yourself as counsel of record.</li> <li>• Notify the NSBS of your change in category and to advise what lawyer will be taking over active or open files and closed files.</li> <li>• Closing or transferring your practice is also likely to result in a change to your insurance coverage requirements, notice of the closure or transfer must be provided LIANS as soon as possible to ensure appropriate and seamless coverage.</li> <li>• Place a closing practice notice in the NSBS' InForum and Society Record (contact <a href="mailto:communications@nsbs.org">communications@nsbs.org</a>)</li> </ul>	<p><i>"Conflicts from Transfer Between Law Firms"</i>.</p> <ul style="list-style-type: none"> <li>• <a href="#">Application to Change Membership Category - from Practising Lawyer</a> Nova Scotia Barristers' Society</li> <li>• LIANS <a href="#">Contact information</a></li> </ul>
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## 2. Closed client files

Elements to consider	Resources
<p><b>Closed Files Containing Clients' Documents or Property</b></p> <ul style="list-style-type: none"> <li>• Review closed files list to determine which files may still contain documents or property that belong to the client.</li> <li>• Deliver documents or property from the file to the client by registered mail or have the client retrieve them from the office, signing an acknowledgment of receipt.</li> <li>• If the client cannot be located for the return of documents you must <ul style="list-style-type: none"> <li>○ continue to preserve and maintain the client's documents indefinitely or until the client provides you with instructions, or</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• NSBS <a href="#">Code of Professional Conduct</a>, section 3.5 "Preservation of Client's Property" and section 3.7 "Withdrawal from Representation"</li> </ul>

- transfer the file to another lawyer for continued preservation and safekeeping

### **Closed Files Containing Only Lawyer's Copies of Documents**

- Once closed files have been purged of client documents or property and they contain only documents that belong to you, review your files to determine whether you will
  - destroy the closed file, in a manner that preserves client confidentiality
  - retain all or part of the closed file, for how long and in what medium
  - transfer the closed file to another lawyer
  - deliver the closed file to the client
- Note that your obligations to maintain certain records, financial and otherwise, will continue after you close or transfer your practice. See the #4: **Client Funds, Accounting, Books and Records** section of this Guide.

### **Destruction of Closed Files**

- Review your closed file list to determine which files may be destroyed upon the closure or transfer of your practice and which should continue to be retained for a period before destruction.
- Even where you decide to continue retaining closed files, you may first reduce the bulk or size of them by destroying certain contents, such as multiple or excess copies of individual documents or copies of documents that came from an outside source and can easily be reacquired.
- If you choose to destroy closed client files or certain file contents you must do so in a manner that preserves client confidentiality, such as shredding or incineration. Where closed files or file contents are in non-paper or electronic format, special

- LIANS Law Office Management Standard #1: [Record Retention](#)
- "[File and record retention](#)" LIANS
- "[Guide to Retention and Destruction of Closed Client Files](#)", The Law Society of Upper Canada (March 2012)
- "[Law firms need document retention policies too](#)", Canadian Lawyer Magazine (October 2012)
- "[The Retention and Destruction of Client Files and Business Records for Lawyers](#)", Nova Scotia Barristers' Society, Professional Standards (Law Office Management) Committee (2013)

steps may need to be taken to ensure proper deletion and physical destruction.

- If you choose to outsource the destruction of closed client files, regardless of the medium, ensure that the third-party provider is reputable and will ensure that the files remain secure until they are destroyed.

### **Retention of Closed Files**

- Review your closed file list to determine what file contents you wish to retain, considering
  - potential complaints against you or claims for errors or omissions
  - the length of the limitation period for actions against lawyers
  - the nature of legal work performed (e.g. real estate files should be kept longer than criminal files involving expired appeal periods)
  - the period during which the legal documents created for the client may impact the client's interests
  - whether the client had diminished capacity or was a minor at the time legal services were performed
  - the results you obtained for the client in the matter
  - the client's attitude or character towards you and the outcome of the matter
- Determine if any contents of the closed paper file may be converted to electronic or other non-paper form, considering legal and regulatory requirements as well as the trustworthiness, readability and accessibility of the converted form.
- Create a retention schedule outlining how long files will be retained, at what interval(s) they will be reviewed, and when eventual destruction may occur.
- Where closed file information is in electronic format and

- Law Society of British Columbia (June 2013) "[Closed Files: Retention and disposition](#)"
- [Sample Record Retention Policies](#)
- "[Surviving a Disaster: A Lawyer's Guide to Disaster Planning](#)", ABA Special Committee on Disaster Response and Preparedness (2011)
- NSBS [Code of Professional Conduct](#), section 3.5 "*Preservation of Client's Property*" and section 3.7 "*Withdrawal from Representation*"

that information is to be preserved, determine where and how the data and its back-up media will be stored, archived and retrieved after the practice closure or transfer.

- If you choose to store closed client files with a third-party provider, whether they are in paper or electronic form, ensure that the third-party provider is reputable and will ensure that your files remain secure and confidential.

#### **Transfer of Closed Files to Another Lawyer**

- Consider the potential consequences prior to transferring closed files to another lawyer. Closed files should only be transferred after you have determined
  - the receiving lawyer has agreed to retain the files for a certain period and to allow you access to those files for the duration of that period, or
  - you no longer require access to the documents contained in the closed file
- For your records, maintain a list of the closed files that were transferred, to whom and when, with a summary of the file contents.

#### **Delivery of Closed Files to Client**

- Consider the potential consequences prior to delivering a closed file to the client. A closed file should only be delivered to the client where you have determined you no longer require access to the documents contained in the closed file.
- Remove all your personal notes made to, or stored in, the file.
- Obtain the client's written acknowledgement indicating receipt of the only remaining copy of the client's

- [Transfer memo to file or new lawyer](#) LIANS
- NSBS [Code of Professional Conduct](#), section 3.5 "*Preservation of Client's Property*" and section 3.7 "*Withdrawal from Representation*"

documents in the closed client file. Retain this for your records.

**Notice to the Nova Scotia Barristers' Society and LIANS**

- Advise the NSBS as to what lawyer will be taking over active or open files and closed files, if applicable. Closing or transferring your practice is also likely to result in a change to your insurance coverage requirements, notice of the closure or transfer must be provided LIANS as soon as possible to ensure appropriate and seamless coverage.

- [Application to Change Membership Category - from Practising Lawyer](#) Nova Scotia Barristers' Society
- LIANS [Contact information](#)

**3. Outstanding Undertakings, Trust Conditions, Obligations, Reporting to the Client**

Elements to consider	Resources
<ul style="list-style-type: none"> <li>• Review each file to determine whether you have any outstanding undertakings, trust conditions, or other obligations.</li> <li>• Satisfy outstanding undertakings, trust conditions, or obligations before you close or transfer the practice, where possible.</li> <li>• If you cannot satisfy the undertaking, trust condition, or obligation prior to the practice closure or transfer, obtain               <ul style="list-style-type: none"> <li>○ the successor lawyer's commitment, in writing, to honour the undertaking or trust condition, or to meet the obligation</li> <li>○ a release from strict compliance with the undertaking, trust condition, or other obligation in writing, from the person to whom it was originally</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Law Society of Upper Canada "<a href="#">Undertakings and Trust Conditions</a>"</li> <li>• Lawyers' Insurance Association of Nova Scotia "<a href="#">Undertakings</a>" [General]</li> <li>• Lawyers' Insurance Association of Nova Scotia "<a href="#">Undertakings</a>" [Real Estate]</li> <li>• Nova Scotia Barristers' Society, <a href="#">Code of Professional Conduct</a> [rule 5.1-6: Undertakings]</li> <li>• QBE Europe Professional Indemnity Risk Management "<a href="#">Solicitors: A Guide to Undertakings</a>"</li> </ul>

given

- If you cannot honour a trust condition before you close or transfer your practice and its terms cannot be amended in writing on a mutually agreeable basis, the subject of the trust condition should be immediately returned to the person imposing the trust condition
- If you are delivering the file to the client, ensure that the reporting letter clearly outlines any unfulfilled undertakings given on behalf of the client, pending trust conditions, outstanding obligations, and/or other issues and provides an explanation as to how these are to be dealt with and by whom.
- Complete all reporting letters before the practice is closed or transferred and while you have professional liability insurance coverage (as this is considered providing legal advice, opinions or services).
- If, at the time of transfer of the file to another lawyer, the reporting letter to the client is not complete, specifically bring this to the successor lawyer's attention.

### **Retired lawyers**

It is important to note that lawyers who have retired from practice continue to be responsible for work performed prior to retirement. Now available is the option for retired lawyers to purchase excess coverage on an individual basis, to address any unforeseen circumstances that may develop after retirement, provided they are retiring as a current member of CLIA's VEP, either as a sole practitioner or as a member of a firm.

### **Legal Aid Files**

- Submit completed accounts to the appropriate Legal Aid Office.

- Law Society of Upper Canada "[Bank accounts, accounting and other financial issues](#)"
- Nova Scotia Barristers' Society "[Trust accounts](#)"
- Nova Scotia Barristers' Society "[FAQs: Trust Account Regulations](#)"
- Nova Scotia Barristers' Society "[Regulations under the Legal Profession Act](#)" [Part 10 - Trust Accounts]
- Law Society of British Columbia "[Practice Resource Sample Checklist for Internal Controls: Trust reports](#)"
- Law Society of Upper Canada "[How to Open and Operate a Trust Account](#)"
- LIANS [Sample letters](#) [to clients]
  
- View LIANS' [Excess Insurance Program](#)
  
- [Nova Scotia Legal Aid](#)

<ul style="list-style-type: none"> <li>• Bill and report to Legal Aid any matters where work on the file is incomplete.</li> <li>• Advise the Legal Aid office in writing that you are closing or transferring your practice and the date the closure or transfer becomes effective.</li> <li>• In your written notice to the client advising that you are closing or transferring your practice, inform the client that he or she must contact the Legal Aid Office to apply for a change of lawyer.</li> <li>• If the client has directed that the file be transferred to another lawyer, advise the Legal Aid office in writing of the closure or transfer of your practice and of the transfer of the file to the successor lawyer.</li> <li>• Contact the Legal Aid Office or Director in your area for information on what further steps you may need to take.</li> </ul>	
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#### 4. Client Funds, Accounting, Books and Records

Elements to consider	Resources
<p><b>Client Funds</b></p> <ul style="list-style-type: none"> <li>• Contact clients to seek instructions regarding any funds you hold in trust.</li> <li>• If you hold client funds in trust on the date you close or transfer your practice, you may <ul style="list-style-type: none"> <li>○ return the funds to the client, or</li> <li>○ obtain a written direction from the client to transfer the funds to the client's new lawyer</li> </ul> </li> <li>• Undistributed or unclaimed trust funds should be recorded</li> </ul>	<ul style="list-style-type: none"> <li>• Nova Scotia Barristers' Society "<a href="#">Trust accounts</a>"</li> <li>• Nova Scotia Barristers' Society "<a href="#">FAQs: Trust Account Regulations</a>"</li> <li>• Nova Scotia Barristers' Society "<a href="#">Regulations under the Legal Profession Act</a>" [Part 10 - Trust Accounts]</li> <li>• Law Society of British Columbia "<a href="#">Practice Resource Sample</a>"</li> </ul>

where possible. After making any required disbursements, the remaining funds must be returned to the client as soon as possible. If your client cannot be located, you must keep the funds for two years and then apply to the Nova Scotia Barristers' Society to disburse the funds to the Public Trustee. Monthly reconciliations of all trust accounts and client ledgers are required, even for trust accounts that have remained inactive.

### General Accounts

- Consider whether you will need to continue to operate these accounts for a period of time after the practice is closed, for either accounts payable or accounts receivable.

### Collecting Accounts Receivable

- Prepare and deliver final bills or accounts.
- Continue to collect accounts receivable after the closure or transfer of your practice.
- Consider selling your accounts receivable if you sell or transfer your practice.

### Books and Records

- The current NSBS [Trust Account Regulations](#), found under Part 10 of the Regulations made under the *Legal Profession Act*, came into effect on January 1, 2013. These Regulations maintain the previous standards for record-keeping, withdrawals and deposits. Overly detailed wording and outdated rules have been updated to reflect the Society's shift to principle-based regulation.
- Review the requirements in the [Income Tax Act \(Canada\)](#),

### [Checklist for Internal Controls: Trust reports"](#)

- Law Society of Upper Canada "[How to Open and Operate a Trust Account](#)"
- NSBS [Application for Disposal of Undistributed Trust Funds](#).

### LIANS Sample letters: Departing lawyers

- [Notice to transfer client file, funds or other property](#)
- [Client request for file, funds or other property](#)
- [Client acknowledgement of receipt of file, funds or other property](#)
- [Transfer memo to file or new lawyer](#)

- NSBS Trust Account Regulations: [What do I have to keep?](#)

to determine any legal requirements to maintain financial or other records relating to your practice.

## 5. Other Client Property

Elements to consider	Resources
<ul style="list-style-type: none"> <li>• Review your files and records, including those that relate to items stored both offsite and at your office, to identify those clients for whom you hold               <ul style="list-style-type: none"> <li>○ original wills</li> <li>○ original power of attorney documents</li> <li>○ corporate books, seals and records</li> <li>○ valuable client property</li> <li>○ access key(s) to safety deposit box(es) rented by the client</li> </ul> </li> <li>• Prepare a current contact list for such clients (or in the case of a corporate client, the principals or agents of the corporation), making reasonable efforts to locate those for whom you do not have a current address.</li> <li>• Contact clients (or corporate principals or agents) to seek instructions regarding any property you hold in trust and provide written notice that advises               <ul style="list-style-type: none"> <li>○ the law practice is closing, and when</li> <li>○ the contact information of the firm or lawyer that has agreed to take over safekeeping of the client's property, if applicable</li> <li>○ clients may direct their property to the lawyer of their choice, if they prefer</li> <li>○ clients may attend the office to retrieve their property</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• LIANS Law Office Management Standard #1: <a href="#">Record Retention</a></li> <li>• <a href="#">Legal Profession Act Regulations</a>, including those relating to the Client ID documents and maintenance of real property foundation documents [see regulations 4.5; 10.4 and Part 13 of the <i>Legal Profession Act Regulations</i>].</li> </ul> <p><b>LIANS Sample letters: Departing lawyers</b></p> <ul style="list-style-type: none"> <li>• <a href="#">Notice to transfer client file, funds or other property</a></li> <li>• <a href="#">Client request for file, funds or other property</a></li> <li>• <a href="#">Client acknowledgement of receipt of file, funds or other property</a></li> <li>• <a href="#">Transfer memo to file or new lawyer</a></li> </ul> <ul style="list-style-type: none"> <li>• NSBS <a href="#">Code of Professional Conduct</a>, section 3.5 “<i>Preservation of Client’s Property</i>” and section 3.7 “<i>Withdrawal from Representation</i>”</li> </ul>

<ul style="list-style-type: none"> <li>• Where you have been named as estate trustee, attorney or corporate director, there are special obligations that may continue after you have closed or transferred your practice, whether or not you hold the original will, power of attorney document or corporate records. If you do not intend to act in any of these additional roles, you must advise the client of this in your written notice.</li> <li>• Where client property is to be transferred to another lawyer, whether arranged by you or selected by the client, obtain a written direction from the client directing you to transfer the property to the new lawyer.</li> <li>• Where, after making adequate inquiries, the client (or corporate principals or agents) cannot be located and you do not have instructions regarding transfer or return of client property, send a written notice to the client's last known address by registered mail to confirm that the practice is closing and how the property will continue to be preserved, and retain a copy for your file.</li> <li>• Advise the NSBS as to what lawyer will be taking over active or open files and closed files, and whether you will continue to hold client property described above or provide the name and contact information of the lawyer who has agreed to take over safekeeping of original wills, powers of attorney or other client property after closing or transferring your practice.</li> </ul>	<ul style="list-style-type: none"> <li>• <a href="#">Application to Change Membership Category - from Practising Lawyer</a> <i>Nova Scotia Barristers' Society</i></li> </ul>
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**6. Estate Trustee or Attorney, Other Appointments**

Elements to consider	Resources
Estate Trustee or Attorney Under Power of Attorney	LIANS Sample letters: Departing lawyers <ul style="list-style-type: none"> <li>• <a href="#">Notice to transfer client file, funds or other property</a></li> </ul>

- Whether or not you hold the original will or power of attorney document, your appointment as estate trustee (subject to the specific provisions of the will) or attorney (subject to the specific provisions of the power of attorney) remains in full force or effect regardless of whether you continue to practise law.
- If you intend to act as estate trustee or attorney, confirm this in your written notice to the client advising of the closure or transfer of your practice.
- Note that, if you act as estate trustee or attorney at the time of closing or transferring your practice, depending on whether you are doing so for clients or for related persons as defined by section 251 of the [Income Tax Act \(Canada\)](#), you may be limited in your ability to apply to surrender your licence to practise law or to apply for an exemption from annual fees and filings.
- If you do not wish to act as estate trustee or attorney and can reach the client
  - advise the client of this in your written notice regarding the closure or transfer of your practice
  - if you are unable to assist the client with any required amendments to the will or power of attorney documents, recommend that he or she seek legal advice from another lawyer for this purpose
  - obtain the client's written direction for the return of the original will or power of attorney document to him or her, or for its transfer to another lawyer

### **Director of Corporation**

- Whether or not you hold corporate books, seals or records, your appointment as a corporate director (subject to the specific provisions of the original appointment) remain in full force regardless of whether

- [Client request for file, funds or other property](#)
- [Client acknowledgement of receipt of file, funds or other property](#)
- [Transfer memo to file or new lawyer](#)
- [Letter to client advising of law practice closure or transfer](#)
  
- [Application to Change Membership Category - from Practising Lawyer](#) *Nova Scotia Barristers' Society*
  
- NSBS [Code of Professional Conduct](#), section 3.5 "Preservation of Client's Property" and section 3.7 "Withdrawal from Representation"

you continue to practise law.

- If you intend to continue to act as a corporate director, confirm this in your written notice to the client (or its principal or agents) advising of the closure or transfer of your practice.
- If you do not wish to continue to act as corporate director you should
  - advise the client (or its principal or agents) of this in your written notice regarding the closure or transfer of your practice
  - determine whether any additional notices of resignation are required (e.g. by provincial or federal statute) and who will file them
  - obtain the client's written direction for the return of the original corporate documents and property or for its transfer to another lawyer

### **Commissioner For Taking Affidavits, Notary Public**

- Review the [Evidence Act](#) and the [Notaries and Commissioners Act](#). These statutes apply where you have exercised your powers as a commissioner for taking affidavits and where you have been previously appointed as a notary public.
- Where your NSBS status has changed (e.g. you are now in a non-practising status, have been exempted from the requirement to pay annual fees or submit annual filings or have surrendered your licence to practice law), ensure that the relevant statute permits you to continue to commission affidavits or notarize documents.
- Regardless of your status, when you cease to be a practising lawyer who carries professional liability insurance, you should ensure that you do not provide any legal advice when exercising your powers as a

commissioner or a notary public.	
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## 7. Office Premises, Equipment, Employees, and Public Notice

Elements to consider	Resources
<p><b>Office Premises</b></p> <ul style="list-style-type: none"><li>• Where you own office space, determine whether you should sell, rent or use the premises for some other purpose.</li><li>• Where you rent office space, review your lease or contact the landlord to determine whether you may cancel the lease, assign the lease or sublet the premises. If none of these is possible, set aside funds to continue lease payments or to pay out the lease completely.</li><li>• Where you share office space, review the joint lease or agreement with colleagues or officemates to determine your responsibilities, if any.</li><li>• Remove firm name from building exterior, building directory, office door and window.</li><li>• Return building security entrance cards, door and mail keys, and parking passes.</li><li>• Provide contact information to property manager or building superintendent where you may be reached for any outstanding issues.</li><li>• Cancel all maintenance or cleaning services.</li></ul>	

### **Office Inventory**

- Compile an inventory of the systems, equipment, furniture, law library and supplies of your law office.
- Inventory communications equipment, noting whether you own or lease
  - desktop and cellular or smart phones
  - handsets, headsets, earpieces
  - answering machines
  - facsimile machines
  - accessories (e.g. cables, wires, batteries, chargers)
  - call routing, management or voicemail system
- Inventory computer equipment, noting whether you own or lease
  - desktop and laptop models, personal digital assistants (PDAs)
  - peripherals (e.g. keyboard, monitor, mouse, printer, scanner, webcam, microphone, speakers, external modem or router)
  - hard drives, back-up drives, portable drives and servers
  - portable memory storage (e.g. memory stick, USB flash drive)
  - accessories (e.g. monitor or tower stands, cables, wires, batteries, chargers, power bars, surge protectors)
- Inventory other office equipment, noting whether you own or lease
  - photocopiers
  - paper shredders
  - dictation equipment

- debit/credit imprint or point-of-sale machines
- Inventory office furniture (e.g. desks, tables, seating, filing, shelving and storage) and accessories (e.g. coat racks, décor, small appliances), law library and office supplies.

### **Disposal of Office Inventory**

- Where you own equipment, furniture or other items inventoried above, determine whether you should sell, donate, discard or retain for another use.
- Where you wish to sell or donate equipment, furniture or other items, consider posting this information with your public notice of practice closure or transfer (mentioned below).
- Where you rent equipment or furniture inventoried above, review your lease to determine whether you may cancel or assign the lease. If neither termination nor assignment is possible, set aside funds to continue lease payments or to pay out the lease completely.
- Review equipment maintenance or service contracts to determine whether to terminate, assign, or pay out.

### **Service Providers and Suppliers**

- Notify all service providers and suppliers of the practice closure or transfer and provide contact information where you may be reached for any outstanding issues.
- Cancel service for telephone, facsimile and Internet access. Cancel any other utilities, if applicable.
- Cancel listings in general directories (e.g. Yellow Pages), legal directories (e.g. Canada Law List, Martindale and Hubbell) and referral services, both

- Nova Scotia Barristers' Society, [Code of Professional Conduct](#), section 3.3 "Confidentiality"
- LIANS Law Office Management Standard #1: [Record Retention](#)
- "[The Retention and Destruction of Client Files and Business Records for Lawyers](#)", Nova Scotia Barristers' Society, Professional Standards (Law Office Management) Committee (2013)

paper and online versions. Ensure that links to your website are removed.

- Consider changing your voicemail greeting and website for a limited time to advise the practice is closed and to provide contact information of the lawyer who has taken over or purchased your practice, if applicable. Consider creating an automatic e-mail reply that advises of the same.
- Where you have contracted offsite storage space (e.g. for closed files), determine whether it is still required. If not, review contract to determine cancellation terms.
- Where you have rented a safety deposit box that has been emptied of its contents, cancel the rental and return any access key(s) to the bank. Where you have been given an access key to a safety deposit box rented by a client, return that to the client.
- Where you have a secure document box for the exchange or service of legal documents, cancel the subscription or membership with the document exchange service provider.
- Provide change of address to post office and arrange for mail forwarding service. Cancel any arrangements with third-party mailing or other business services.
- Review memberships in local law associations and other professional organizations to determine whether you will retain or cancel. Provide new contact information to those you will retain.
- Review your subscriptions to reports or journals to determine whether you will retain or cancel. Provide new contact information for those you will retain.
- Review your non-trust bank accounts, lines of credit,

and credit cards to determine whether you still require any of these accounts, may use them for another purpose or will close or cancel. Provide new contact information for those that will remain open.

- Cancel business or commercial insurance policies related to your practice.

### **Employees**

- Provide sufficient notice of termination or compensation in lieu of notice, in compliance with applicable law.
- Pay employees accrued benefits, such as vacation pay, if applicable.
- Submit income tax withheld to Canada Revenue Agency.
- Prepare and deliver T4 slips.
- Submit Canada Pension Plan and Employment Insurance payments withheld.
- Submit any other employer contributions (e.g. group benefits, group retirement savings or private pension plan), if applicable.
- Ensure that articling students have their articles assigned to another qualified principal. If you are transferring or selling your practice, the student may consider continuing articles with the lawyer who is taking over or purchasing the practice.

### **Public Notice**

- Consider posting notice of the practice closure or transfer in
  - the lobby of your office building or your office door

<ul style="list-style-type: none"> <li>○ local law association offices, law libraries, barristers' or courthouse lounges</li> <li>○ legal publications (e.g. NSBS <a href="#">InForum</a> and <a href="#">Society Record</a>), both paper and online versions</li> <li>○ other publications (e.g. local or regional newspapers, community magazines), both paper and online versions</li> <li>○ online bulletin boards or websites</li> </ul>	
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**8. Practice Closure or Transfer Due to Illness, Disability, or Death**

<b>Elements to consider</b>	<b>Resources</b>
<ul style="list-style-type: none"> <li>● Depending on the situation, determine whether the lawyer has a power of attorney for property in place for his or her practice, trust account(s) and general account(s) or a will that provides instructions for these. If not, discuss with the financial institution what will be required to continue to manage the trust and general funds until the lawyer can return to practice, or until the practice can be transferred to you or another lawyer.</li> <li>● Determine whether the lawyer has an office manual outlining the procedures for the operational aspect of the law practice that you may review. If not, meet with the lawyer's support staff to discuss these procedures.</li> <li>● Do an initial check for conflicts to ensure that you are not precluded from assisting with any of the lawyer's outstanding client matters, whether you ultimately take over the matters or refer the clients to another lawyer.</li> </ul>	<ul style="list-style-type: none"> <li>● LIANS <a href="#">Letter to client advising of law practice closure or transfer</a></li> <li>● LIANS <a href="#">Letter from assisting lawyer advising that planning lawyer is unable to continue in practice</a></li> </ul>

- Review the lawyer's reminder or calendaring system to determine immediate or impending deadlines and appearances that must be addressed on the lawyer's behalf.
- Briefly review the lawyer's open files to familiarize yourself with current client matters and to determine which matters you can assist with, and those you will refer out.
- Review the lawyer's time and billing records to determine which clients can be billed for services already rendered. Prepare and deliver invoices and ensure payment to manage the accounts receivable until the lawyer can return to practice or the practice can be transferred.
- Review the lawyer's accounts receivable to ensure that his or her financial obligations continue to be fulfilled until the lawyer can return to practice or the practice can be transferred.
- Ensure that you fulfill the lawyer's obligations regarding his or her employed staff, including payroll, benefits and remittances for income tax, Employment Insurance and Canada Pension Plan.
- Advise the lawyer's clients in writing of the lawyer's inability to continue to act, and why. Indicate whether you are able to assist in the matter or the client must obtain another lawyer, and whether you can refer the clients to an appropriate lawyer.

**Notice to the Nova Scotia Barristers' Society and LIANS**

- Advise the NSBS that the lawyer is temporarily or permanently unable to practise law, providing relevant

Develop a disaster plan for your office, files, computer, etc.

- "[Managing Practice Interruptions](#)" practicePRO
- "[Surviving a Disaster: A Lawyer's Guide to Disaster Planning](#)" (2011) *American Bar Association*

dates and details. Closing or transferring your practice is also likely to result in a change to your insurance coverage requirements, notice of the closure or transfer must be provided LIANS as soon as possible to ensure appropriate and seamless coverage.	
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## 9. MISCELLANEOUS

- Contact [LIANS' Risk and Practice Management Program](#) for assistance in your Succession Planning
- All members of the Nova Scotia Barristers' Society are required to keep the Society informed of their current mailing address, telephone number and email address (if applicable), as per Regulation 4.1.1 under the *Legal Profession Act*. To advise the Society of new contact information, please fill in the [Contact Change Form](#) and send it by email to [dbo@nsbs.org](mailto:dbo@nsbs.org). Alternatively, forms can also be sent via fax at 1 902 429 4869 or by mail to the [Society's address](#).
- Contact the NSBS [Professional Responsibility department](#) with ethical questions