

## **Old balances in context**

### **Context 1 – Sole Practitioner unable to retire until trust accounts are closed.**

We have Amanda she has been practicing for many years. She has some old balances in her trust account, which she has to clear. Although she intended to retire in May, she will not be permitted to do so, and it could take her several months to clear these balances.

### **Context 2 - Death of a lawyer**

Doug was a sole practitioner who maintained a trust account for many years, he passed away after a short illness. There are old balances which he had not disbursed as every time he tried to work on the old balances, he would find that other work would come up. His successor has to spend a huge amount of extra time familiarizing themselves with the old files to determine how to address them.

### **Context 3 – Lawyers joining firms with trust balances from previous firms**

Dave worked for Butterfield law and has trust balances, which he brought with him when he joined Chesterfield Law as he does not have a trust account. Although he stayed for two years at Chesterfield law the relationship deteriorated and he left the law firm, leaving his trust balances behind in the trust accounts of Chesterfield Law. Clearing these old balances is now problematic as no one knows where the files are and Dave's input is required.

### **Context 4 – Small firms ignoring trust balances for years**

ABC law firm has been practicing for more than 15 years, during this time they have managed to accumulate a total of 2000 old balances which have a value of \$1.5 million. The Society have addressed this issue with concern, however the firm is struggling to clear the old balances as no one remembers why the balances were not disbursed, working on the balances is also taking too much time with little progress being made.