

INTRODUCTION TO THE GUIDE

There are many circumstances in which you or those acting on your behalf may have to deal with the transfer or closing of your practice: the sale of a practice, a change in career, joining a firm, judicial or other appointment, formal retirement, or sudden illness or death. Where the practice involved is a sole proprietorship or a small firm the impact is greater than it would be on a larger firm, as there may be no one available to immediately continue, transfer or close the practice in an orderly manner.

Your duty of competent representation includes the obligation to take appropriate steps to safeguard your clients' interests in all circumstances. Ideally, you should prepare for the closure of your practice well before it is required and should have in place contingency plans that deal with the unexpected need to have someone else continue, transfer or close your practice on your behalf. Lawyers often underestimate the time and effort required to effectively conclude a law practice. Failure to properly plan or prepare for both anticipated and unexpected departures from your practice may expose your clients to significant damages or prejudice, and subject colleagues or family members to financial and emotional stresses associated with the transfer or closing process.

The Law Society of Upper Canada and LAWPRO® have created this Guide to help you plan for and fulfill your professional conduct responsibilities when transferring or closing your law practice.¹ Whether the decision to conclude your practice has been made or you are planning ahead for such time, the Guide outlines the various issues that you will need to address. These may include transferring active or open files; custody or destruction of closed files; maintaining firm books and records; satisfying outstanding undertakings and ongoing obligations; addressing accounting and filing requirements; handling client property; dealing appropriately with personnel and office matters; and satisfying all change of status notice requirements.

The Guide is divided into sections that deal with the different aspects of closing or transferring a law practice, some of which may not apply to all practices or in all situations. Each section provides a brief overview, a checklist, and references to relevant articles and sample documents that are contained in the appendices to the Guide. All sample documents should be reviewed and, if needed, modified appropriately for your individual use. Where relevant, links and/or contact information for outside organizations have been included, which are accurate at the time of printing.² All forms in this guide can be removed and used for your convenience.

Where this Guide provides information on the practical issues related to the actual closure or transfer of your practice, lawyers who are at the initial stages of planning for future retirement may review the Law Society's **Succession Planning Toolkit**, which is available in the Practice Resources section of the online Resource Centre at www.lsuc.on.ca.

¹ The information contained in this guide is not a substitute for the lawyer's own research, analysis and judgment. The Law Society of Upper Canada does not provide substantive legal advice or opinions.

² Special thanks to the Oregon State Bar for their permission to reproduce parts of their publication, *Planning Ahead: A Guide to Protecting Your Client's Interests in the Event of Your Disability or Death*, Barbara S. Fishleder, published by the Oregon State Bar, Professional Liability Fund, April 1999.