LOMAS CHECKLIST

LAW OFFICE CLOSURE
OR
LAW FIRM DISSOLUTION

CLOSING DAY

CATEGORY	DESCRIPTION	DEADLINE DATE	DATE DONE	PERSON ASSIGNED	ACTUAL COSTS	POSSIBLE POST-DISSOLUTION COSTS
First things first	• In the event of the lawyer's death or incapacitation, contact the lawyer or law firm's inventory attorney(s) to oversee the office closure or firm dissolution. For example, who will liaison with the accountant, collect receivables, etc.					
Accountant	Meet with your accountant to discuss • Law firm structure & governance documents (e.g., buy-sell agreement). • Dissolution of firm entity (even if sole proprietor). • tax advice. • establish schedule for preparation of final financial statements and reconciliations. • determine schedule for final billing cycle and recordation of write offs. • discuss notifications to federal and state agencies (retirement of FEIN, final returns). • Discuss firm's retirement plan(s) if any. • Discuss final payroll and payroll tax preparation; 1099's and W-2's. • Valuation: Discuss whether it is necessary to conduct a firm valuation to determine amounts owed to partners/shareholders. Or, in the alternative, finalize agreement on how will assets and liabilities be apportioned.					

Checklist for Closing Your Law Office or for Dissolving the Law Firm

Advertising/ Marketing	• Cancel any existing advertisements and legal industry directory listings. • If applicable, retire website subscription account. • Consider thank you letters to former and current clients especially if taking a public position/job post dissolution.					
Banking	• Firm Accounts. Determine closure date for accounts; cancel firm credit cards; notify banker; Arrange for emergency/wrap-up supply of banking supplies • Be sure that all bank account direct pay arrangements for services and goods are terminated. • Trust Accounts. Prepare final reconciliation; notify the Florida Bar Foundation of account closure date. Escheat to the State funds the firm is unable to return to clients per FS 717. • Is there other client property (non-cash) being held in trust that needs to be returned? (obtain receipts) • If needed, arrange for a safe deposit box to store important firm documents that must be retained.					
State Bar & Local Bar Associations	• Notify of new mailing address, and whether there is a change in membership status (e.g., active to retired)					
Clients	• The interests of your clients are paramount! • Prepare mailing to active clients. Be certain letter is clear about the termination of representation, and the closure time-frame. • Determine if any inactive clients should be notified • See the *Files Section* of this Checklist (e.g., disposition of files)					
Dues & Licenses	• Notify city and county occupational license offices • Determine if any memberships be converted to personal ownership?					
Equipment	• Determine disposition of equipment and/or equipment leases (buy-out options?). Consider charitable contribution, or sale.					

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Files: Client Files, Office Files Calendars, Diaries Inventories	• Determine final disposition of client files. • Be certain that a letter has been sent to clients with active matters. • Arrange other counsel where necessary for active files. • Where necessary, prepare withdrawal motions or notices of substitution of counsel. • When releasing files to clients or new counsel, obtain a receipt. Keep a copy of the file. • Before copying a file in preparation of releasing it, cull the file of non-essential materials (e.g., non final work product materials). • Final retention schedule for closed client files • Arrange safekeeping for client and firm business files, reports, lists, final inventories. • Who will be the caretaker of the stored client and firm business files?					
Furniture, Fixtures, Accessories and Artwork	• Determine final disposition of these assets and/or leases (determine buy-out options on leased items, if desired). Consider sale vs. charitable contribution for firm's non-monetary assets.					
Government	• Determine which State and Federal offices should be contacted by firm in addition to the filing of final tax returns by accountant					
Insurance	• Cancel office liability insurance, life, health, workers comp. insurance policies, etc. • Determine need for professional liability tail coverage. • Consider COBRA options for health insurance and conversion options for life and disability insurance. • Discuss retirement plans, if any, with accountant; determine rollover options.					
Lease (space)	• If there is an existing lease, who will assume the obligation? Will there be a subtenant? Are the partners/shareholders personal guarantors?					

Checklist for Closing Your Law Office or for Dissolving the Law Firm

Law Firm	• Entity Status: How long will the ***business entity*** of the law practice remain active after the law practice ceases? • See F.S. 608, 620, 621. • Who will be the caretaker or trustee?					
Library, Legal Research	• Cancel subscriptions and on-line accounts. Determine disposal options for hard copy and CD-Rom resources; consider charitable contributions.					
LOMAS	• Don't forget to call and ask questions along the way!					
Mail & Messengers	• Determine need for P.O. Box for wrap up materials and post dissolution matters. • Cancel messenger/courier, express mail accounts.					
Office Supplies	• Determine disposition of excess inventory; consider charitable contribution to Head Start, private or public school					
Personnel	• Determine need for out-processing assistance for support staff personnel. • Determine destruction date of firm's personnel files. • Discuss preparation of final W-2's with employees. • If applicable, discuss retirement plan rollover options with employees. Seek specialist's advice if necessary. • Discuss health insurance COBRA options with employees.					
Public Relations	• If necessary, determine need, short-term, for public relations consultant. Who may talk to the press?					
Space	• Determine move date and arrange moving service. • Coordinate move information with landlord, if applicable.					
Technology and Software	• Determine disposal options for computer equipment. Consider sale or charitable contribution. • Scrub computers of software, firm & client information. • Terminate firm e-mail accounts					
Technology and Software	• Determine need for electronic backup of firm's computer data. • Arrange for secure storage location and retention period.					

Checklist for Closing Your Law Office or for Dissolving the Law Firm

Telephones	• Determine telephone service cut-off date for all phone lines including private lines and fax lines. • Determine need for informational recording for callers past service cut-off date (i.e., a recording that gives callers a new number or an informational recording). • Determine disposal options (or lease termination options) for telephone equipment. Consider sale or charitable donation. • Be certain that phone companies let directory advertisements lapse upon renewal. • Determine what callers will be told while the closure/dissolution is in process.					
Vendors	• Review accounts payables list and prepare notification to vendors to close accounts • Determine if there are any pre-paid deposits, subscriptions, premiums, etc. owed to the firm.					
What Else?						

NOTE: This Checklist is meant to be an initial list of action items when closing the law office of a sole proprietor, or dissolving a law practice.
If an action item listed above does not apply to ***your*** situation, merely strike through it.