

How to Close or Sell a Small Firm

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A wave of attorneys leaving the law is on the horizon since 182,000 practitioners are over sixty-five. For solo and small firm lawyers, the retirement decision means disposing of equipment, laying off staff, storing files, terminating leases, and transferring cases. Following are tips for closing or selling a small firm and links to resources for additional help.

Tips

Advisors - hire an advisor to assist with marketing, negotiation, and valuation.

Agreement - use a "Buy-Sell Agreement" to plan for the departure of a partner.

Alternatives - options include closing the firm, designating a successor, reducing caseload, or selling.

Ethics - review ethical obligations to avoid infractions and pitfalls.

Hiring - mentor a young lawyer to replace an exiting lawyer.

Insuring - keep malpractice insurance for risks arising after closing or sale.

License - research rules about retaining license to facilitate practicing pro bono, re-opening, and referral fees.

Notices - notify bar associations, clients, colleagues, insurers, and staff on a timely basis.

Finances - review finances to ensure adequate retirement savings for healthcare and living expenses.

Planning - prepare action plans for assets, cases, employees, files, liabilities, etc.

Readiness - attend a CLE program, read planning materials, and see a consultant or bar advisor.

Succession - appoint a colleague to wind down your practice in case of death or disability.

Timing - start planning your exit strategy by your 50's to avoid mistakes and lost opportunities.

Winding Down - suspend marketing and stop accepting new cases in advance of retirement.

Conclusion

Start your retirement planning by mid-career. Begin by discussing retirement plans with a bar association advisor, CPA, financial consultant, or life coach. Then prepare a written plan with a timeline, strategies, and tactics. Planning can bring positive results for you, your clients, and your firm. Consult the resources listed below for help to close or sell your practice.

Articles

[Closing a Law Practice](#), ISBA, Jan. 1, 2017.

[Buying and Selling a Solo Law Practice](#), GPSolo Magazine, Feb. 4, 2025.

[Evolving Ethics of Selling a Law Practice](#), Your ABA, Nov. 2020.

[Guide to Closing a Firm](#), National Law Review, May 1, 2018.

[How To Value, Sell, and Purchase a Law Firm](#), Law Practice Today, Sep. 7, 2022.

[Keeping Your Law License When You Retire](#), Connecticut Law Tribune, Apr. 11, 2019.

[Planning for Life After Law](#), Attorney at Work, Nov. 5, 2020.

[Succession Planning for Solo and Small Firms Lawyers](#), MSBA, Jul. 23, 2024.

[When to Stop Being a Lawyer](#), Experience Magazine, Jul. 18, 2022.

Books

[Buying or Selling a Law Practice](#), Lawyers Mutual, Oct. 2016.

[Closing a Law Practice](#), Lawyers Mutual, July 2016.

[Lawyers Guide to Succession Planning](#), ABA Book Publishing, Jan. 28, 2016.

[Planning Ahead](#), New York State Bar Association, Dec. 5, 2023.

[The Next Stage of Your Law Practice](#), North Carolina Bar Association, Sep. 1, 2021.

Checklists

[Closing a Practice](#)

[Merging Law Firms](#)

[Exiting a Firm](#)

[Selling a Firm](#)

[Valuing a Law Firm](#)

Videos

[Bar Advisory Services](#), Legal Tak Network, Apr. 24, 2023.

[Exit Strategies](#), ABA, Feb. 26, 2023.

[Going Inactive or Closing a Firm](#), FSBA, June 29, 2020.

[Retirement Planning](#), Justia, May 17, 2024.

[Valuing a Law Firm](#), Practice Exchange, Dec. 21, 2020.

Websites

[Closing or Selling a Business](#) (SBA)

[End-Of-Career Issues](#), (ABA)

[Retirement Guides](#) (Lawyers Mutual)

[Senior Lawyer Resources](#) (CBA)

[Succession Planning](#) (ABA)