



Law Society
of Ontario

Barreau
de l'Ontario

A Guide for Law Practice Transitions to Retirement

CHAIR

Jeffrey Davies, retired co-founder of
Davies Howe LLP

November 14, 2023





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Law Society of Ontario

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A Guide for Law Practice Transitions to Retirement



CHAIR: **Jeffrey Davies**, retired co-founder of *Davies Howe LLP*

November 14, 2023

1:30 p.m. to 3:30 p.m.

Total CPD Hours = 2 h Professionalism 

Webcast
Law Society of Ontario
Toronto, ON

CLE23-01107

Agenda

1:30 p.m. – 1:35 p.m.

Welcome

Jeffrey Davies, retired co-founder of *Davies Howe LLP*

1:35 p.m. – 2:00 p.m.

How to Wind Up Your Practice

Lina Caldaroni, Consulting Services Officer, Trustee
Services, *Law Society of Ontario*

2:00 p.m. – 2:25 p.m.

How to Find a Successor Licensee and Transition/Sell Your Practice

Kathleen Geiger, *Geiger Law Practice Sales*

2:25 p.m. – 2:35 p.m.

Question and Answer Session

2:35 p.m. – 3:00 p.m.

How to Handle the Emotional and Psychological Aspects of Retirement

Ronit Kaufman, Staff Clinician, *Homewood Health*

3:00 p.m. – 3:20 p.m.

How to Prepare for and Facilitate Your Retirement – Personal Stories and Tips from a Recent Retiree

Kimberly Beckman, previously of *Davies Howe LLP*

3:20 p.m. – 3:30 p.m.

Question and Answer Session

3:30 p.m.

Program Ends



This program qualifies for the 2025 LAWPRO Risk Management Credit

What is the LAWPRO Risk Management credit program?

The LAWPRO Risk Management Credit program pays you to participate in certain CPD programs. For every LAWPRO-approved program you take between September 16, 2023 and September 15, 2024, you will be entitled to a \$50 premium reduction on your **2025 insurance premium** (to a maximum of \$100 per lawyer). Completing any Homewood Health Member Assistance Plan e-learning course available at homeweb.ca/map also qualifies you for a \$50 credit.

Why has LAWPRO created the Risk Management Credit?

LAWPRO believes it is critical for lawyers to incorporate risk management strategies into their practices, and that the use of risk management tools and strategies will help reduce claims. Programs that include a risk management component and have been approved by LAWPRO are eligible for the credit.

How do I qualify for the LAWPRO Risk Management Credit?

Attendance at a qualifying CPD program will NOT automatically generate the LAWPRO Risk Management Credit. To receive the credit on your 2025 invoice, you must log in to [My LAWPRO](#) and completing the online Declaration Form in the Risk Management Credit section.

STEP 1:	STEP 2:
<ul style="list-style-type: none">• Attend an approved program in person or online; and/or• View a past approved program• Completing a Homewood Health e-course*	Complete the online declaration form in the Risk Management Credit section of my.lawpro.ca by September 15, 2024. The credit will automatically appear on your 2025 invoice.

You are eligible for the Risk Management Credit if you chair or speak at a qualifying program provided you attend the entire program.

Where can I access a list of qualifying programs?

See a list of current approved programs at lawpro.ca/RMcreditlist. Past approved programs are usually indicated as such in the program materials or download page. Free CPD programs offered by LAWPRO can be found at www.practicepro.ca/cpd

Whom do I contact for more information?

Contact practicePRO by e-mail: practicepro@lawpro.ca or call 416-598-5899 or 1-800-410-1013.

*One Homewood Health e-learning course is eligible for the credit on a yearly basis.





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A Guide for Law Practice Transitions to Retirement

Preface

This program's materials should be read in conjunction with the [*Rules of Professional Conduct*](#) and the [*Paralegal Rules of Conduct*](#). Please review the Rules as you read through the materials that follow this page.



A Guide for Law Practice Transitions to Retirement

November 14, 2023

SKU CLE23-01107

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TAB 1

A Guide for Law Practice Transitions to Retirement

How to Windup Your Practice (PPT)

Lina Caldaroni, Consulting Services Officer, Trustee Services
Law Society of Ontario

November 14, 2023



How to Windup Your Practice



Lina Caldaroni, Consulting Services Officer, Trustee Services, Law Society of Ontario

How to prepare to windup your law and paralegal practice when planning on retiring.

- Whether circumstances, or you have been thinking and planning on retiring from your law or paralegal practice you will need to prepare well in advance before retiring. Try not to underestimate the time and effort required to effectively transition your practice as there are many steps that need to be completed before you reach that milestone. Try to be pro-active and consider a Contingency and Succession Plan for your practice before retiring.
- As we start this journey it's time to put your law and legal services practice under the microscope.





The Contingency Planning Guide for Lawyers and Paralegals

- Lawyers and paralegals are like everyone else they may face unexpected interruptions due to an unexpected accident, disability or for personal reasons that may require them to be absent from their practices whether it be short or long-term. The Contingency Planning Guide for Lawyers and Paralegals was developed by the Law Society of Ontario as a tool for lawyers and paralegals to properly plan for contingencies that could potentially cause serious prejudice to their clients. This plan would add a layer of protection to sole practitioners and their families, clients and employees. If a lawyer or paralegal planned to have a contingency plan (Power of Attorney for Law Practice appointing a Replacement Lawyer or Paralegal) to manage and oversee their practice to protect the clients, preserve client property and prevent any potential LawPRO claims that could arise due to unexpected absences from practice.
- Below is the link to the Contingency Planning Guide for Lawyers and Paralegals where you can access a Sample Continuing Power of Attorney for Property for Law or Paralegal Practice. If you do not already have a Power of Attorney for your Law or Paralegal practice, I encourage you to take some time to explore the Guide which contains helpful information, forms and resources to assist you in preparing one for your practice just in case you hit some roadblocks along the way before transitioning or retiring from practice. The Contingency Planning Guide for Lawyers and Paralegals can be accessed by clicking on the relevant links.
- [Contingency Planning for Lawyers - Lawyer | Law Society of Ontario \(Iso.ca\)](#)
- [Contingency Planning for Paralegals - Paralegal | Law Society of Ontario \(Iso.ca\)](#)

ACTIVE FILES

- All clients with active files need to be notified that their lawyer or paralegal is planning on retiring. Here are some steps that may assist you.
- Give notice to your clients that you plan on retiring.
- Locate or run a report of your active files. If you used PC Law or other cloud-based legal practice management software to run your law practice (e.g., Clio) or other similar accounting office management software to run his report.
- Review the status of your active files if there are any that cannot be completed before retiring you will need to notify your clients and release their file to them or their new lawyer as per their signed Direction (physical and/or electronic version of file). Before releasing the file complete your final account and trust ledger statement if you have a retainer in the trust account.
- If you provided services through Legal Aid, contact and advise them of your retirement and submit your final account.
- Lawyers must complete all undertakings.



Closed Files

- Lawyers and paralegals typically store recently closed files at their offices and more dated closed files at a storage facility.
- Locate your closed file list that you created at the time of closing your client files. If you do not have a closed client list, you can identify the age of the file by looking at the reporting letter or document that would indicate when the file was completed.
- To assist in determining if the client files can be destroyed due to age, refer to the Law Society's Retention and Destruction of Closed Client Files for Lawyers and Paralegals.
- The Guidelines for Lawyers can be located at:
 - [Guide to Retention and Destruction of Closed Client Files for Lawyers - Lawyer | Law Society of Ontario \(lso.ca\)](#)
- The Guidelines for Paralegals can be located at:
 - [File Retention and Destruction - Paralegal | Law Society of Ontario \(lso.ca\)](#)



- Lawyer's and paralegal's have an obligation to maintain confidentiality after the files have been destroyed. This includes both paper and electronic documents and information contained in the electronic document such as metadata. Hardcopies of files must be shredded or incinerated to ensure compliance with the confidentiality. Refer to the Destruction of Client Files in the above referenced Guidelines to ensure proper destruction of closed client files and data.
- Before destroying any files, review to ensure they do not contain the following. These materials will need to be set aside and transferred to another practicing lawyer.
- Original Wills, Powers of Attorney, Codicils and Affidavits of Execution of Will or Codicil
- Files labelled Will and Powers of Attorney or Codicil
- Corporate Minute Books, Share Certificate Book and/or Seals
- Retain a record of all files destroyed or returned to the client

Wills, Powers of Attorney, Codicils



- You will need to notify all your clients that you currently secure original Wills, Affidavits of Execution, Powers of Attorney, and Codicils that you are retiring. It is also important to retain files relating to the preparation of these documents as they may contain a checklist and estate planning information in preparation of their Wills.
- These documents are the client's property and need to be returned to the clients or transferred into the custody of another practicing lawyer before you retire.
- If you have been appointed as estate trustee in your client's Will and attorney in their Power of Attorney for Property or Personal Care, and it is your intention to act or not to act confirm this when you notify your client that you will be retiring.
- Provide the successor lawyer with your clients contact information.
- Send an email to the local Law Association that you are retiring and provide the name of the lawyer that has taken over your clients Wills. This will assist members of the profession and clients to locate their testamentary documents. A list of the Law Associations can be found at:
 - <https://fola.ca/law-associations-1>

Corporate Records



- If you have active corporate minute books, share certificate books and seals notify your clients as they will need to be returned to them as this is their property, unless you have arranged to transfer them into the custody of another practicing lawyer.
- It's good practice to run a search of all the corporate minute books in your possession to determine if they are active or inactive. For the inactive ones refer to the Retention and Destruction Guidelines on how to destroy them.
- If you subscribe to a software company for your corporate practice, you may want to update that list identifying the active and inactive corporations this will assist you with your notification letters.
- Additional information may be found in the Law Society's Practice Management Guideline, "Closing Down Your Practice", which can be found here:
- <https://lso.ca/lawyers/practice-supports-and-resources/practice-management-guidelines/closing-down-your-practice>,
- Section Client Property.
- You can also conduct a search to verify the status of the Corporation through Service Ontario by logging onto their website at:
- [Ontario Business Registry | ontario.ca](https://www.ontario.ca/business)
- [Select - Search for a business or not-for-profit corporation](#)

Trust Accounts

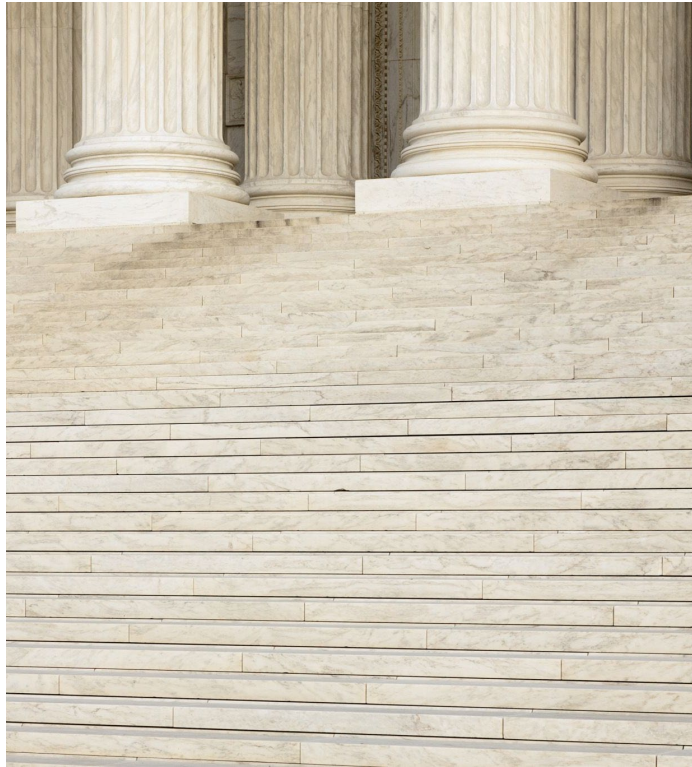
- By-Law-9 sets out the record keeping requirements for both lawyers and paralegals. Every lawyer and paralegal needs to ensure that they always keep their financial books current. Money in the trust account belongs to the client.
- Review the trust reconciliation, client trust listing and client ledgers with your bookkeeper and identify any clients that have had monies sitting in your trust account way after the matter has been completed and your account rendered and paid.
- Return any monies left in your trust account once their matter is completed and billed. Try to avoid leaving funds in your trust account as this could trigger some challenges if your clients moved and you don't have their current contact information. If these funds stay in your trust account for over 2 years, you will need to apply to pay the money to the Law Society's Unclaimed Trust Fund. Information on the fund and Application can be found here:
- [Unclaimed Trust Fund | Law Society of Ontario](#)
- By-Law 9 Paragraph 8.1. A licensee shall not keep in a trust account money related to legal services being provided by the licensee beyond a minimally reasonable amount of time after the legal services have been performed.
- Try to keep your client's contact information up to date otherwise if you cannot locate your client and you are holding funds in the trust account you will need to make an Application to the Unclaimed Trust Fund. The Application needs to be submitted and approved before you can send the funds to the Law Society.
- If you are holding any funds in trust by way of a G.I.C. for a client that should be posted on the client ledger and recorded in the client file.
- For more information refer to By-Law-9 and The Bookkeeping Guide for Lawyers and Paralegals that can be accessed by clicking on the relevant links:
- [By-Law 9 | Law Society of Ontario \(Iso.ca\)](#)
- [Bookkeeping Guide - Lawyer | Law Society of Ontario \(Iso.ca\)](#)



Computers and Electronic Devices

- Be sure to backup and secure all computers with client data and files, scanned files and accounting records, including other electronic devices used for your practice.
- Information regarding how client data must be handled can be found in the Law Society's Retention and Destruction of Closed Files Guidelines:
- The guidelines for lawyers can be found here:
- <https://www.iso.ca/lawyers/practice-supports-and-resources/topics/managing-files/file-retention-and-destruction>
- The guidelines for paralegals can be found here:
- <https://www.iso.ca/paralegals/practice-supports-and-resources/topics/managing-files/file-retention-and-destruction>
- Where it is determined that client data does not need to be retained, it must be permanently erased from computers and other electronic devices (e.g., cell phones, iPads, thumb drives, etc.) by a forensic IT Specialist and a Certificate obtained that the computers and electronic devices have been wiped. We recommend that you hire the expertise of a reputable Information Services Specialist to assist you in properly wiping this data.
- As with paper client files, if you choose to outsource the destruction of electronic devices or data ensure that the third-party provider is reputable and will ensure that the files remain secure until they are destroyed.

Changing your Status with the Law Society



- Retiring from practice will require you to change your status with the Law Society of Ontario. If you practice law or provide legal services through a professional corporation, please contact By-Law Administration Services at 416-947-3315 and ask to be transferred to By-Law Administration Services who may also be contacted by email at: bylawadmin@lso.ca.
- Lawyers and Paralegals should also notify their insurers of their retirement.
- The Law Society's By-Laws Administration Services will also need to be notified. They will send you an Application that will need to be completed and submitted to them for processing. If you're permanently retiring from practice or become very ill inform By-Laws so they can send the appropriate Applications to reflect your circumstances. You can also change your status by logging onto the Law Society Portal.
- You can access more information regarding the Notice to the Law Society of Ontario and Change in Status by clicking on this link:
- [Closing Down Your Practice - Lawyer | Law Society of Ontario \(lso.ca\)](#)
- For assistance with this application, please contact the Law Society's By-Law Administration Services department by email at bylawadmin@lso.ca

Locating a Will, Corporate Minute Book, Client File or Document

- When a lawyer or paralegal retire from practice the Law Society maintains a record of the practice disposition information when they stop practicing. The Law Society receives many inquiries relating to closed and active client files, wills and corporate minute books and the name of a lawyer or paralegal's predecessor that has taken over their former practice. These inquiries are received by the Law Society's Trustee Services Department through the [online inquiry form](#).
- Information on how to locate a client file or document, will and corporate minute book can be found on the Law Society's website by clicking on the following link:
- [Locating a will, legal file or legal document | Law Society of Ontario \(lso.ca\)](#)



LIST OF RESOURCES

Articles, Guides and Resources

Law Society of Ontario

LAWYERS

[Bookkeeping Guide](#)

[Client Service and Communication Guideline](#)

[File Management Guideline](#)

[Financial Management Guideline](#)

[Guide to Retention and Destruction of Closed Client Files For Lawyers](#)

[Trustee Services](#)

[Unclaimed Trust Fund](#)

LawPRO®

[E&O Insurance](#)

[Professional Liability Insurance for Retired Lawyers, Estate Trustees, Emeritus Lawyers, Judges and Others No Longer Engaged in the Practice of Law](#)

Websites

[Canada Revenue Agency](#)

[Employment and Social Development Canada](#)

[Legal Aid Ontario](#)

[LawPRO®](#)

[Law Society of Ontario](#)

Forms

[Application for Exemption from the Requirement to Pay the Annual Fee and to Submit the Lawyer Annual Report \(under By-Law 5 and 8\)](#)

[Application for Permission to Surrender a Certificate of Authorization \(under Part II of By-Law 7\)](#)

[Application for Surrender of Licence to Practise Law \(under By-Law 4\)](#)

[Report on Opening or Closing a Trust Account](#)

[Notice of Change of Information](#)

[Unclaimed Trust Fund Programme, Licensee Application Form](#)

[Articles and Forms can be accessed by clicking on the following link:](#)

[Guide to Closing Your Law Practice - Lawyer | Law Society of Ontario \(lso.ca\)](#)

(scroll down to the last page of the Guide)

PARALEGALS

Bookkeeping Guide

The Contingency Planning Guide for Paralegals

Client Service and Communication Guideline

File Management Guideline

Financial Management Guideline

Guide to Retention and Destruction of Closed Client Files for Paralegals

Trustee Services

Unclaimed Trust Fund

Websites

Canada Revenue Agency

Employment and Social Development Canada

Law Society of Ontario

Forms

[Application for Exemption from the Requirement to Pay the Annual Fee and to Submit the Paralegal Annual Report \(under By-Law 5 & 8\)](#)

[Application for Permission to Surrender a Certificate of Authorization \(under Part II of By-Law 7\)](#)

[Application for Surrender of Licence to Provide Legal Services \(under By-Law 4\)](#)

[Report on Opening or Closing a Trust Account](#)

[Notice of Change of Information](#)

[Unclaimed Trust Fund Programme, Licensee Application Form](#)

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[Guide to Closing Your Paralegal Practice - Paralegal | Law Society of Ontario \(Iso.ca\)](#)

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TAB 2

A Guide for Law Practice Transitions to Retirement

How to Find a Successor Licensee and Transition/Sell Your Practice

Kathleen Geiger
Geiger Law Practice Sales

November 14, 2023



A GUIDE FOR LAW PRACTICE TRANSITIONS TO RETIREMENT

HOW TO FIND A SUCCESSOR LICENSEE AND TRANSITION/SELL YOUR PRACTICE

I wish to preface my comments with the fact that I typically deal with one or two-lawyer practices when selling a practice

My valuation work is broader and typically deals with firms of 10 lawyers or less

PREPARATION FOR SALE PROCESS – THREE YEARS IN ADVANCE

- **Incorporation:** Have a discussion with your accountant about incorporation and the benefits of a share sale versus an asset sale
- Small Business Capital Gains Exemption allows for sale of share in a small business to be sold tax exempt up to \$971,190
- This can result in huge tax savings
- Conservative accountants are likely to advise you to incorporate at least 2 years before the sale. Whether this time frame is necessary is open to date; however, Ms. Geiger is not an accountant nor does she provide accounting advice so it is VERY important to discuss this aspect of a potential sale with your accountant.
- **Timing:** Discuss with your life partner and any law partners what your goals are with respect to timing of your departure from law. Determine what your best case scenario is for the timing of retirement from law.
- Consider whether you wish to move to part-time work for a period of time prior to departure. Typically in the sale of a practice the selling lawyer works through a transition period which can be full or part time. Give consideration to what your preference would be
- Consider timing considerations given the type of sale: Is there a partner or associate who is in a position to take over your practice? Alternatively will you be looking for a third party buyer?

- If it is your expectation that a junior associate will buy out your practice you need to activate the process well in advance. Unfortunately in many cases I have observed that these plans do not materialize. Often in these cases I will be retained to value the practice so that a buy-in can be negotiated. In many of these cases the seller later comes back to me asking me to find another buyer, as the deal has not been completed and they are back at square one.
- Do NOT start the process of retirement early by turning away work or referring it to other lawyers.
- I prepare valuations for my selling clients and the valuation is typically based on five years' income and expenses. At the very minimum three years' income/expense information is necessary. It is important to keep billings consistent (and preferably showing an increase over time) in the five years' prior to sale of your practice. If billings are in a decline this is likely to adversely affect the amount you will be offered by a buyer

STAFF AND TECHNOLOGY ISSUES TO ADDRESS

- Decide when you will notify staff of your plans. Staff may be concerned about their own job security and it may be wise to keep your plans confidential until you are ready to advertise the sale. Then, staff can be reassured that their continued employment is an important factor in the sale.
- Continuation of staff is usually a priority for the buyer, as staff are invaluable in providing for a smooth transition of clients and often represent the 'face' of the firm to clients. At present there is a shortage of experienced conveyancers and law clerks so keeping the staff post-sale is of even greater importance to the buyer.
- Another issue that demands attention is how technology driven the practice is. The trend now is towards "paperless" offices. If the practice is set up towards this goal ahead of time this makes the practice more attractive.
- Determine what your plans are with respect to lease renewals. We are in the middle of a huge change in how businesses operate. The era of fancy offices located in expensive real estate is giving way to virtual offices and many younger lawyers run their practices such that staff and lawyers work from home. If you are looking at a five year lease renewal consider whether you can shorten the lease period or introduce terms for reduction of space in the future.
- Consider whether your website could use updating. Many lawyers still have a static website whereas the trend is towards more interactive sites.

- Review your expenses for a paper library – most buyers would expect to use online resources rather than a physical library.
- You should review your wills bank and hopefully “vet” the wills so that you know how many viable wills you hold. A Wills Bank of 4,000 wills sound impressive but if many of them are from the 1970s when we are now in an era of constant moves, divorces and common-law relationships then it is hard to value their worth
- Of course it is almost impossible to know which wills will result in estate administration work; however, this is a growing and highly desirable area of practice so having a handle on your wills bank is important. If possible keep records of how much estate administration work is coming to the practice through the wills bank
- Similarly, review your corporate clientele for repeat business. Buyers put a high value on a practice which handles the yearly administration of corporate clients.

PREPARATION FOR SALE PROCESS – TWO YEARS IN ADVANCE

- I prefer that selling clients come to me **2 years** in advance of their intended retirement date. Although I can often effect a sale in a much shorter time period, this gives adequate time to prepare a valuation and prospectus, advertise the practice, allow for negotiations with various buyers, and then provide an ample transition period with the buyer.
- In any sale scenario, you need to be dedicated to a proper transition period. Continuation of client loyalty is paramount to a successful sale, and this can be achieved by your continued involvement – familiarizing the purchaser with your office procedures, staff and clientele. In my experience, vendors stay involved anywhere from 3 months to two or more years depending upon the requirements of the purchaser. Six months is typical.
- As stated earlier, it is important that your billings remain consistent pre-sale. Often sellers come to me after trying to effect a sale on their own, and they typically tell me that they underestimated the amount of time they would have to spend on the process. The best use of your time is generally to continue serving clients and keeping billings high.
- If you have sourced a buyer on your own, you need to establish the asking price/sale price. I am often asked to assist in such cases by preparing a valuation for the selling lawyer. Preparing valuations is a large part of my work.

VALUATION PROCESS

- A valuation of the practice is one of the first steps toward a sale. Generally five years of financial statements are needed to prepare a valuation. The valuation should re-state the practice income to account for such expenses as income splitting, vehicle expenses, meals and entertainment run through the practice as promotion expenses – anything that is personal in nature or that the purchaser would not necessarily incur as a business expense after the sale.
- I am often asked what the “rule of thumb” is for valuing a practice. My answer: there is NO such “rule of thumb” (such as 1 or 1.5 times billings) which can determine the value of a practice. I use the “excess income” methodology so that the valuation takes into account the actual profit levels of a practice, to which a multiplier is applied.
- The multiplier is based on a number of factors. Location and duration of practice, type of practice (solicitor's practices are easier to transition and thus have a higher multiplier than more esoteric areas of law), staffing and premises, wills banks and corporate clientele – these are some of the factors in determining a multiplier for the valuation.
- The value of goodwill is added to the replacement cost for tangible (physical) assets to determine the total value of the practice. Typically legal practices have little in the way of physical assets (as opposed to a dentist's office, for example) although of course this will vary with practice type and size
- Preparing valuations is a large part of my work. I do a valuation for each of my selling clients and I am frequently asked to prepare valuations for clients who come to me with a buyer already in hand.
- Accountants and business valuers can also do a valuation. In my experience it is rare for them to have experience valuing law practices. Typically they are not able to differentiate between practice types and do not understand how the practice mix and other factors affect how viable the practice is for transition.

SALE SCENARIOS

There are various scenarios for a sale that I have experience with:

1. Sell the practice to an experienced practitioner(s), with a transition period of approximately three to six months.

2. Sell the practice to a junior lawyer who requires mentoring and training. In this case the seller can expect to stay on in the practice for perhaps two years or more depending on the experience level of the buyer.
3. Arrange to move the practice to a small or mid-sized firm, such that the seller works in the firm on a contract basis for a period of time. Upon leaving the firm, the seller is paid a percentage of ongoing billings generated by the clientele. There may or may not be a balloon payment.
4. Sell the book of business outright, generally for a percentage of billings generated over a specified period of time.
5. Certain types of practice may be sold on a file-by-file basis, this is typical with personal injury or MVA files.
6. Appointment to the bench or to an administrative tribunal: I recently assisted a lawyer who was a sole practitioner and he had been appointed to an administrative tribunal. We needed to find lawyer(s) with experience in his area of practice very quickly to take over all his files. If the appointee is in a law firm typically the files can be absorbed by other practitioners. If the appointee is a sole practitioner it is frankly a bit of a scramble. It is difficult in such a case to get much value for the files aside from obtaining an undertaking to pay the appointee for time and disbursements.

HOW DOES THE SALE PROCESS WORK AT GEIGER LAW PRACTICE SALES

Upon client intake, the process is as follows:

- I prepare a valuation report and a prospectus. I have a questionnaire that I provide to clients which helps me with both.
- As mentioned earlier, through the valuation process I work to identify all expenses which may be to the benefit of the seller in order to restate true income.
- Once the valuation report and prospectus are complete, I then market the practice.

The process of finding a purchaser consists of various methods.

- I keep a database of all potential buyers who have approached me through my website or otherwise, and do a search of my database and approach any potential buyers therein.

- I advertise the practice on my website, which has excellent SEO and gets a lot of traffic - I field inquiries through my website daily.
- Additionally, I “headhunt” - that is, make cold calls to firms or individuals who might be interested in acquiring the practice. I will typically vet these individual with the selling lawyer to ensure that I am not contacting anyone the seller does not wish to deal with (or to know of the pending sale)
- Very rarely I place print advertising in the Ontario Reports (typically in the classified section). I used to use print advertising more frequently before the OR's went digital
- In some cases the buyer already knows, or has approached, an individual or firm and wishes me to handle the entire sale process (alternatively in those cases I might be retained to do a valuation only)
- Each potential purchaser signs an NDA before receiving any information on the practice for sale
- For each potential purchaser, I review the education, practice experience, personality, and potential ‘fit’ to the seller's practice and clients – perhaps the most important element of all as client retention is the key issue in a successful sale
- In order to determine the aforementioned “fit” I will usually set up an initial meeting between the seller and prospective purchaser very early on. There is an interpersonal element to fit that can only be determined by the 2 parties involved, and how well they communicate

PROCESS OF AN OFFER

- I always proffer as much assistance with sale negotiations as the seller desires but frankly in many cases if the proper fit between buyer and seller is established, then negotiations can run quite smoothly without a great deal of input from me.
- In most cases there is an initial Letter of Intent (“LOI”) which sets out in non-binding form the most important provisions of the sale; once those are ironed out then a buy-sell agreement is negotiated.
- The seller can propose or agree to whatever terms are considered acceptable or necessary in the given situation. Buyout amounts, performance related payments and contractual payments for the seller's continued involvement in the practice are all subject to

negotiation.

- If the sale is for a fixed amount, typically a “down-payment” of approximately one-half and upwards of the total buyout price is made by the purchaser. The remainder may be vendor financed although I am seeing more bank financed transactions.
- The remaining payments are made over time, generally for no more than 2-3 years. The remaining payments may also be tied into performance issues such as client retention and continued level of billings.
- Another method of purchase is through an earn out, where the buyer pays the seller a percentage of client billings for a specified period of time. A typical structure might be 10-15% of client generated billings for a period of several years (this is negotiable, I have seen anything from 2 years to 10 years).
- An earn out is often the preferred structure for law firms expanding by buying a practice. It is not always the preferred structure for a seller; however, for certain types of practice that are less marketable an earn out makes sense. Furthermore, if I am unable to find a buyer within the time frame posed by the seller retirement, I can often arrange an earn out.
- The buy-sell agreement can set out criteria for any issue related to the sale. If the seller is a solicitor experienced in the sale of businesses they often wish to draft the sale agreement. I am quite insistent upon the seller hiring outside counsel to draft or at least review the buy-sell agreement and I can refer them to counsel with experience in law practice sales. It is HIGHLY advisable to hire outside counsel to draft or review the agreement. This provides some protection vis-a-vis the agreement itself. A third party is also able to identify issues that the seller may be “blind” to.

CAVEATS

- I no longer practice law, so I do not draft any of the sale documentation. I am, however, able to assist the parties during negotiations with the exchange of information, with suggestions for the overriding structure of the sale and with ideas for effecting a smooth transition.
- An important part of my work is also managing expectations. The ease of finding a

buyer varies widely depending on various factors, most important of which are the type of practice and its geographical location.

- I can typically find buyers for most solicitor's practices, certainly within the GTA and the Golden Triangle. I also do a lot of work in British Columbia where Lower Mainland/Vancouver Island solicitor's practices generate a lot of buyer interest.
- Practices in remote or rural locations can be more difficult to sell as there is not the same buyer pool.
- It can also be difficult to sell certain practice mixes depending upon the areas of law. It is always important to be clear about how work comes to the practice and whether that flow is sustainable once the individual lawyer retires. I encourage potential clients to contact me to discuss confidentially the practice mix, location and other details. If I have concerns about the marketability of a practice I will be frank in addressing those concerns with the seller before starting the process.



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TAB 3

A Guide for Law Practice Transitions to Retirement

Emotional and Psychological Aspects of Retiring:
Judges and Lawyers in Canada (PPT)

Ronit Kaufman, Staff Clinician
Homewood Health

November 14, 2023





Emotional and Psychological Aspects of Retiring: Judges and Lawyers in Canada

November 2023

Objectives

- Explore the unique challenges and opportunities in the retirement journey of judges and lawyers.
- Understand the impact of retiring on one's identity, emotions, and overall well-being.
- Provide insights and strategies to navigate this transition successfully.



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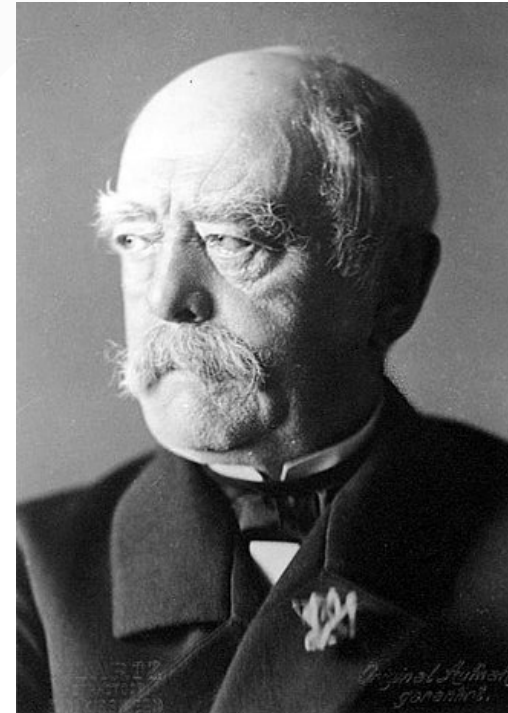
Retirement – back in time...

Emperor Augustus



aerarium militare

Chancellor Otto von Bismarck



Shift Gears into Retirement.



Retirement Trends

FACTORS INFLUENCING RETIREMENT DECISIONS

Age

Financial stability

Health

Workload and Stress

Career Satisfaction

Family and personal life

Market conditions

Pension and Benefits

Retirement Goals

Legal and Ethical obligations

Succession Planning

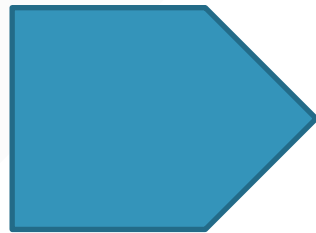
External life events

Retirement Trends - Age

According to Statistics Canada, the average Canadian retirement age is 64.3 years old. **But according to the Federation of Law Societies in Canada, the average lawyer retires more than a decade later—at age 75**

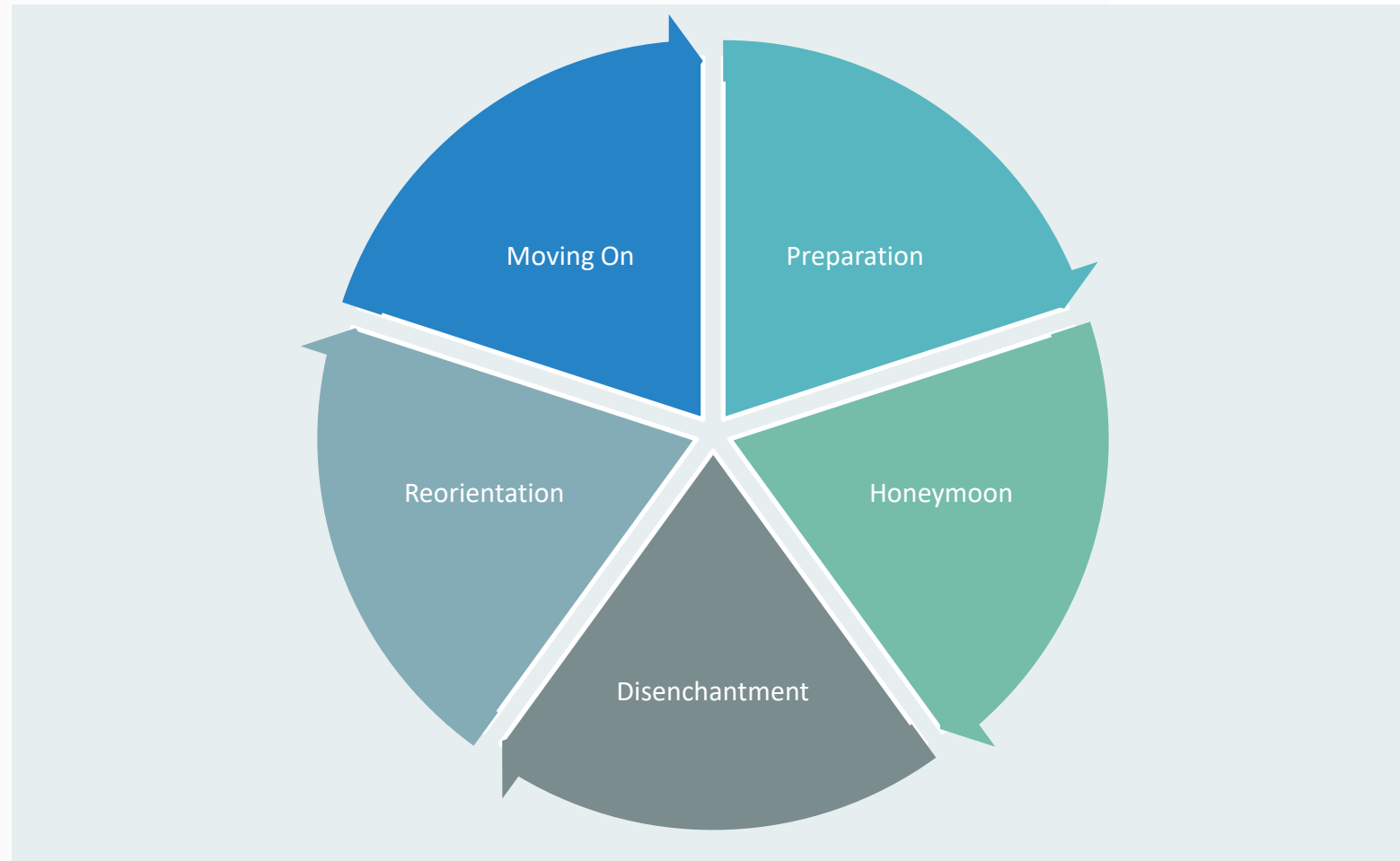


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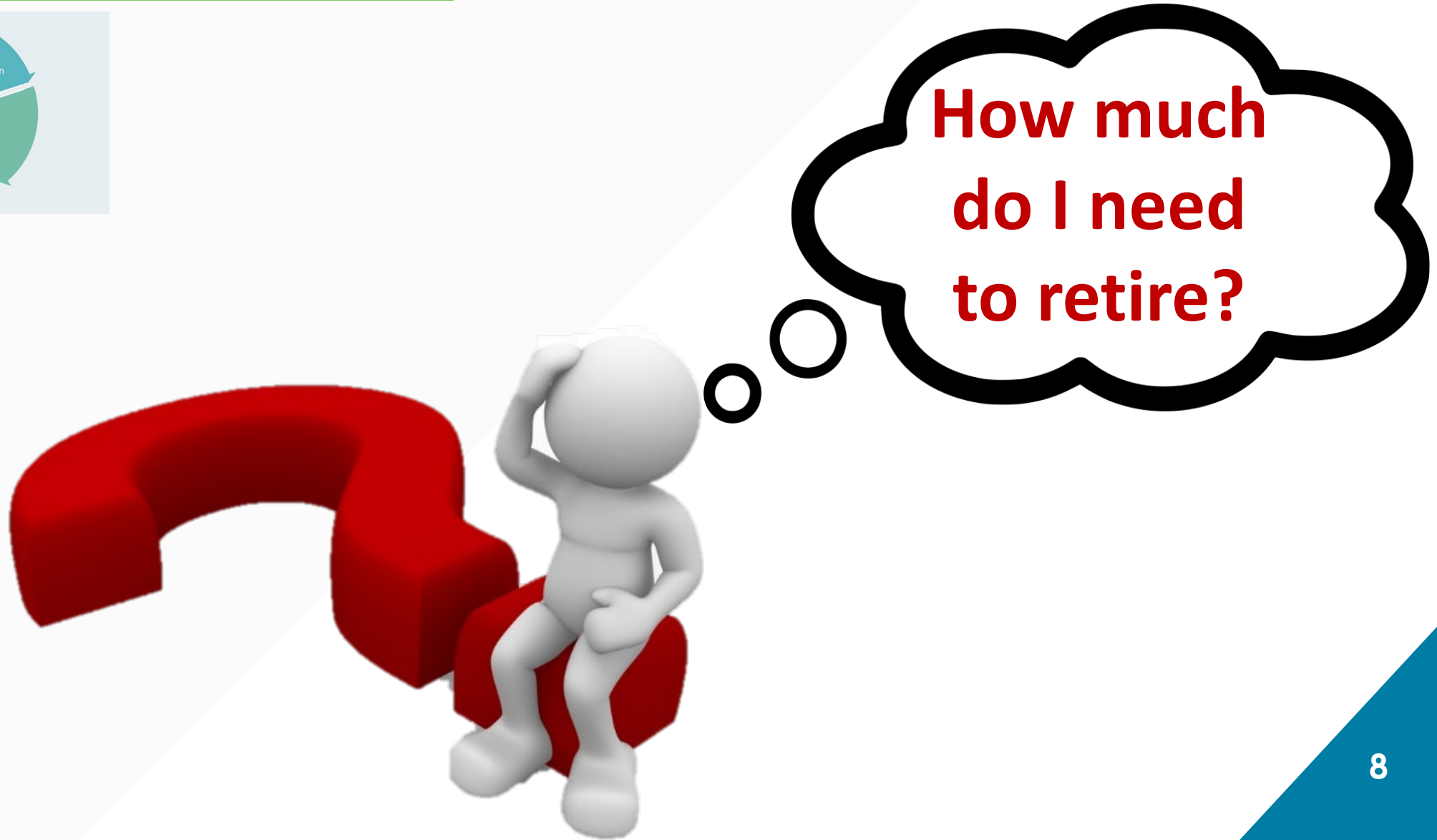
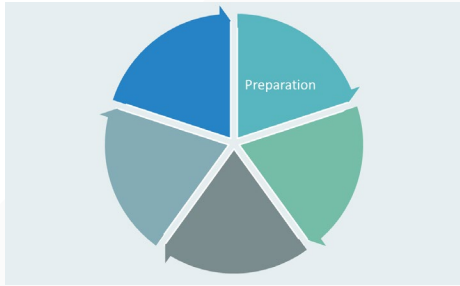


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Stages of Retirement



THE IMPORTANCE OF FINANCIAL PREPARATION



Stages of Retirement-Preparation - Financial

■ Building good habits

- **Concerns:**
 - Knowing where to begin- Financial advisor.
 - Understanding retirement options
 - Learning how to invest
- **Steps to consider:**
 - Establish an emergency fund
 - Set up automatic deductions
 - Take advantage of the power of compounding
 - Know your options
 - Use any annual gifts
 - Learn about investing



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Stages of Retirement-Preparation - Emotional

- **SOCIAL/PSYCHOLOGICAL**

- self-esteem
- self worth
- positive identity
- friends

- **FINANCIAL SECURITY**

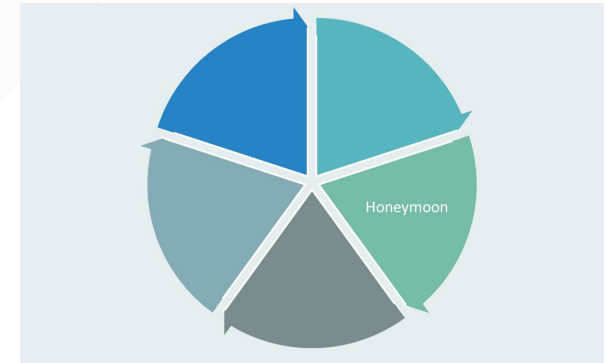
- **SITUATIONAL FACTORS**

- retirement planning
- voluntary retirement

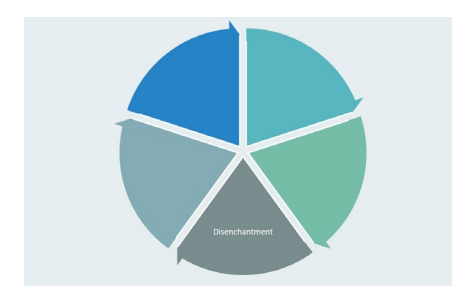
- **PHYSICAL HEALTH**

Stages of Retirement- Honeymoon

Endless vacation

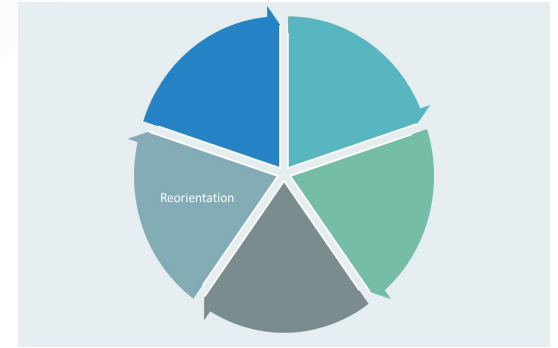


Stages of Retirement- Disenchantment

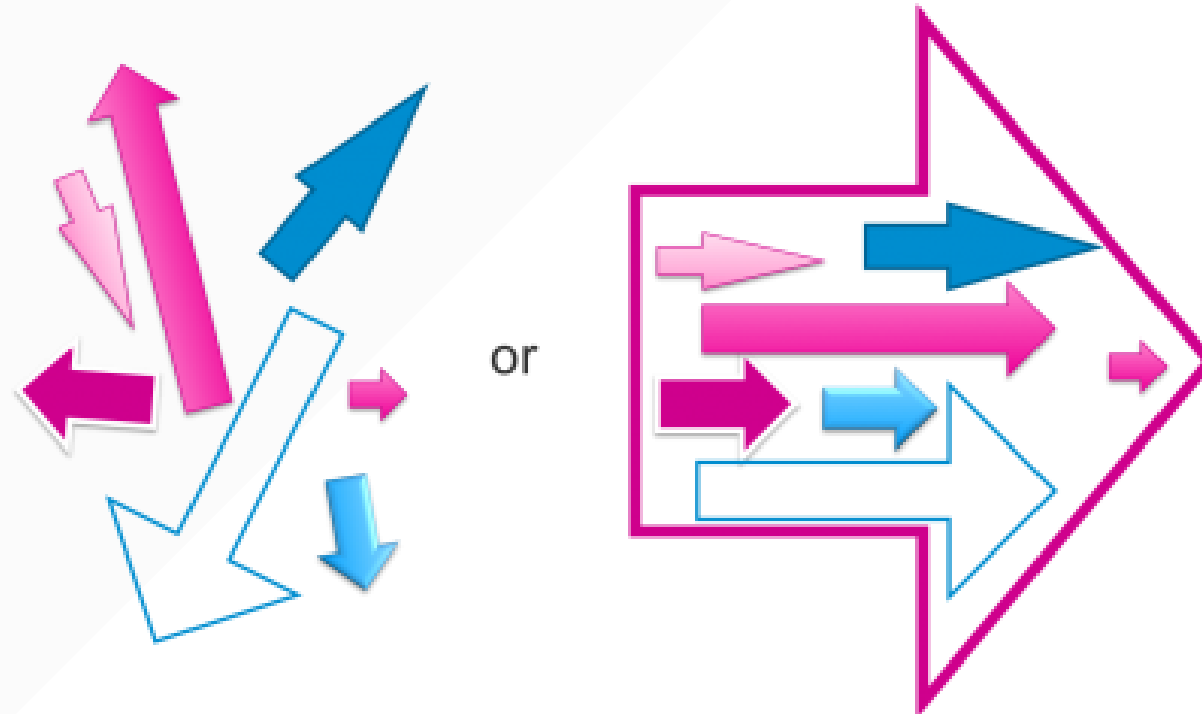


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Stages of Retirement- Reorientation



Renewed sense of PURPOSE



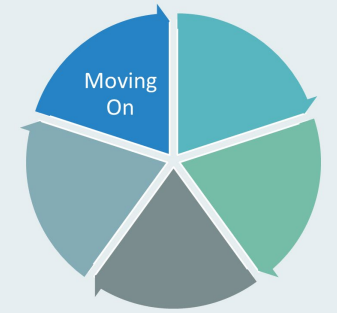
or

Stages of Retirement- Reorientation

■ Key Self-Reflection Questions

1. What would fill me with excitement each morning?"
2. What activities bring me joy and fulfillment?
3. What gives my life a profound sense of purpose?
4. Which pursuits bring a smile to my face?
5. What activities do I find deeply rewarding?
6. What aspects of my work life am I nostalgic for?

Stages of Retirement- Moving On



Contentment And Fulfillment



Coping Strategies - Getting to know yourself

Exercise: Determining Core Values:

1. Read the list and add more, if needed.
2. Choose the top four and write them down in your notebook.
3. List your values in order of importance from strongest to least important

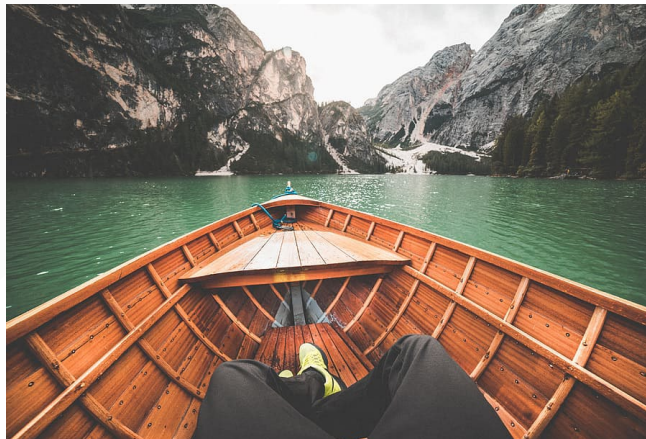
Accountability	Fame	Inspiration	Peace	Responsibility
Appreciation	Family	Integrity	Personal Growth	Safety
Belonging	Financial Freedom	Intimacy	Personal Health	Security
Challenge	Friendship	Joy	Pleasure	Spirituality
Change & Variety	Fun	Justice	Power	Stability
Comfort	Harmony	Leadership	Privacy	Strength
Compassion	Honesty	Loving Relationships	Quality	Success
Contribution	Humour	Music	Communication	Trust
Creativity	Independence	Orderliness	Recognition	Work
Expertise	Industriousness	Participation	Respect	

Making The Most Of Retirement

performance-enhancers
hyper-functional
Intensity focus
driven purposeful effective
training diets packed
recovery healthy power
limits peace fit goal-oriented yoga classes
serenity after yourself centeredness
supplements hard exercise muscle energy
before protein extreme fulfilled natural
endurance smoothies core balance
toughness fitness Gym Nutritious
strong active pushing
completeness tasteless supplement



GENEROUS
GIVING
AWARENESS
SERVICES
HELPING
MORAL
CARE
AID
RESPECT
TOGETHERNESS
CHARITY
LIFE
VOLUNTEER
TIME
COMMUNITY
CONTRIBUTION
ASSISTED
RESCUE
SUPPORT
HOPE
TEAMWORK
PERSON
ADULT



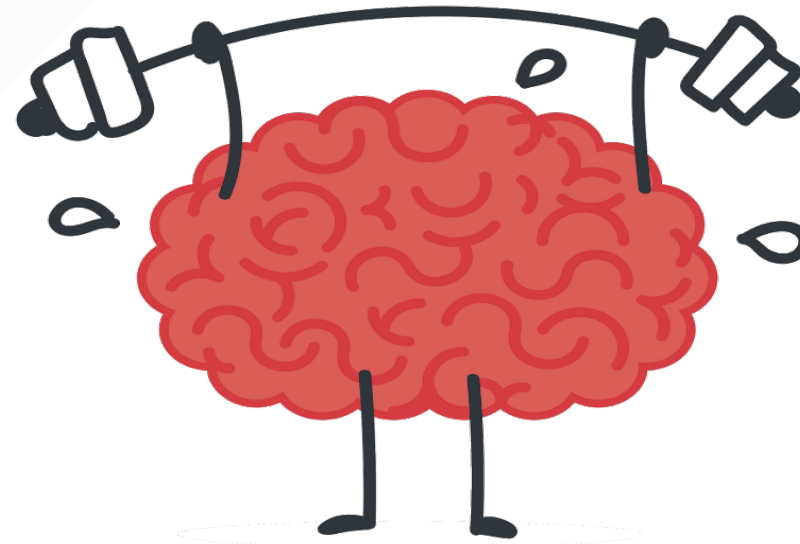
Outdoors WebVideo
Virtual Environments
Event Planning Facilities Management
Project Manager
Satellite Broadcast
Web Collaboration
Collaboration
Blogging
Adapting Change
Learning
Producer
Reading
Training Video
Possibilities
Google Reader
Back Packing
MBA
Higher Education
Research
Writing
Dogs
Consultant
Family
Skype
Team Solutions
Documentary Film
Video Production
Strategy Innovation
Rock Climbing
Efficiency
Wiki
Helping
Oklahoma
Second Life
Creativity
Hanggliding
World Travel
Facebook
Twitter
Science Fiction
Technology
Social Media
Employee Development
Skiing



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Ensuring Good Physical And Mental Health



What is MAP – Member Assistance Program



**Member
Assistance
Program**

- **Mental Health services**
- **The MAP Peer Support Program.**

What is MAP?

- MAP is profession-wide assistance program. It is for Ontario licensees, students and immediate family members.



MAP Services



clients are eligible for:

- Individual counseling services (in person/online/phone)
- Depression Care and trauma Care.
- All LifeSmart Coaching services.
- On call Crisis 24/7 support
- Online Homeweb resources.
- **The MAP Peer Support Program.**

MAP – Peer Support Program

- Unique feature to the Member Assistance Program
- **It is not a counseling service.**

What is the Peer Support Program?



MAP – Peer Support Program

It is a Peer Connection Service



How to contact MAP?



- MAP has its own unique phone number:
 - **(1-855-403-8922)**
- It also has a website which is:
 - **myassistplan.com**
- For any inquiries, please reach out to:
 - map@homewoodhealth.com
 - map@homewoodsante.com



To become a peer volunteer

- Homewood does not process people who want to become peer support volunteers, that is something that is sent to an email address.
- ***Peervolunteer@peoplecorporation.com***



Homewood
Health | Santé



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TAB 4

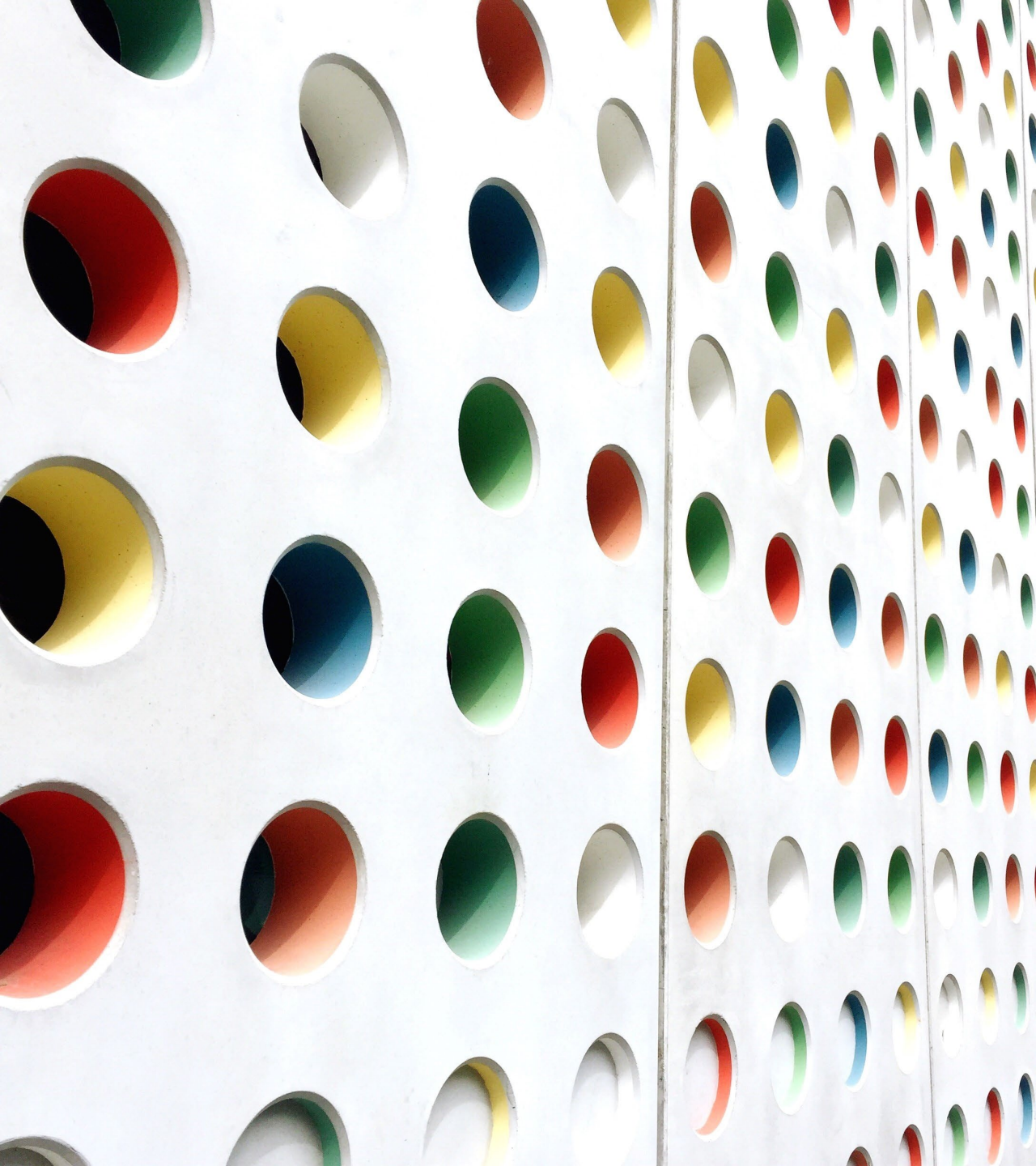
A Guide for Law Practice Transitions to Retirement

How to Prepare for and Facilitate your Retirement –
Personal Stories (PPT)

Kimberly Beckman, previously of
Davies Howe LLP

November 14, 2023





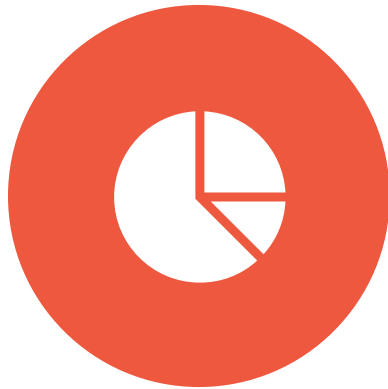
A Guide for Law Practice Transitions to Retirement

Law Society of Ontario – November 14, 2023

How to Prepare for and Facilitate your Retirement – Personal Stories

KIM BECKMAN,
RECENT RETIREE

The Before, The Transition, The Reality



BEFORE – COMING TO THE
DECISION AND HELPFUL
RESOURCES



THE TRANSITION – THE “DO”
THINGS AND PLANNING FOR
THE FUTURE



EXPERIENCES FROM THE
FRONT – 11 MONTHS ON

Before — Coming to the Decision

How I knew that it was time:

I was no longer fully engaged.

My spouse had had enough of the demands on my time.

I created a community related to but separate from my practice to ease the transition.

I was finally able to believe our financial advisor - that we wouldn't starve.



Planning was key
(but I would do some
things differently if I knew
then what I know now)

Trust account –

Start early with cleaning it up
for closure or transfer .

Office IT resources –

Use it while you have it

Law Society and Law Pro –

Considerations, continuing
benefits and requirements





Law Society of Ontario – Resources for Closing Practice

- Contingency Planning ([Lawyers](#) and [Paralegals](#))
- Guide to Closing Your Practice ([Lawyers](#) and [Paralegals](#))
- [Closing Down Your Practice Guideline](#)
- [Closing a Trust Account](#)
- [Practice Management Helpline:](#)

If a licensee is considering retiring from their law or legal service practice, the Helpline can assist in ensuring they meet their professional obligations. Licensees can call the Helpline directly at 416-947-3315 or use our online scheduling platform, [Book the Helpline](#), to schedule a time to receive a call.



LSO Retired Status — What it offers

Licensees in the Over 65 (Retired) 10% Annual Fee category remain members of the Law Society and are entitled to the services and benefits available to licensees, including the ability to access/participate in:

1. Member Assistance Program
2. The Great Library & LSO Archives staff assistance, as well as access to the County Law libraries
3. LSO communications (the Ontario Reports, notices, updates, critical policy and rule changes)
4. Trustee Services and Practice Disposition
5. Coach and Advisor Network (CAN)
6. Continuing Professional Development programs (particularly important for those involved in coaching, mentoring, sitting on boards, etc.)
7. Voting in bench elections, receiving voting guides, resources, and ballots
8. The right to run as bench
9. The right to attend and address the Law Society AGM

The background image is a collage of financial and statistical data. It features a large pie chart in the center-left, divided into twelve segments of various colors (shades of blue, green, brown, and grey). To the right of the pie chart is a legend with twelve entries, each consisting of a small colored square followed by a month abbreviation: jul, aug, sep, oct, nov, dec, jan, feb, mar, apr, may, jun. Above the pie chart, a portion of a bar chart is visible, showing vertical bars for the months jul, aug, sep, oct, nov, and dec. Below the pie chart, a table with three columns of numbers is partially visible. The numbers in the first column are 58, 487, 000, 450, 5,502, and 00. The numbers in the second column are 154,568, 56,845, 110,000, 150,000, 35,000, 83,000, and 45,000. The numbers in the third column are 95,054, 97,511, 99,011, 99,216, 101,090, 101,684, 101,962, 102,747, and 006. A fountain pen is visible in the bottom left corner, pointing towards the table.

LSO Retired Status – What to do and what it costs

- [Over 65 \(Retired\) Annual Fee and Exemption from the Requirement to File the Annual Report:](#)

If the licensee is over 65 years old and will not be practising law/providing legal services, they can apply for a 10% fee category and an exemption from the requirement to file an annual report. However, an application is required. More information can be found on the LSO website.

- [Fee Categories:](#)

Licensees should log into the LSO Portal and visit the Change of Information to change their status to not working or whatever status is applicable. As required by By- Law 8, licensees also have to update their contact information. If they are not working at all, they should ensure their personal contact information is up to date.



And if you just want to surrender your license....

Law Society of Ontario Link to Requirements:

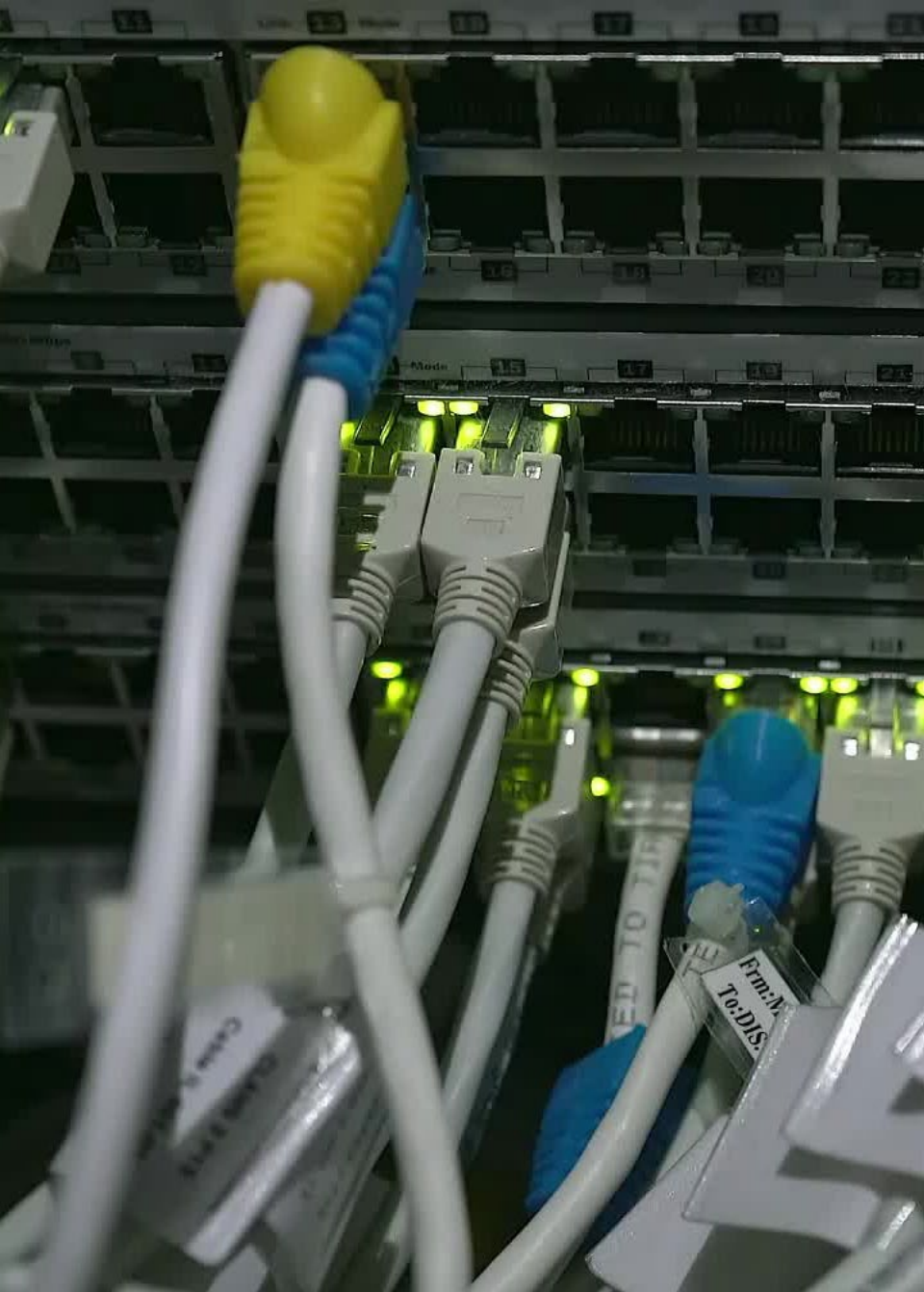
[How to Surrender Your Licence](#): If a licensee who retires no longer wishes to be licensed, they have the option of surrendering their licence.



LawPro – Consider the afterlife....

LawPro Resource Links

- [Retired Lawyers Booklet](#)
- [Leaving Private Practice](#)
- [Retired Lawyers, Emeritus Lawyers, Estate Trustees, Judges and Other Lawyers No Longer In Private Practice](#)
- [The graceful exit: Leaving practice on a high note](#)
- [Don't let claims follow you into retirement](#)
- [Run-Off Insurance Coverage](#)
- [Retirement, identity, and mental health: It's an adjustment](#)



How to contact LawPro

- Tel: 1-800-410-1013 or (416) 598-5899
- Email: service@lawpro.ca

Links to past LSO Programs on practice transitions



[Succession Planning for All Stages of Your Career \(2023\)](#)



[Administering Professional Practices and Contingency Planning in Law \(2022\)](#)



[A Guide for Law Practice Transition: Full-Time to Part-Time or Full-Time to Retirement \(2021\)](#)



[Transition and Succession: Drafting to Effectively Address Retiring Partners \(2019\)](#)

Financial planning for retirement

From the Government of Canada

[Your retirement financial
checklist](#)





Planning for meaning in post-transition life

Law Society of Ontario Programs

- [Coach and Advisor Network \(CAN\)](#) : Licensees transitioning into retirement but looking to stay involved in the legal profession may wish to consider joining the Law Society's Coach and Advisor Network (CAN). Retired licensees entitled to practise law or provide legal services in Ontario can apply to become a Coach. CAN will provide you with resources to ensure you are prepared for your Coaching sessions. For more information about who is eligible and how to apply, please visit the webpage.
- [Memoir Writing Project](#): Retired licensees across the province are encouraged to turn their memories of their law school days and law practice into memoirs for the historical record.
- [Lawyers Feed the Hungry](#): Anyone may volunteer with the Lawyers Feed the Hungry program.

Maintaining professional contacts, morphing engagement

Charitable Organizations

Industry Organizations

Public Organizations



Experiences from the front: The reality and tips to make each day count

It takes time to truly transition

Don't just plan for the bucket list, execute

Schedules and to do lists are still important

Active planning is key but be prepared to deal with the emotive side of no longer “producing”

Get used to being a novice again

Evolve your existing networks and create new communities



Experiences that make my day

Going to a museum, on my own, at 2:00 in the afternoon

Mentoring someone starting out in their career

Board work for a charity I am passionate about

Learning opportunities with others whose lives are in transition

- Hot Docs Theatre programs
- University of Toronto continuing education programs
- Academy of Lifelong Learning Toronto





The list keeps getting longer (and changing)

Starting a new enterprise with someone about half my age

Reading the paper until 10:30 a.m.

Taking my grandchildren to school or picking them up

Exploring cities and countries that are not my own

Taking a memoir course

Reading an entire book in one day