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THE STATE BAR OF CALIFORNIA  
STANDING COMMITTEE ON  
PROFESSIONAL RESPONSIBILITY AND CONDUCT  
FORMAL OPINION INTERIM NO. 20-0002  
SUCCESSION PLANNING

**ISSUE:** What are a lawyer's ethical obligations to engage in succession planning?

**DIGEST:** Under certain circumstances, a lawyer may have a duty to engage in succession planning to protect client interests in the event the lawyer is unable to continue practicing law. The duties of competence and diligence obligate lawyers to take reasonable steps to protect the clients' interests during the course of the representation. This includes taking affirmative steps to plan for an interruption or cessation of practice, voluntary, planned, or otherwise. The risk of prejudice to clients exists when their lawyer is unable to continue practicing law, either temporarily or permanently. This risk applies to all lawyers, including solo practitioners and lawyers from small firms, as well as lawyers practicing at larger firms.

**AUTHORITIES**

**INTERPRETED:** Rules 1.1, 1.3, 1.4, 1.7, 1.9, 1.15, 1.16, 1.18, 5.1 of the Rules of Professional Conduct of the State Bar of California.<sup>1</sup>  
Business and Professions Code sections 6068(e)(1) and 6185.

EKD: CLA suggested that this be much stronger, and state that lawyers are expected to have a succession plan based on 1.1, 1.3 and 1.4 - CLA's public comment states "Lawyers who have active caseloads have an ethical obligation to engage in succession planning, since it is virtually impossible to anticipate an 'inability to practice law.'" Staff edits do not go this far, but do incorporate changes to more strongly indicate that lawyers should have succession plans.

DO: I would be in favor of the stronger statement, similar to the one suggested by the CLA, since in my view the current rules would require a succession plan: "Existing California rules, including the duty of competence, diligence and communication, obligate lawyers to take reasonable steps to protect the client's interests in the event the lawyer is no longer in a position to do so."

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<sup>1</sup> Unless otherwise indicated, all references to "rules" in this opinion will be to the Rules of Professional Conduct of the State Bar of California.

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Re 'diligence' EKD: CLA suggested that duty to communicate also be included. I think a succession plan is required to be communicated, but I don't think a succession plan itself is a requirement under that rule. Working group – what are your thoughts?

DO: I am in favor of including communication here because in my view a succession plan is required in order to comply with 1.4. Without it, the obligations of 1.4 cannot be met in the event of temporary or permanent inability to practice.

## INTRODUCTION

Many circumstances could render any lawyer unable to continue practicing law, either temporarily or permanently. When these events impact lawyers, client interests are at risk and should be protected.

There is a great risk of prejudice to clients when an unexpected event occurs that renders their lawyer unable to continue practicing law. This risk applies to all lawyers, including solo practitioners and lawyers from small firms, who often act as both lawyers and law firm managers; older lawyers, who may be impacted by serious illness, disability, and death, as well as lawyers of any age practicing at a law firm of any size, who could be impacted by an unexpected event rendering them unable to practice law. Additionally, as the lawyer population continues to age, the inability to practice law may be more and more gradual decline that implicates the duty of competence.

While no specific California rule requires that a California lawyer adopt a succession plan, existing rules, including the duties of competence and diligence, can be interpreted as imposing a duty on lawyers to take reasonable steps to protect the clients' interests during the course of the representation, including in the event of a lawyer's sudden inability to continue to practice law. A failure to properly plan or prepare for both anticipated and unexpected departures from a lawyer's practice may expose clients to significant damage or prejudice.

DO: I would be in favor of the stronger statement, similar to the one suggested by the CLA. See note above.

Succession planning for law firms and lawyers encompasses a variety of issues. At its heart, a succession plan forces a lawyer to consider what will happen to their clients if the lawyer is unable to continue to practice law and develop a strategy for how such an event would be handled, and by whom, to protect client interests. In many instances, this includes arranging in advance for how client matters will be timely handled in the lawyer's absence, how client files will be protected and returned to clients, and how funds and property belonging to clients will be returned to them, among other things<sup>2</sup>.

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<sup>2</sup> Nationwide, there are many succession planning resources, including handbooks, guides, and ethics opinions, to assist lawyers in navigating how to think about and move forward with a succession plan. While mostly from other jurisdictions, these resources provide valuable information for all lawyers. ("Ethics opinions and rules and standards promulgated by other jurisdictions and bar associations may

Succession plans provide a way to gradually transition client work and management roles over a period of time to preserve long-term client relationships and create opportunities for emerging talent and an orderly transition of new leadership. However, law firms also need to consider succession planning as an important client protective measure and make reasonable efforts to ensure that the firm has policies and procedures in place designed to protect clients in the event that a lawyer at the firm becomes unable to continue practicing law. This includes implementing measures necessary to comply with the duty to manage the law firm and supervise attorneys under rule 5.1. This rule is typically understood to be relevant for junior associates; however, the duty to supervise may also become necessary for senior partners in the event that there is a declining ability to competently represent their clients or to comply with their other ethical obligations.

## STATEMENT OF FACTS

1. Lawyer A is a solo practitioner who has a general litigation practice consisting mostly of representing plaintiffs in personal injury matters. Lawyer A has been a solo practitioner for almost 30 years and shares office space with a group of other solo practitioners and small firms. Lawyer A has no dedicated support staff, instead sharing a group of rotating assistants and paralegals with other colleagues to assist with pleadings and court filings. Lawyer A handles the firm's management and operations exclusively; no one else has access to Lawyer A's calendar, emails, client files, law firm bank accounts, or financial information. Lawyer A seldom takes vacations, and when they do, Lawyer A simply puts an out-of-office message on their email and voicemail and serves a Notice of Unavailability on opposing counsel.

Recently, Lawyer A had some health complications and was hospitalized for over a month. Eventually, Lawyer A's suitemates learned of Lawyer A's condition and instructed some of the shared support staff to advise any of Lawyer A's clients who showed up at the office that Lawyer A was in the hospital. But no one had access to client lists or files, access to email or voicemail messages, or any financial information, so the shared staff could not assist Lawyer A's clients any further. When Lawyer A returned to the office, some of the issues that emerged during their hospitalization included: missed court appearances and discovery deadlines, motion deadlines had passed, failure to finalize a settlement agreement for a client that rendered the offer withdrawn, failure to respond to client demands to receive much-needed settlement funds in Lawyer A's IOLTA account, and failure to respond to client's request for a file transfer to new counsel.

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also be considered" for guidance on proper professional conduct. See Rule 1.0, Comment [4].) Any lawyer looking for guidance on this issue may wish to review the American Bar Association's website page on succession planning, which has a compilation of resources on this subject.

([https://www.americanbar.org/groups/professional\\_responsibility/resources/lawyersintransition/successionplanning/](https://www.americanbar.org/groups/professional_responsibility/resources/lawyersintransition/successionplanning/))

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- 103
- 104 2. Lawyer B is a solo practitioner who has been asked by Lawyer C to be an Assisting
- 105 Attorney<sup>3</sup> as part of Lawyer C's succession plan. Lawyer B and Lawyer C are both solo
- 106 practitioners who practice in the same area of estates and trusts planning and litigation
- 107 and represent clients in the same general jurisdictions. Lawyer C has been practicing for
- 108 about 20 years longer than Lawyer B, so Lawyer C may also be interested in retiring soon.
- 109 Lawyer B wants to know what ethical obligations are implicated by agreeing to be an
- 110 Assisting Attorney for Lawyer C.
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- 112 3. Law Firm Manager is the managing partner of a large Law Firm with ten offices throughout
- 113 California. Law Firm Manager is reviewing Law Firm's policies and procedures with outside
- 114 ethics counsel to determine how the Law Firm could engage in succession planning at Law
- 115 Firm. Law Firm Manager is particularly concerned with one of Law Firm's smaller offices,
- 116 a 5-person satellite office out of which Lawyer D is based, although Lawyer D works
- 117 primarily remotely. Lawyer D is 70 years old and is only one of two lawyers at the entire
- 118 firm who practices in a particular specialized field; no other lawyer in the Law Firm's 5-
- 119 person satellite office practices in that specialized field.

## DISCUSSION AND ANALYSIS

### Ethical Duties Implicated for All Lawyers and Law Firms

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123 A lawyer who does not properly plan or prepare for both anticipated and unexpected departures

124 from the practice of law may expose clients to significant damage or prejudice. While no specific

125 Rule of Professional Conduct requires that a California lawyer develop or adopt a succession plan,

126 existing rules, including the duties of competence and diligence, obligate lawyers to take

127 reasonable steps to protect the clients' interests during the course of the representation. This

128 would include taking affirmative steps to plan for an interruption or cessation of practice,

129 voluntary or otherwise, particularly for those practicing as solo practitioners or in a small firm

130 setting<sup>4</sup>. (See ABA Formal Opn. 92-369, Disposition of Deceased Solo Practitioners' Client Files

131 and Property, Pg. 2: "As a precaution to safeguard client interests, the sole practitioner should

132 have a plan in place that will ensure insofar as is reasonably practicable that client matters will

133 not be neglected in the event of the sole practitioner's death."). Rule 5.1 requires law firm

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<sup>3</sup> An Assisting Attorney is a lawyer with whom another lawyer has made arrangements to close down their practice or to handle it in the event the other lawyer is unable to continue practicing law.

<sup>4</sup> Most professional liability carriers now require solo or small firm practitioners to make arrangements for an office closure in the event of a death or disability as prerequisite to obtaining coverage. Also, the State Bar of California has "Senior Lawyer Resources" on its website, which include a sample agreement to "Close Law Office in the Future" which may be instructive or useful for solo practitioners.

[[https://www.calbar.ca.gov/Portals/0/documents/ethics/Surrogacy/AGREEMENT\\_TO\\_CLOSE\\_LAW\\_PRACTICE\\_IN\\_THE\\_FUTURE\\_REVISED\\_08-1-2011.pdf](https://www.calbar.ca.gov/Portals/0/documents/ethics/Surrogacy/AGREEMENT_TO_CLOSE_LAW_PRACTICE_IN_THE_FUTURE_REVISED_08-1-2011.pdf)]

managers to make reasonable efforts to ensure the law firm has measures in place for all lawyers to comply with the rules.

DO: See note above re stronger statement here.

### Duty of Diligence

Rule 1.3(a) provides that a “lawyer shall not intentionally, repeatedly, recklessly or with gross negligence fail to act with reasonable diligence in representing a client.” “Reasonable diligence” means that “a lawyer acts with commitment and dedication to the interests of the client and does not neglect or disregard, or unduly delay a legal matter entrusted to the lawyer.” [Rule 1.3(b)]. It is reasonable to conclude that “reasonable diligence” as defined includes making sure that client interests are protected in the event of a lawyer’s inability or unavailability to practice law, and failure to do so may be viewed as reckless or gross negligence.<sup>5</sup> Important client matters, such as court dates, statutes of limitations, or document filings, would be neglected, and harm or prejudice to clients may result if the lawyer does not plan for these types of events.

### Duty of Competence

Lawyers must provide legal services with “competence,” which means that they must “apply the (i) learning and skill, and (ii) mental, emotional, and physical ability reasonably\* necessary for the performance of such service.” (Rule 1.1(b).) “Attorney competence includes anticipating events or circumstances that may adversely affect client representation, including the gradual or sudden inability to provide competent legal services. By planning ahead for the orderly disposition of his or her law practice, an attorney can ensure that clients will continue to be represented without significant interruption in the event the attorney dies or becomes incapacitated.” (Sources of Duty of Competence, Cal. Prac. Guide Prof. Resp. Ch. 6-A.)[Citing ABA Model Rule 1.3, Cmt. 5].)

### Duty of Loyalty

The duty of loyalty requires that the lawyer act in the client’s interest and to “protect [the] client in every possible way.” (*Santa Clara County Counsel Attys. Assn v. Woodside* (1994) 7 Cal.4th 525, 548.) The American Bar Association’s Standing Committee on Ethics and Professional Responsibility concluded that a lawyer should “have a plan in place which could protect clients’ interests in the event of the lawyer’s death,” based, in part, on a lawyer’s fiduciary duties to

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<sup>5</sup> While the ABA Model Rules, and several other jurisdictions, have a Comment [5] in their rule 1.3, which states the duty of diligence may require a lawyer to develop a succession plan, California does not. (Cf. ABA Rule 1.3, Cmt. [5]. See also ABA State Mandatory Succession Rule Chart, available at [https://www.americanbar.org/content/dam/aba/administrative/professional\\_responsibility/lawyer-succession-planning-rule-chart.pdf](https://www.americanbar.org/content/dam/aba/administrative/professional_responsibility/lawyer-succession-planning-rule-chart.pdf) [as of Oct. 5, 2023].) Other jurisdictions require a succession plan, but not as part of rule 1.3. (See, e.g., Ariz. Supreme Ct. Rule 41, Comment [2]; Fla. Rules Regulating th Fla. Bar, rule 1-3.8(e); Iowa Supreme Ct. Rule 39.18(1); Me. Bar Rules, rule 1(g)(12); Mich. Rules Concerning the State Bar of Mich., rule 21.)

inform clients when closing a law practice or partnership dissolution. (See ABA Formal Opn. 92-369, Pgs. 2-3)

### Duty to Communicate

A lawyer's duty to communicate with clients includes the duty to "keep the client reasonably informed about significant developments relating to the representation" and to "explain a matter to the extent reasonably necessary to permit the client to make informed decisions regarding the representation." Rule 1.4(a)(3) and 1.4(b). If a lawyer knows that they may be unable to practice law for an extended period of time, that is likely a significant development relating to the representation – the lawyer's ability to represent the client goes to the heart of the attorney-client relationship. Thus, the lawyer would have a duty to communicate circumstances like imminent retirement or unavailability to practice law if material to the representation.

DO: This is a sensitive issue, but one that gets to the heart of the question. Assume that a lawyer has received a diagnosis of dementia. I would argue that 1.4(a)(3) and (b) requires that the lawyer communicate that to the client, among other things. As noted in fn 6, 1.4(d) would suggest otherwise. Should we try to provide guidance on this tension?

For the same reasons, the duty to communicate is also implicated when a lawyer unexpectedly becomes temporarily or permanently unable to practice law. Ideally, either another lawyer at the law firm or an Assisting Attorney should communicate with clients about the impact this event will have on their matter and how things can and should be handled going forward<sup>6</sup>.

### Duty to Avoid Reasonably Foreseeable Prejudice when Terminating a Representation

Rule 1.16(d) requires a lawyer to take "reasonable\* steps to avoid reasonably\* foreseeable prejudice to the rights of the client, such as giving the client sufficient notice to permit the client to retain other counsel" in the event the lawyer terminates a client representation. This rule highlights the very real concern about avoiding prejudice to a client when a lawyer abruptly ends a representation, which may result in insufficient time for the client to find replacement counsel and missed deadlines, among other issues. While a lawyer's death or incapacity does not typically involve a scenario in which the lawyer anticipates terminating the client representation, knowing that such an event may be reasonably foreseeable in certain circumstances may require the lawyer to take reasonable steps to prevent this type of prejudice, such as developing a succession plan. Arranging for an Assisting Attorney or another designated lawyer at the law firm to step in and aid the lawyer's clients helps to safeguard client interests.

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<sup>6</sup> In communicating with clients about circumstances that may give rise to a lawyer's inability to practice law, one "should maintain the privacy and other legal rights of ... (l)awyer" ... unless the (l)awyer authorizes [their] private information to be shared." See COPRAC, Formal Opn. 2021-206, p. 12, also citing to Rule 1.4(d) ("A lawyer's obligation under this rule to provide information and documents is subject to any applicable protective order, non-disclosure agreement, or limitation under statutory or decisional law.").

EKD: CLA recommends this is replaced with "A lawyer's death or incapacity will terminate the attorney-client relationship and a lawyer should plan for that event." I think this might be stronger than what the committee would like to say.

DO: The current language appears sufficient and accurate to me. It may be the case, as with a solo practitioner, that death or incapacity terminates the attorney-client relationship. Not automatically so at larger firms and/or where there is a succession plan.

#### Safekeeping Funds and Property of Clients.

Lawyers have a duty to safeguard client funds and property under rule 1.15. If a lawyer is unable to continue practicing law permanently or for an extended period of time, a client may be unable to retrieve funds and property without significant delay. Such a delay is likely to prejudice the client's ability to access funds or property, or find new counsel who will take on the client's matter.

### Analysis of Factual Scenarios

#### Scenario 1: Failure to Plan Results in Ethical Breaches

In scenario 1, Lawyer A did not have a plan in place to protect clients in the event circumstances rendered Lawyer A unable to practice law. ("As a precaution to safeguard client interests, the sole practitioner should have a plan in place that will ensure insofar as is reasonably practicable that client matters will not be neglected in the event of the sole practitioner's death." ABA Formal Opn. 92-369). As a result, Lawyer A's health complications caused them to breach certain duties to clients and prejudice clients' interests, including rules 1.1 (competence), 1.3 (diligence), 1.4 (communication), and 1.16 (withdrawal).

Lawyer A typically handled being out of the office by leaving a message to that effect on their email and voicemail and serving a Notice of Unavailability on opposing counsel. However, Lawyer A's typical practice did not account for unexpected absences, like Lawyer A's recent medical event. As a result, no clients or opposing counsel were notified of Lawyer A's condition or whereabouts, many deadlines were missed and client obligations were ignored, violations of the duty of competence and Lawyer A's communication obligations to his clients.

DO: This is an example of why I would include communication in the list above: the only thing that would have prevented this violation of communications obligations is some sort of succession plan. I therefore read 1.4 as among the rules requiring one.

Here, Lawyer A should have arranged for another lawyer or trusted individual to have access to Lawyer A's calendar, emails, client files, and banking or financial information in the event of an



emergency. Or, Lawyer A could have prepared a list of important passwords and access codes to be shared by a close family member with someone only in the event of an emergency.<sup>7</sup>

There are many approaches to succession planning that could help protect clients' interests in the event Lawyer A was unable to practice law temporarily or permanently. Here, Lawyer A had no plan in place for this type of event, which exposed their clients to considerable risk of harm.

## Scenario 2: Ethical Duties Implicated for Assisting Lawyers

In scenario 2, Lawyer B has been asked to take on the role of an Assisting Attorney as part of Lawyer C's succession plan and wants to understand what ethical duties are implicated.<sup>8</sup>

- **The Existence of an Attorney-Client Relationship Between Lawyer B and Lawyer C's Clients**

Assuming Lawyer B agreed to be Lawyer C's Assisting Attorney, one foundational question for Lawyer B is whether, if Lawyer C was suddenly unable to continue practicing law, Lawyer B would automatically have an attorney-client relationship with all of Lawyer C's clients. The answer is not necessarily.

In most cases, the role of the Assisting Attorney (sometimes called Successor Attorney) <sup>9</sup>is simply to step in and respond, administratively, to the unexpected event. Depending on the unexpected event, Lawyer B may need to access Lawyer C's calendar, review upcoming deadlines,

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<sup>7</sup> The referenced options available to Lawyer A involve possible access to or sharing of confidential or other sensitive information. When considering these options, Lawyer A should take reasonable steps to protect such information consistent with Lawyer A's duties and responsibilities. (Compare Bus & Prof. Code, § 6068 subd. (e) [duty to maintain confidences] with § 6068, subd. (m) [duty to keep clients reasonably informed of significant developments].)

<sup>8</sup> If Lawyer C does not arrange for an Assisting Attorney to take control of Lawyer C's law practice, under Business and Professions Code section 6185, the California Superior Court is authorized to appoint an attorney as "practice administrator" "to take control of the practice of a deceased or disabled licensee of the State Bar" and to wind it up. This process involves considerably greater burdens to clients (who are waiting to get funds, files and new representation, and whose legal matters may have been put on hold), the court system, and the personal estate of the deceased or disabled lawyer who may be responsible for paying for the appointment and court intervention. (See Bus. & Prof. Code, §§ 6180 et seq., 6190 et seq.)

<sup>9</sup> An attorney who intends to include reference to their law practice in their estate plan, should consult the Probate Code regarding the appointment of a Practice Administrator. (Prob. Code, §§ 2468, 9764, and 17200, subd. (b)(22) & (23); Bus. & Prof. Code, § 6185.). For further discussion of the role of an Assisting Attorney, see e.g. Phila. Bar Assoc. Prof. Guidance Committee, Opinion 2014-100, Section III ["The 'Assisting Attorney' Concept"].



communicate with clients, the court, and opposing counsel about Lawyer C, obtain any necessary extensions, and evaluate the short-term and long-term implications for clients and client matters. In the event of a death or permanent incapacity, Lawyer B's actions are usually dictated by whether Lawyer B has been asked to close Lawyer C's practice or if there is an agreement that Lawyer B will continue to operate the law firm and service Lawyer C's clients subject to each clients' consent.<sup>10</sup> Some issues for Lawyer C and Lawyer B to consider when developing the succession plan include: (1) How and when will the succession plan be implemented? (2) What are Lawyer C and Lawyer B's responsibilities, and what if Lawyer C is unavailable or deceased when the succession plan must be implemented? (3) What advisors, support, or other resources will Lawyer B need, and are those resources in place?

DO: A law firm ownership interest cannot be held in a trust.

EKD: CLA suggests that this section needs to include information about whether Lawyer C provided notice to Lawyer C's clients about Lawyer B's need to access client files to perform basic but necessary functions while Lawyer C is unavailable. CLA further suggests that the opinion should discuss Lawyer C's obligation to provide notice and obtain the clients' consent for Lawyer B to access files and review confidential information.

DO: I don't see the confidentiality issue as requiring more along these lines. As discussed in the opinion below, Lawyer B in this situation would have the same obligations under the rules as Lawyer C, whether the plan was disclosed to clients or not: diligence, loyalty, confidentiality, communication, etc. If Lawyer B can't meet those obligations when the need arises, they would have an obligation to find someone else who can or at least fully inform the client so the client can make an informed choice of new counsel.

EKD: This is derived from the Don McCrea public comment.

Under most circumstances, there should be a written fee agreement between Lawyer B and Lawyer C's clients if Lawyer B will represent these clients going forward. (See Cal. Bus. & Prof. Code §§ 6147, 6148.) However, there may be circumstances in which the attorney-client relationship can be implied from the conduct of the parties. (See *Lister v. State Bar* (1990) 51 Cal.3d 1114; *Davis v. State Bar* (1983) 33 Cal.3d 213; *Streit v. Covington & Crowe* (2000) 82 Cal.App.4th 441.) Whether an attorney-client relationship would form between Lawyer B and Lawyer C's clients would depend in large part on what arrangements were made between Lawyer B, Lawyer C, and Lawyer C's clients in advance on this issue, what each client's understanding of Lawyer B's role is, and if any client would choose to have Lawyer B represent that client going forward, among other factors. (See Formation of Relationship, Cal. Prac. Guide Prof. Resp. Ch. 3-B, for discussion of factors used to determine attorney-client relationship generally.)

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<sup>10</sup> If Lawyer C's succession plan involved an agreement between Lawyer B and Lawyer C regarding the sale of the law practice upon Lawyer C's death, then Lawyer B must also comply with rule 1.17 ("Sale of a Law Practice"). If no such agreement is in place, it is customary to make plans to compensate an Assisting Attorney, and related administrative support team members, since there can be considerable work and expenses involved in closing a law office.

Here, we do not opine on all the factors that may be used to determine whether an implied attorney-client relationship may be formed between Lawyer B and Lawyer C's clients under certain circumstances. However, clear communication with Lawyer C's clients about exactly what role Lawyer B will be undertaking - whether purely administrative or as counsel on a temporary or permanent basis - is essential to avoid creating an implied attorney-client relationship where none is intended. Clear communication about Lawyer B's role is also critical for helping clients understand the scope of their relationship with Lawyer B during this time to assist clients in making informed decisions about their future representation.

- **Duty of Competence**

Before considering whether Lawyer B could permanently take on the representation of any of Lawyer C's clients, Lawyer B would need to have the necessary competence to handle the representation. (Rule 1.1.) Specifically, Lawyer B would need to have the skill, support, time and resources necessary to handle each matter. (*Id.*)

Here, because Lawyer B and Lawyer C both practice in the field of estates and trusts planning and litigation and represent clients in the same general jurisdictions, Lawyer B is a good match to assist Lawyer C under these circumstances because Lawyer B will likely have the requisite competence to take on the representations. If not, Lawyer B can either acquire sufficient knowledge before performance is required, refer the matter to a competent lawyer (Rule 1.1(c)), or continue to assist in the termination of the representation on behalf of Lawyer C. However, in an emergency, Lawyer B is permitted to "give advice or assistance in a matter in which the lawyer does not have the skill ordinarily required" as long as it is limited to what is "reasonably\* necessary in the circumstances." (Rule 1.1(d).)

- **Conflicts of Interest and Confidentiality**

Before assuming the representation of any of Lawyer C's clients on a temporary or permanent basis, Lawyer B must also analyze whether any potential representations would implicate conflicts with respect to any of Lawyer B's current, former or prospective clients. (Rules 1.7, 1.9, and 1.18). If it was anticipated that Lawyer B would take over Lawyer C's practice, it might be reasonable to try to clear conflicts in advance of any event that would necessitate Lawyer C being unable to practice law. Otherwise, as part of the succession plan for Lawyer C, Lawyer C could maintain a list of active clients with contact information and provide Lawyer B with information on how to access this list and any related conflicts database if it becomes necessary to do so<sup>11</sup>.

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<sup>11</sup> There are likely to be confidentiality and other privacy concerns with providing Lawyer B access to this information in the present. However, Lawyer C should advise Lawyer B where information related to Lawyer C's succession plan, practice information, logins and access codes, etc. are located (i.e. in an envelope or file with Lawyer B's name on it in the possession of an office administrator or spouse) if an unexpected event were to occur.

Even if Lawyer B's role as Assisting Attorney is limited to administratively helping close Lawyer C's office, Lawyer B will nonetheless be interacting with Lawyer C's clients and may need to obtain information related to those clients and the clients' matters as part of this process. In doing so, Lawyer B should be mindful of the duties of confidentiality to Lawyer C's clients, and how acquiring information that is protected by Cal. Bus. & Prof. Code section §6068(e) and rules 1.6 and 1.9(c) that is material to the matter may also give rise to conflicts of interest for Lawyer B.

- **Duty to Communicate**

If Lawyer C is unable to continue practicing law permanently or for an extended period of time, that information is likely a "significant development relating to the representation" of which Lawyer C's clients must be kept "reasonably informed." Rule 1.4(a)(3). While this rule implicates Lawyer C's duties to clients, Lawyer B, as the Assisting Attorney, has agreed to assist Lawyer C in fulfilling obligations to clients in the event that Lawyer C is unable to do so.

To facilitate Lawyer B's role, Lawyer C's succession plan should include specific details on how to contact clients, access current deadlines and calendars, access law firm bank accounts and client trust accounts, access financial records, including IOLTA ledgers and accounting, and access client files and property. Any other information that Lawyer C can provide to Lawyer B about the law firm and how it is organized will likely further assist Lawyer B in protecting the clients' interests.

- **Other Duties**

The duty to safeguard client funds and property under rule 1.15, and the duty to avoid reasonably foreseeable prejudice when terminating a representation under rule 1.16(d), are also duties that belong to Lawyer C. Still, Lawyer B will be instrumental in assisting with fulfilling these obligations. Again, providing Lawyer B with proper access to banking and financial information, client contact information, and client files will be essential to fulfilling these obligations.

### Scenario 3: Law Firm's Duty to Plan

In scenario 3, Law Firm Manager must "make reasonable efforts" to ensure that Law Firm has implemented "measures giving reasonable assurance" that all lawyers in Law Firm comply with the rules and the State Bar Act. (Rule 5.1(a).) Rule 5.1(a) "requires lawyers with managerial authority within a law firm\* to make reasonable\* efforts to establish internal policies and procedures designed" for the firm's lawyers to comply with the Rules of Professional Conduct and the State Bar Act. (Rule 5.1, Comment 1.)

Here, Law Firm Manager's review of the Law Firm's policies and procedures to determine whether they adequately protect client interests in the event any lawyer at the firm becomes unable to continue practicing law is an important step to comply with Rule 5.1.

The scenario involving Lawyer D presents some heightened risks for Law Firm and its clients given that Lawyer D is isolated both geographically and in terms of Lawyer D's practice area. Lawyer D

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is also a 70-year-old, which places Lawyer D at a higher risk for developing health-related complications. It is not known whether the other lawyer who practices in the same field as Lawyer D regularly coordinates and connects with Lawyer D on client matters or if anyone else at Law Firm does, or can, supervise Lawyer D's work. Regular supervision of Law Firm's lawyers to assess compliance with duties of competence and diligence, regardless of the lawyer's age, is also an important aspect of Rule 5.1

Some of the issues that Managing Partner should consider and analyze with respect to Lawyer D, as well as all of its lawyers, are: (1) If necessary, could someone else at Law Firm handle the clients and matters that the lawyer was handling?; (2) Could the Law Firm access the entirety of that lawyer's client files and other needed data?; (3) How would Law Firm communicate unexpected events and Law Firm's plan for handling client matters to clients as soon as possible?; and (4) What is a reasonable approach to supervising the work of Lawyer D or other lawyers at Law Firm who are similarly situated?

If Law Firm does not have a plan for addressing such circumstances, Law Firm Manager should consider whether one is ethically required to protect client interests. Whether the Law Firm has implemented policies giving reasonable assurance that the Law Firm has complied with the rules protecting clients in these instances in accordance with Rule 5.1 will likely be a fact-intensive inquiry.

## CONCLUSION

Succession planning is an important consideration to ensure that lawyers fulfill their ethical obligations when they are unable to continue practicing law, either temporarily or permanently. Succession planning may mitigate or avoid the risk of harm or prejudice to clients that may otherwise occur when a lawyer is unable to practice law.

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**DIGEST:** Under certain circumstances, a lawyer may have a duty to engage in succession planning to protect client interests in the event the lawyer is unable to continue practicing law. ~~While no specific Rule of Professional Conduct requires that a California lawyer develop or adopt a succession plan, existing rules, including t~~he duties of competence and diligence, obligate lawyers to take reasonable steps to protect the clients' interests during the course of the representation. This ~~would~~ includes taking affirmative steps to plan for an interruption or cessation of practice, voluntary, planned, or otherwise. The risk of prejudice to clients exists when their lawyer is unable to continue practicing law, either temporarily or permanently. This risk applies to all lawyers, including solo practitioners and lawyers from small firms, as well as lawyers practicing at larger firms.

**AUTHORITIES**

**INTERPRETED:** Rules 1.1, 1.3, 1.4, 1.7, 1.9, 1.15, 1.16, 1.18, 5.1 of the Rules of Professional Conduct of the State Bar of California.<sup>1</sup>  
Business and Professions Code sections 6068(e)(1) and 6185.

EKD: CLA suggested that this be much stronger, and state that lawyers are expected to have a succession plan based on 1.1, 1.3 and 1.4 - CLA's public comment states "Lawyers who have active caseloads have an ethical obligation to engage in succession planning, since it is virtually impossible to anticipate an 'inability to practice law.'" Staff edits do not go this far, but do incorporate changes to more strongly indicate that lawyers should have succession plans.

DO: I would be in favor of the stronger statement, similar to the one suggested by the CLA, since in my view the current rules would require a succession plan: "Existing California rules, including the duty of competence, diligence and communication, obligate lawyers to take reasonable steps to protect the client's interests in the event the lawyer is no longer in a position to do so."

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<sup>1</sup> Unless otherwise indicated, all references to "rules" in this opinion will be to the Rules of Professional Conduct of the State Bar of California.

## REDLINE

Re 'diligence' EKD: CLA suggested that duty to communicate also be included. I think a succession plan is required to be communicated, but I don't think a succession plan itself is a requirement under that rule. Working group – what are your thoughts?

DO: I am in favor of including communication here because in my view a succession plan is required in order to comply with 1.4. Without it, the obligations of 1.4 cannot be met in the event of temporary or permanent inability to practice.

## INTRODUCTION

Many circumstances could render any lawyer unable to continue practicing law, either temporarily or permanently. When these events impact lawyers, client interests are at risk and should be protected.

There is a great risk of prejudice to clients when an unexpected event occurs that renders their lawyer unable to continue practicing law. This risk applies to all lawyers, including solo practitioners and lawyers from small firms, who often act as both lawyers and law firm managers; older lawyers, who may be impacted by serious illness, disability, and death, as well as lawyers of any age practicing at a law firm of any size, who could be impacted by an unexpected event rendering them unable to practice law. Additionally, as the lawyer population continues to age, the inability to practice law may be more and more gradual decline that implicates the duty of competence.

While no specific California rule requires that a California lawyer adopt a succession plan, existing rules, including the duties of competence and diligence, can be interpreted as imposing a duty on lawyers to take reasonable steps to protect the clients' interests during the course of the representation, including in the event of a lawyer's sudden inability to continue to practice law. A failure to properly plan or prepare for both anticipated and unexpected departures from a lawyer's practice may expose clients to significant damage or prejudice.

DO:  
I would be in favor of the stronger statement, similar to the one suggested by the CLA. See note above.

Succession planning for law firms and lawyers encompasses a variety of issues. At its heart, a succession plan forces a lawyer to consider what will happen to their clients if the lawyer is unable to continue to practice law and develop a strategy for how such an event would be handled, and by whom, to protect client interests. In many instances, this includes arranging in advance for how client matters will be timely handled in the lawyer's absence, how client files will be protected and returned to clients, and how funds and property belonging to clients will be returned to them, among other things<sup>2</sup>.

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<sup>2</sup> Nationwide, there are many succession planning resources, including handbooks, guides, and ethics opinions, to assist lawyers in navigating how to think about and move forward with a succession plan. While mostly from other jurisdictions, these resources provide valuable information for all lawyers.

~~Many law firms also see succession plans for senior lawyers as a good business strategy.~~  
Such Succession plans provide a way to gradually transition client work and management roles over a period of time to preserve long-term client relationships and create opportunities for emerging talent and an orderly transition of new leadership. However, law firms ~~should~~ also need to consider succession planning as an important client protective measure and make reasonable efforts to ensure that the firm has policies and procedures in place designed to protect clients in the event that a lawyer at the firm becomes unable to continue practicing law. This includes implementing measures necessary to comply with the duty to manage the law firm and supervise attorneys under rule 5.1. This rule is typically understood to be relevant for junior associates; however, the duty to supervise may also become necessary for senior partners in the event that there is a declining ability to competently represent their clients or to comply with their other ethical obligations.

### STATEMENT OF FACTS

1. Lawyer A is a solo practitioner who has a general litigation practice consisting mostly of representing plaintiffs in personal injury matters. Lawyer A has been a solo practitioner for almost 30 years and shares office space with a group of other solo practitioners and small firms. Lawyer A has no dedicated support staff, instead sharing a group of rotating assistants and paralegals with other colleagues to assist with pleadings and court filings. Lawyer A handles the firm's management and operations exclusively; no one else has access to Lawyer A's calendar, emails, client files, law firm bank accounts, or financial information. Lawyer A seldom takes vacations, and when they do, Lawyer A simply puts an out-of-office message on their email and voicemail and serves a Notice of Unavailability on opposing counsel.

Recently, Lawyer A had some health complications and was hospitalized for over a month. Eventually, Lawyer A's suitemates learned of Lawyer A's condition and instructed some of the shared support staff to advise any of Lawyer A's clients who showed up at the office that Lawyer A was in the hospital. But no one had access to client lists or files, access to email or voicemail messages, or any financial information, so the shared staff could not assist Lawyer A's clients any further. When Lawyer A returned to the office, some of the issues that emerged during their hospitalization included: missed court appearances and discovery deadlines, motion deadlines had passed, failure to finalize a settlement agreement for a client that rendered the offer withdrawn, failure to respond to client

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("Ethics opinions and rules and standards promulgated by other jurisdictions and bar associations may also be considered" for guidance on proper professional conduct. See Rule 1.0, Comment [4].) Any lawyer looking for guidance on this issue may wish to review the American Bar Association's website page on succession planning, which has a compilation of resources on this subject.

[\(https://www.americanbar.org/groups/professional\\_responsibility/resources/lawyersintransition/successionplanning/\)](https://www.americanbar.org/groups/professional_responsibility/resources/lawyersintransition/successionplanning/)



demands to receive much-needed settlement funds in Lawyer A's IOLTA account, and failure to respond to client's request for a file transfer to new counsel.

2. Lawyer B is a solo practitioner who has been asked by Lawyer C to be an Assisting Attorney<sup>3</sup> as part of Lawyer C's succession plan. Lawyer B and Lawyer C are both solo practitioners who practice in the same area of estates and trusts planning and litigation and represent clients in the same general jurisdictions. Lawyer C has been practicing for about 20 years longer than Lawyer B, so Lawyer C may also be interested in retiring soon. Lawyer B wants to know what ethical obligations are implicated by agreeing to be an Assisting Attorney for Lawyer C.
3. Law Firm Manager is the managing partner of a large Law Firm with ten offices throughout California. Law Firm Manager is reviewing Law Firm's policies and procedures with outside ethics counsel to determine how the Law Firm could engage in succession planning at Law Firm. Law Firm Manager is particularly concerned with one of Law Firm's smaller offices, a 5-person satellite office out of which Lawyer D is based, although Lawyer D works primarily remotely. Lawyer D is 70 years old and is only one of two lawyers at the entire firm who practices in a particular specialized field; no other lawyer in the Law Firm's 5-person satellite office practices in that specialized field.

## DISCUSSION AND ANALYSIS

### Ethical Duties Implicated for All Lawyers and Law Firms

A lawyer who does not properly plan or prepare for both anticipated and unexpected departures from the practice of law may expose clients to significant damage or prejudice. While no specific Rule of Professional Conduct requires that a California lawyer develop or adopt a succession plan, existing rules, including the duties of competence and diligence, obligate lawyers to take reasonable steps to protect the clients' interests during the course of the representation. This would include taking affirmative steps to plan for an interruption or cessation of practice, voluntary or otherwise, particularly for those practicing as solo practitioners or in a small firm setting<sup>4</sup>. (See ABA Formal Opn. 92-369, Disposition of Deceased Solo Practitioners' Client Files and Property, Pg. 2: "As a precaution to safeguard client interests, the sole practitioner should have a plan in place that will ensure insofar as is reasonably practicable that client matters will

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<sup>3</sup> An Assisting Attorney is a lawyer with whom another lawyer has made arrangements to close down their practice or to handle it in the event the other lawyer is unable to continue practicing law.

<sup>4</sup> Most professional liability carriers now require solo or small firm practitioners to make arrangements for an office closure in the event of a death or disability as prerequisite to obtaining coverage. Also, the State Bar of California has "Senior Lawyer Resources" on its website, which include a sample agreement to "Close Law Office in the Future" which may be instructive or useful for solo practitioners.

[[https://www.calbar.ca.gov/Portals/0/documents/ethics/Surrogacy/AGREEMENT\\_TO\\_CLOSE\\_LAW\\_PRACTICE\\_IN\\_THE\\_FUTURE\\_REVISED\\_08-1-2011.pdf](https://www.calbar.ca.gov/Portals/0/documents/ethics/Surrogacy/AGREEMENT_TO_CLOSE_LAW_PRACTICE_IN_THE_FUTURE_REVISED_08-1-2011.pdf)]

not be neglected in the event of the sole practitioner's death."). Rule 5.1 requires law firm managers to make reasonable efforts to ensure the law firm has measures in place for all lawyers to comply with the rules.

DO: See note above re stronger statement here.

#### Duty of Diligence

Rule 1.3(a) provides that a "lawyer shall not intentionally, repeatedly, recklessly or with gross negligence fail to act with reasonable diligence in representing a client." "Reasonable diligence" means that "a lawyer acts with commitment and dedication to the interests of the client and does not neglect or disregard, or unduly delay a legal matter entrusted to the lawyer." [Rule 1.3(b)]. It is reasonable to conclude that "reasonable diligence" as defined includes making sure that client interests are protected in the event of a lawyer's inability or unavailability to practice law, and failure to do so may be viewed as reckless or gross negligence.<sup>5</sup> Important client matters, such as court dates, statutes of limitations, or document filings, would be neglected, and harm or prejudice to clients may result if the lawyer does not plan for these types of events.

#### Duty of Competence

Lawyers must provide legal services with "competence," which means that they must "apply the (i) learning and skill, and (ii) mental, emotional, and physical ability reasonably\* necessary for the performance of such service." ~~(Rule 1.1(b).)~~ "Attorney competence includes anticipating events or circumstances that may adversely affect client representation, including the gradual or sudden inability to provide competent legal services. By planning ahead for the orderly disposition of his or her law practice, an attorney can ensure that clients will continue to be represented without significant interruption in the event the attorney dies or becomes incapacitated." (Sources of Duty of Competence, Cal. Prac. Guide Prof. Resp. Ch. 6-A.)[Citing ABA Model Rule 1.3, Cmt. 5].)

#### Duty of Loyalty

The duty of loyalty requires that the lawyer act in the client's interest and to "protect [the] client in every possible way." (*Santa Clara County Counsel Attys. Assn v. Woodside* (1984) 7 Cal.4th 525, 548.) The American Bar Association's Standing Committee on Ethics and Professional

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<sup>5</sup> While the ABA Model Rules, and several other jurisdictions, have a Comment [5] in their rule 1.3, which states the duty of diligence may require a lawyer~~s~~ to develop a succession plan, California does not. (See Cf. ABA Rule 1.3, Cmt. [5]. See also ABA State Mandatory Succession Rule Chart, available at [https://www.americanbar.org/content/dam/aba/administrative/professional\\_responsibility/lawyer-succession-planning-rule-chart.pdf](https://www.americanbar.org/content/dam/aba/administrative/professional_responsibility/lawyer-succession-planning-rule-chart.pdf) [as of Oct. 5, 2023].) Other jurisdictions require a succession plan, but not as part of rule 1.3. (See, e.g., *Ariz. Supreme Ct. Rule 41, Comment [2]*; *Fla. Rules Regulating th Fla. Bar, rule 1-3.8(e)*; *Iowa Supreme Ct. Rule 39.18(1)*; *Me. Bar Rules, rule 1(g)(12)*; *Mich. Rules Concerning the State Bar of Mich., rule 21.*)

~~, other jurisdiction have implied a duty without such language. (See New York State Bar, Oregon State Bar, Washington State Bar, etc.)~~

Responsibility concluded that a lawyer should “have a plan in place which could protect clients’ interests in the event of the lawyer’s death,” based, in part, on a lawyer’s fiduciary duties to inform clients when closing a law practice or partnership dissolution. (See ABA Formal Opn. 92-369, Pgs. 2-3)

#### Duty to Communicate

A lawyer’s duty to communicate with clients includes the duty to “keep the client reasonably informed about significant developments relating to the representation” and to “explain a matter to the extent reasonably necessary to permit the client to make informed decisions regarding the representation.” Rule 1.4(a)(3) and 1.4(b). If a lawyer knows that they may be unable to practice law for an extended period of time, that is likely a significant development relating to the representation – the lawyer’s ability to represent the client goes to the heart of the attorney-client relationship. Thus, the lawyer would have a duty to communicate circumstances like imminent retirement or unavailability to practice law if material to the representation.

DO: This is a sensitive issue, but one that gets to the heart of the question. Assume that a lawyer has received a diagnosis of dementia. I would argue that 1.4(a)(3) and (b) requires that the lawyer communicate that to the client, among other things. As noted in fn 6, 1.4(d) would suggest otherwise. Should we try to provide guidance on this tension?

For the same reasons, the duty to communicate is also implicated when a lawyer unexpectedly becomes temporarily or permanently unable to practice law. Ideally, either another lawyer at the law firm or an Assisting Attorney should communicate with clients about the impact this event will have on their matter and how things can and should be handled going forward<sup>6</sup>.

#### Duty to Avoid Reasonably Foreseeable Prejudice when Terminating a Representation

Rule 1.16(d) requires a lawyer to take “reasonable\* steps to avoid reasonably\* foreseeable prejudice to the rights of the client, such as giving the client sufficient notice to permit the client to retain other counsel” in the event the lawyer terminates a client representation. This rule highlights the very real concern about avoiding prejudice to a client when a lawyer abruptly ends a representation, which may result in insufficient time for the client to find replacement counsel and missed deadlines, among other issues. While a lawyer’s death or incapacity does not typically involve a scenario in which the lawyer anticipates terminating the client representation, knowing that such an event may be reasonably foreseeable in certain circumstances may require the lawyer to take reasonable steps to prevent this type of prejudice, such as developing a

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<sup>6</sup> In communicating with clients about circumstances that may give rise to a lawyer’s inability to practice law, one “should maintain the privacy and other legal rights of ... (l)awyer” ... unless the (l)awyer authorizes [their] private information to be shared.” See COPRAC, Formal Opn. 2021-206, p. 12, also citing to Rule 1.4(d) (“A lawyer’s obligation under this rule to provide information and documents is subject to any applicable protective order, non-disclosure agreement, or limitation under statutory or decisional law.”).

succession plan. Arranging for an Assisting Attorney or another designated lawyer at the law firm to step in and aid the lawyer's clients helps to safeguard client interests.

EKD: CLA recommends this is replaced with "A lawyer's death or incapacity will terminate the attorney-client relationship and a lawyer should plan for that event." I think this might be stronger than what the committee would like to say.

DO: The current language appears sufficient and accurate to me. It may be the case, as with a solo practitioner, that death or incapacity terminates the attorney-client relationship. Not automatically so at larger firms and/or where there is a succession plan.

#### Safekeeping Funds and Property of Clients.

Lawyers have a duty to safeguard client funds and property under rule 1.15. If a lawyer is unable to continue practicing law permanently or for an extended period of time, a client may be unable to retrieve funds and property without significant delay. Such a delay is likely to prejudice the client's ability to access funds or property, or find new counsel who will take on the client's matter.

### Analysis of Factual Scenarios

#### Scenario 1: Failure to Plan Results in Ethical Breaches

In scenario 1, Lawyer A did not have a plan in place to protect clients in the event circumstances rendered Lawyer A unable to practice law. ("As a precaution to safeguard client interests, the sole practitioner should have a plan in place that will ensure insofar as is reasonably practicable that client matters will not be neglected in the event of the sole practitioner's death." ABA Formal Opn. 92-369). As a result, Lawyer A's health complications caused them to breach certain duties to clients and prejudice clients' interests, including rules 1.1 (competence), 1.3 (diligence), 1.4 (communication), and 1.16 (withdrawal).

Lawyer A typically handled being out of the office by leaving a message to that effect on their email and voicemail and serving a Notice of Unavailability on opposing counsel. However, Lawyer A's typical practice did not account for unexpected absences, like Lawyer A's recent medical event. As a result, no clients or opposing counsel were notified of Lawyer A's condition or whereabouts, many deadlines were missed, and client obligations were ignored, violations of the duty of competence and Lawyer A's communication obligations to his clients.

DO: This is an example of why I would include communication in the list above: the only thing that would have prevented this violation of communications obligations is some sort of succession plan. I therefore read 1.4 as among the rules requiring one.

Here, Lawyer A should have ~~considered~~ arranging for another lawyer or trusted individual to have access to Lawyer A's calendar, emails, client files, and banking or financial information in the event of an emergency. Or, Lawyer A could have prepared a list of important passwords and

access codes to be shared by a close family member with someone only in the event of an emergency.<sup>7</sup>

There are many approaches to succession planning that could help protect clients' interests in the event Lawyer A was unable to practice law temporarily or permanently. Here, Lawyer A had no plan in place for this type of event, which exposed their clients to considerable risk of harm.

#### Scenario 2: Ethical Duties Implicated for Assisting Lawyers

In scenario 2, Lawyer B has been asked to take on the role of an Assisting Attorney as part of Lawyer C's succession plan and wants to understand what ethical duties are implicated.<sup>8</sup>

- **The Existence of an Attorney-Client Relationship Between Lawyer B and Lawyer C's Clients**

Assuming Lawyer B agreed to be Lawyer C's Assisting Attorney, one foundational question for Lawyer B is whether, if Lawyer C was suddenly unable to continue practicing law, Lawyer B would automatically have an attorney-client relationship with all of Lawyer C's clients. The answer is not necessarily.

In most cases, the role of the Assisting Attorney (~~or~~ sometimes called Successor Attorney) ~~or Practice Administrator~~<sup>9</sup> is simply to step in and respond, administratively, to the unexpected event. Depending on the unexpected event, Lawyer B may need to access Lawyer C's calendar,

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<sup>7</sup> The referenced options available to Lawyer A involve possible access to or sharing of confidential or other sensitive information. When considering these options, Lawyer A should take reasonable steps to protect such information consistent with Lawyer A's duties and responsibilities. (Compare Bus & Prof. Code, § 6068 subd. (e) [duty to maintain confidences] with § 6068, subd. (m) [duty to keep clients reasonably informed of significant developments].)

<sup>8</sup> If Lawyer C does not arrange for an Assisting Attorney to take control of Lawyer C's law practice, under Business and Professions Code section 6185, the California Superior Court is authorized to appoint an attorney as "practice administrator" "to take control of the practice of a deceased or disabled licensee of the State Bar" and to wind it up. This process involves considerably greater burdens to clients (who are waiting to get funds, files and new representation, and whose legal matters may have been put on hold), the court system, and the personal estate of the deceased or disabled lawyer who may be responsible for paying for the appointment and court intervention. (See Bus. & Prof. Code, §§ 6180 et seq., 6190 et seq.)

<sup>9</sup> An attorney who intends to include reference to their law practice in their estate plan (such as by placing their interest therein in a trust), should consult the Probate Code regarding the appointment of a Practice Administrator. (Prob. Code, §§ 2468, 9764, and 17200, subd. (b)(22) & (23); Bus. & Prof. Code, § 6185.). For further discussion of the role of an Assisting Attorney, see e.g. Phila. Bar Assoc. Prof. Guidance Committee, Opinion 2014-100, Section III ["The 'Assisting Attorney' Concept"].

review upcoming deadlines, communicate with clients, the court, and opposing counsel about Lawyer C, obtain any necessary extensions, and evaluate the short-term and long-term implications for clients and client matters. In the event of a death or permanent incapacity, Lawyer B's actions are usually dictated by whether Lawyer B has been asked to close Lawyer C's practice or if there is an agreement that Lawyer B will continue to operate the law firm and service Lawyer C's clients subject to each clients' consent.<sup>10</sup> Some issues for Lawyer C and Lawyer B to consider when developing the succession plan include: (1) How and when will the succession plan be implemented? (2) What are Lawyer C and Lawyer B's responsibilities, and what if Lawyer C is unavailable or deceased when the succession plan must be implemented? (3) What advisors, support, or other resources will Lawyer B need, and are those resources in place?

DO: A law firm ownership interest cannot be held in a trust.

EKD: CLA suggests that this section needs to include information about whether Lawyer C provided notice to Lawyer C's clients about Lawyer B's need to access client files to perform basic but necessary functions while Lawyer C is unavailable. CLA further suggests that the opinion should discuss Lawyer C's obligation to provide notice and obtain the clients' consent for Lawyer B to access files and review confidential information.

DO: I don't see the confidentiality issue as requiring more along these lines. As discussed in the opinion below, Lawyer B in this situation would have the same obligations under the rules as Lawyer C, whether the plan was disclosed to clients or not: diligence, loyalty, confidentiality, communication, etc. If Lawyer B can't meet those obligations when the need arises, they would have an obligation to find someone else who can or at least fully inform the client so the client can make an informed choice of new counsel.

EKD: This is derived from the Don McCrea public comment.

Under most circumstances, there should be a written fee agreement between Lawyer B and Lawyer C's clients if Lawyer B will represent these clients going forward. (See Cal. Bus. & Prof. Code §§ 6147, 6148.) However, there may be circumstances in which the attorney-client relationship can be implied from the conduct of the parties. (See *Lister v. State Bar* (1990) 51 Cal.3d 1114; *Davis v. State Bar* (1983) 33 Cal.3d 213; *Streit v. Covington & Crowe* (2000) 82 Cal.App.4th 441.) Whether an attorney-client relationship would form between Lawyer B and Lawyer C's clients would depend in large part on what arrangements were made between Lawyer B, Lawyer C, and Lawyer C's clients in advance on this issue, what each client's understanding of Lawyer B's role is, and if any client would choose to have Lawyer B represent that client going forward, among other factors. (See Formation of Relationship, Cal. Prac. Guide Prof. Resp. Ch. 3-B, for discussion of factors used to determine attorney-client relationship generally.)

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<sup>10</sup> If Lawyer C's succession plan involved an agreement between Lawyer B and Lawyer C regarding the sale of the law practice upon Lawyer C's death, then Lawyer B must also comply with rule 1.17 ("Sale of a Law Practice"). If no such agreement is in place, it is customary to make plans to compensate an Assisting Attorney, and related administrative support team members, since there can be considerable work and expenses involved in closing a law office.



Here, we do not opine on all the factors that may be used to determine whether an implied attorney-client relationship may be formed between Lawyer B and Lawyer C's clients under certain circumstances. However, clear communication with Lawyer C's clients about exactly what role Lawyer B will be undertaking - whether purely administrative or as counsel on a temporary or permanent basis - is essential to avoid creating an implied attorney-client relationship where none is intended. Clear communication about Lawyer B's role is also critical for helping clients understand the scope of their relationship with Lawyer B during this time to assist clients in making informed decisions about their future representation.

- **Duty of Competence**

Before considering whether Lawyer B could permanently take on the representation of any of Lawyer C's clients, Lawyer B would need to have the necessary competence to handle the representation. (Rule 1.1.) Specifically, Lawyer B would need to have the skill, support, time and resources necessary to handle each matter. (*Id.*)

Here, because Lawyer B and Lawyer C both practice in the field of estates and trusts planning and litigation and represent clients in the same general jurisdictions, Lawyer B is a good match to assist Lawyer C under these circumstances because Lawyer B will likely have the requisite competence to take on the representations. If not, Lawyer B can either acquire sufficient knowledge before performance is required, refer the matter to a competent lawyer (Rule 1.1(c)), or continue to assist in the termination of the representation on behalf of Lawyer C. However, in an emergency, Lawyer B is permitted to "give advice or assistance in a matter in which the lawyer does not have the skill ordinarily required" as long as it is limited to what is "reasonably\* necessary in the circumstances." (Rule 1.1(d).)

- **Conflicts of Interest and Confidentiality**

Before assuming the representation of any of Lawyer C's clients on a temporary or permanent basis, Lawyer B must also analyze whether any potential representations would implicate conflicts with respect to any of Lawyer B's current, former or prospective clients. (Rules 1.7, 1.9, and 1.18). If it was anticipated that Lawyer B would take over Lawyer C's practice, it might be reasonable to try to clear conflicts in advance of any event that would necessitate Lawyer C being unable to practice law. Otherwise, as part of the succession plan for Lawyer C, Lawyer C could maintain a list of active clients with contact information and provide Lawyer B with information on how to access this list and any related conflicts database if it becomes necessary to do so<sup>11</sup>.

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<sup>11</sup> There are likely to be confidentiality and other privacy concerns with providing Lawyer B access to this information in the present. However, Lawyer C should advise Lawyer B where information related to Lawyer C's succession plan, practice information, logins and access codes, etc. are located (i.e. in an envelope or file with Lawyer B's name on it in the possession of an office administrator or spouse) if an unexpected event were to occur.



Even if Lawyer B's role as Assisting Attorney is limited to administratively helping close Lawyer C's office, Lawyer B will nonetheless be interacting with Lawyer C's clients and may need to obtain information related to those clients and the clients' matters as part of this process. In doing so, Lawyer B should be mindful of the duties of confidentiality to Lawyer C's clients, and how acquiring information that is protected by Cal. Bus. & Prof. Code section §6068(e) and rules 1.6 and 1.9(c) that is material to the matter may also give rise to conflicts of interest for Lawyer B.

- **Duty to Communicate**

If Lawyer C is unable to continue practicing law permanently or for an extended period of time, that information is likely a "significant development relating to the representation" of which Lawyer C's clients must be kept "reasonably informed." Rule 1.4(a)(3). While this rule implicates Lawyer C's duties to clients, Lawyer B, as the Assisting Attorney, has agreed to assist Lawyer C in fulfilling obligations to clients in the event that Lawyer C is unable to do so.

To facilitate Lawyer B's role, Lawyer C's succession plan should include specific details on how to contact clients, access current deadlines and calendars, access law firm bank accounts and client trust accounts, access financial records, including IOLTA ledgers and accounting, and access client files and property. Any other information that Lawyer C can provide to Lawyer B about the law firm and how it is organized will likely further assist Lawyer B in protecting the clients' interests.

- **Other Duties**

The duty to safeguard client funds and property under rule 1.15, and the duty to avoid reasonably foreseeable prejudice when terminating a representation under rule 1.16(d), are also duties that belong to Lawyer C. Still, Lawyer B will be instrumental in assisting with fulfilling these obligations. Again, providing Lawyer B with proper access to banking and financial information, client contact information, and client files will be essential to fulfilling these obligations.

### Scenario 3: Law Firm's Duty to Plan

In scenario 3, Law Firm Manager must "make reasonable efforts" to ensure that Law Firm has implemented "measures giving reasonable assurance" that all lawyers in Law Firm comply with the rules and the State Bar Act. ~~{(Rule 5.1(a).)}~~ Rule 5.1(a) "requires lawyers with managerial authority within a law firm\* to make reasonable\* efforts to establish internal policies and procedures designed" for the firm's lawyers to comply with the Rules of Professional Conduct and the State Bar Act. ~~, for example, to detect and resolve conflicts of interest, identify dates by which actions must be taken in pending matters, account for client funds and property, and ensure that inexperienced lawyers are properly supervised."~~ ~~{(Rule 5.1, Comment 1.)}~~

Here, Law Firm Manager's review of the Law Firm's policies and procedures to determine whether they adequately protect client interests in the event any lawyer at the firm becomes unable to continue practicing law is an important step to comply with Rule 5.1.

The scenario involving Lawyer D presents some heightened risks for Law Firm and its clients given that Lawyer D is isolated both geographically and in terms of Lawyer D's practice area. Lawyer D is also a 70-year-old, which places Lawyer D at a higher risk for developing health-related complications. It is not known whether the other lawyer who practices in the same field as Lawyer D regularly coordinates and connects with Lawyer D on client matters or if anyone else at Law Firm does, or can, supervise Lawyer D's work. Regular supervision of Law Firm's lawyers to assess compliance with duties of competence and diligence, regardless of the lawyer's age, is also an important aspect of Rule 5.1

Some of the issues that Managing Partner should consider and analyze with respect to Lawyer D, as well as all of its lawyers, are: (1) If necessary, could someone else at Law Firm handle the clients and matters that the lawyer was handling?; (2) Could the Law Firm access the entirety of that lawyer's client files and other needed data?; (3) How would Law Firm communicate unexpected events and Law Firm's plan for handling client matters to clients as soon as possible?; and (4) What is a reasonable approach to supervising the work of Lawyer D or other lawyers at Law Firm who are similarly situated?

If Law Firm does not have a plan for addressing such circumstances, Law Firm Manager should consider whether one is ethically required to protect client interests. Whether the Law Firm has implemented policies giving reasonable assurance that the Law Firm has complied with the rules protecting clients in these instances in accordance with Rule 5.1 will likely be a fact-intensive inquiry.

## CONCLUSION

Succession planning ~~can be~~is an important consideration to ensure that lawyers fulfill their ethical obligations when they are unable to continue practicing law, either temporarily or permanently. Succession planning may mitigate or avoid the risk of harm or prejudice to clients that may otherwise occur when a lawyer is unable to practice law.