

Succession Planning:

Cessation of Practice

Advance Designation of Custodian Attorney

Sale of Practice

Succession Planning Resources

Council of Chairs

State Bar of Texas Sections

October 9, 2026



*Grievance
Oversight
Committee
Biennial Report
2018*

**“[C]essation of
practice cases ... are
a rapidly growing part
of [CDC’s] workload
and often require an
extensive use of CDC
resources.”**

This wasn't going away

We needed to develop a method

- * Shock impact of lawyer suicides
- * Repercussions of sudden cessations
- * Suspense of “prospective” cessations
- * Underfunded IOLTAs
- * Burden of client files

**We took a lesson
from FEMA**

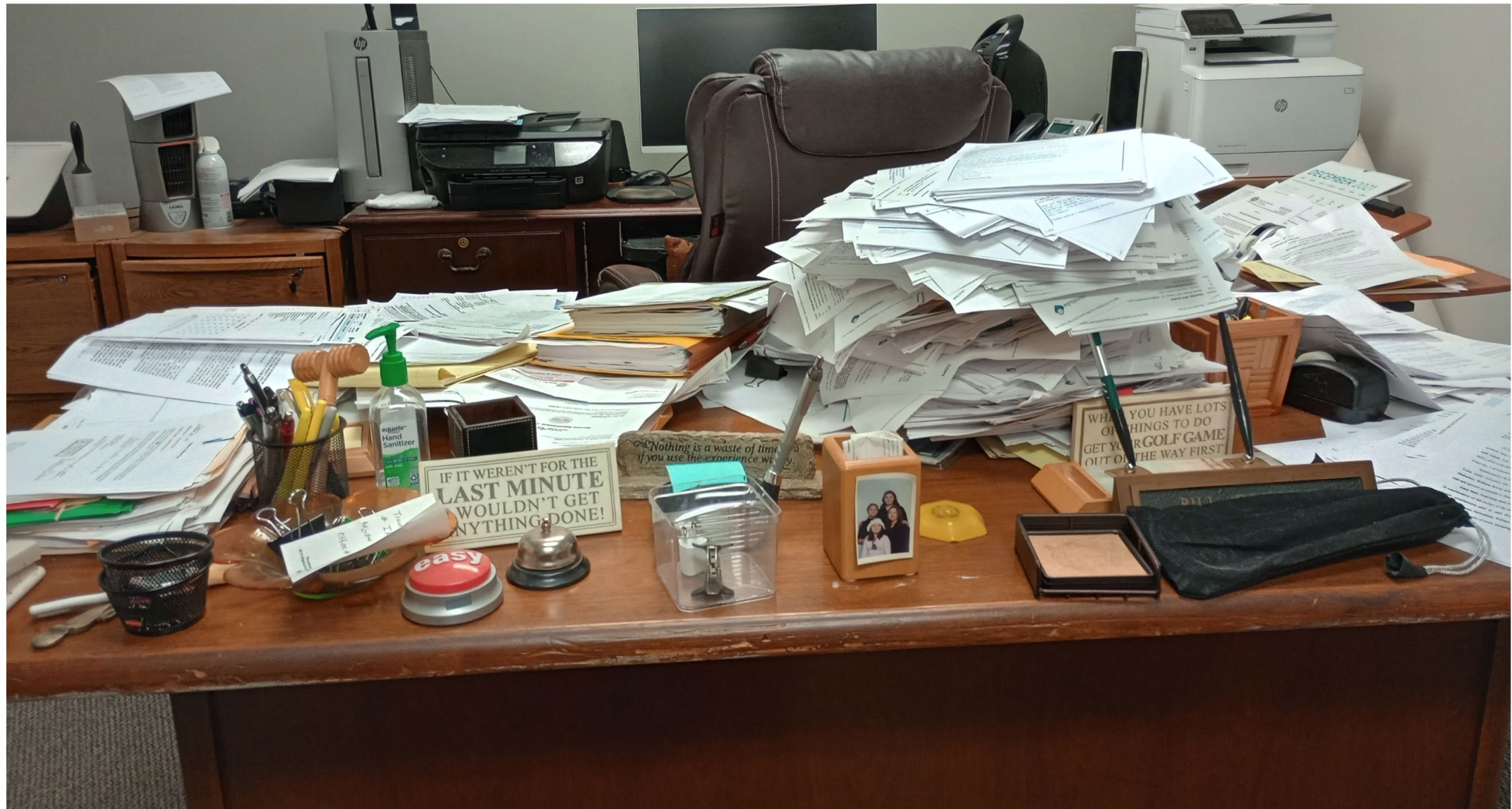




Response Phase

A difficult place to start!

△ △ △ △ △





Files ready for destruction



Files ready for storage

Sudden Cessations of Practice

- Court ordered well-check on absent lawyer; the lawyer died at age 49 after a drug overdose; the practice left active matters pending across multiple counties
- Lawyer reported his father (also a lawyer) suffered from dementia; soon afterword, the son died unexpectedly, leaving decades of files for both practices
- Many young lawyers and senior attorneys became debilitated or died during the Covid pandemic. Lawyers are not immune to crisis.

Cessation of Practice Myths

If something happens to me, the State Bar will take over my practice.

✗ False. The State Bar does not take over client files or assign new counsel. Instead, a court might assume jurisdiction over a lawyer's practice and appoint custodian attorneys to close the practice.

I don't need to think about succession planning until I'm getting ready to retire.

✗ False. Cessation of Practice is regulated by the Texas Rules of Disciplinary Procedure. Don't wait for a crisis to strike.

Cessation of Practice Is Regulated

TEXAS RULES OF DISCIPLINARY PROCEDURE

PART XIII. CESSATION OF PRACTICE

13.02. Assumption of Jurisdiction: A client of the attorney, Chief Disciplinary Counsel, or any other interested person may petition ...

A. That an attorney ... has died, disappeared, resigned, become inactive, been disbarred or suspended, or become physically, mentally or emotionally disabled and cannot provide legal services necessary to protect the interests of clients.

B. That cause exists to believe that ... no other attorney licensed to practice law in Texas has, with the consent of the client, agreed to assume responsibility.

C. That there is cause to believe that ... interested persons or entities will be prejudiced

13.03. Hearing and Order on Application to Assume Jurisdiction: The court ... may issue an order to show cause ... why the court should not assume jurisdiction of the attorney's law practice. If the court finds that one or more of the events stated in Rule 13.02 has occurred and that the supervision of the court is required, the court shall assume jurisdiction and appoint one or more attorneys licensed to practice law in Texas to take such action as set out in the written order of the court ...

The custodian shall observe the attorney-client relationship and privilege as if the custodians were the attorney of the client and may make only such disclosures as are necessary to carry out the purposes of this part. Except for intentional misconduct or gross negligence, no person acting under this part may incur any liability by reason of the institution or maintenance of a proceeding under this Part XIII. No bond or other security is required.



Practical Objectives Upon Cessation

1. Access to client files
2. Notice to clients, courts and other counsel
3. Client direction on where client wants the file to go
4. Return of client property
 - a. The Client File
 - b. Final reconciliation of the IOLTA
 - c. Property held in trust or escrow



Custodian Attorneys:

1. Custodian attorneys wind down the practice
2. Custodians do not become the new lawyers
3. Custodian liability protection written into the rules
4. Best handled at the local level
5. Recruit a team

Recovery Phase

**Always ask,
What did we learn?**

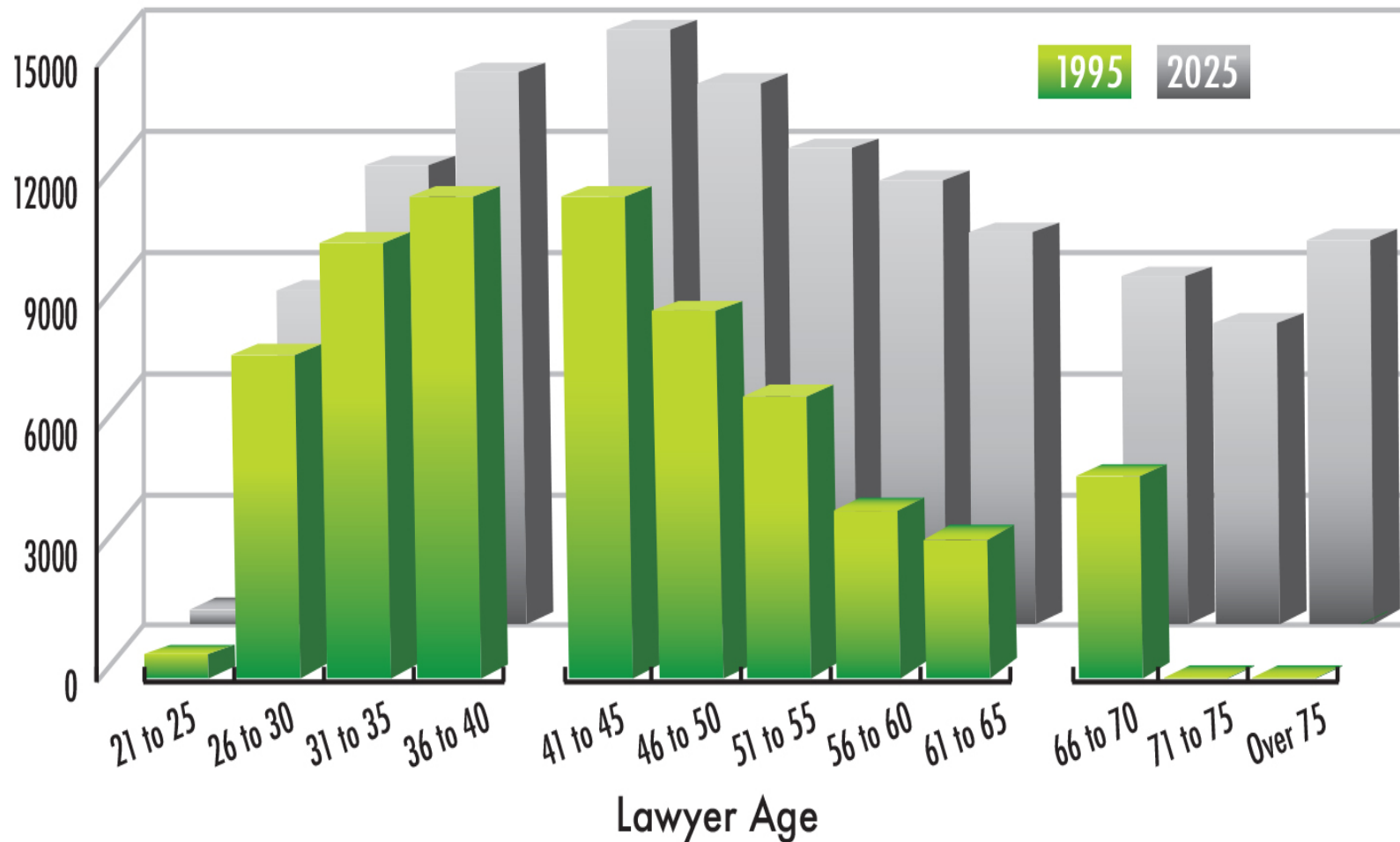




Cessations Drivers

- 1. Personal Crisis, Sudden Death or Incapacity**
- 2. Mental Illness and Substance Use Disorders**
- 3. The Graying of the Profession**
- 4. Risk of Market Disruption (AI, Legal Ops, ALSPPs)**

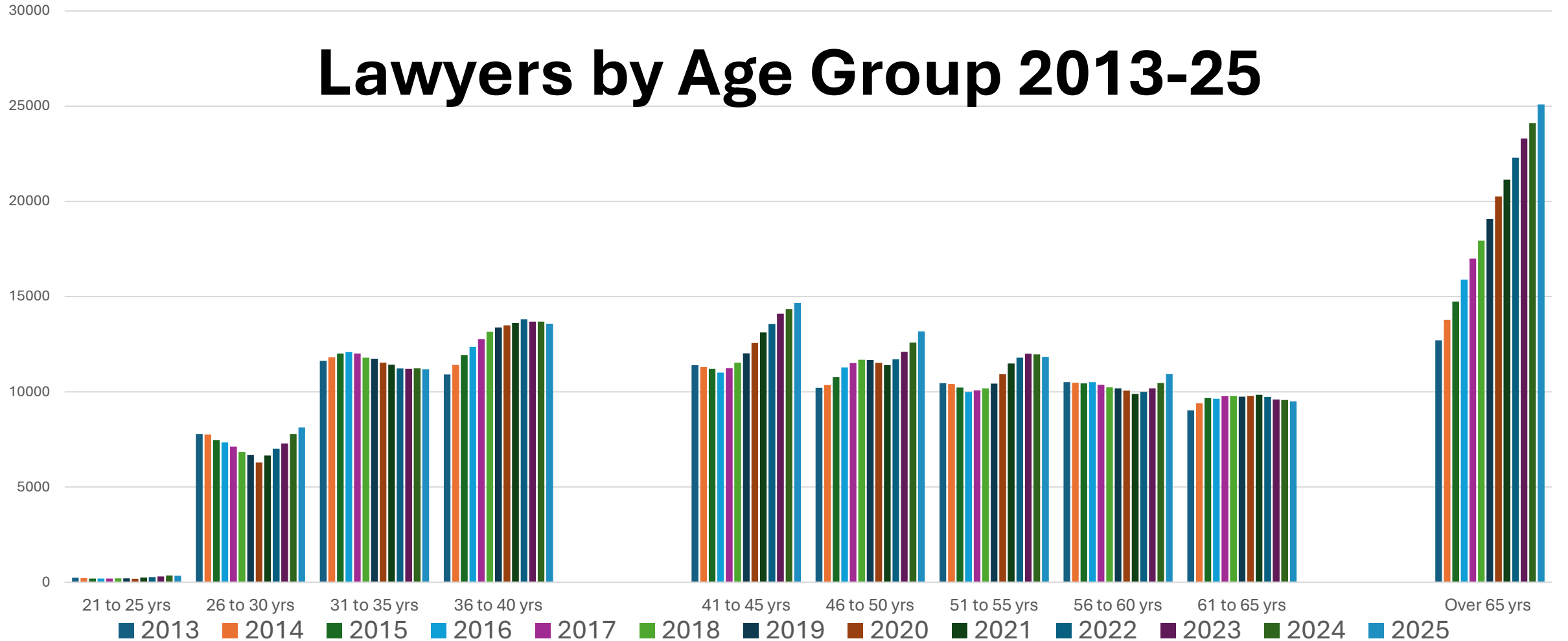
The Graying of the Profession



	1995	2025
21 to 25 yrs	573	348
26 to 30 yrs	6626	8121
31 to 35 yrs	9116	11,179
36 to 40 yrs	10,587	13,583
41 to 45 yrs	10,630	14,667
46 to 50 yrs	8785	13,172
51 to 55 yrs	5439	11,834
56 to 60 yrs	2876	10,933
61 to 65 yrs	2044	9500
66 to 70 yrs	3866*	8593
71 to 75 yrs	0	7394
Over 75 yrs	0	9105

*total includes all lawyers over 65 years of age for 1995

Lawyers by Age Group 2013-25

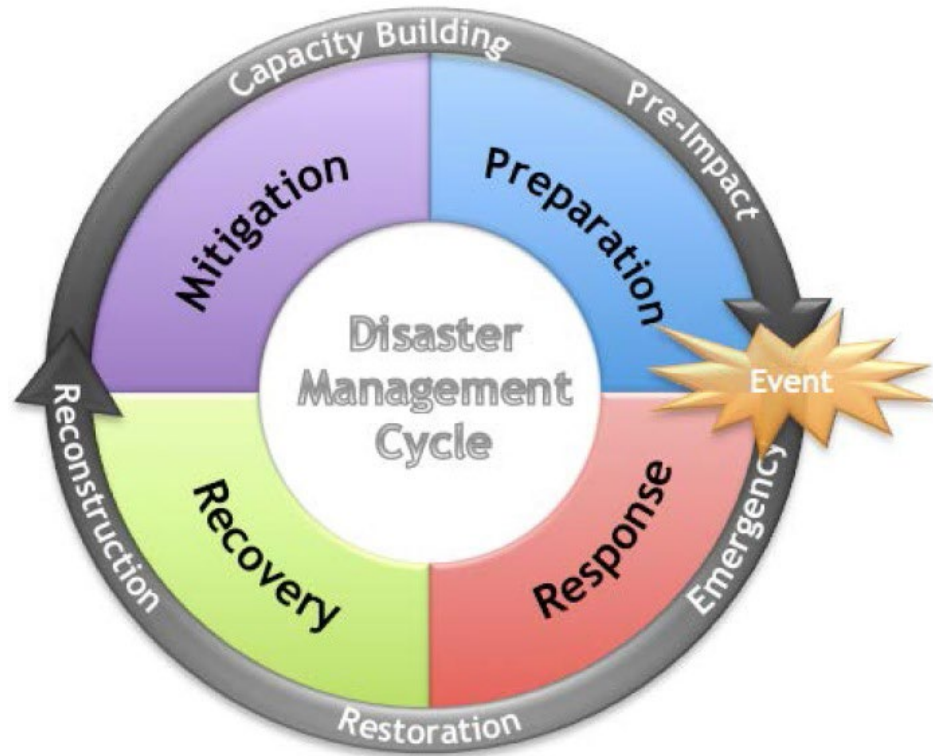


2013 2014 2015 2016 2017 2018 2019 2020 2021 2022 2023 2024 2025

> 65: 12709 13782 14743 15892 16997 17937 19085 20254 21137 22288 23307 24109 25,092



The Best Solution Is Succession Planning



Mitigation Phase

Taking action to prevent or reduce the impact of an event

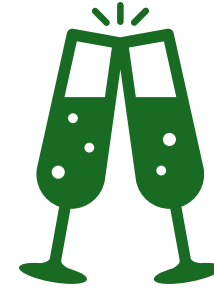


Unplanned Cessation

Abrupt closure of the practice

Abandoned files

Court-Appointed
Custodianship



Planned Succession

Orderly Transfer of files to
successor attorneys

Merge, associate, or sell the
practice

*Voluntary Custodianship



State Bar Advancements to Mitigate Loss

- 1. Portal for Advance Designations of Custodian Attorneys**
- 2. New Rules Soften Impact of Cessations and Temporary Cessations**
- 3. Succession Planning Toolkit**
- 4. Succession Planning Outreach Program**
- 5. Crisis Assistance Pilot Program – A Template for Local Bars**

Mechanics of TRDP Part 13

13.01 – Ordinary Cessations

13.02 – Extraordinary Cessations

13.03 – Court-Appointed Custodianship

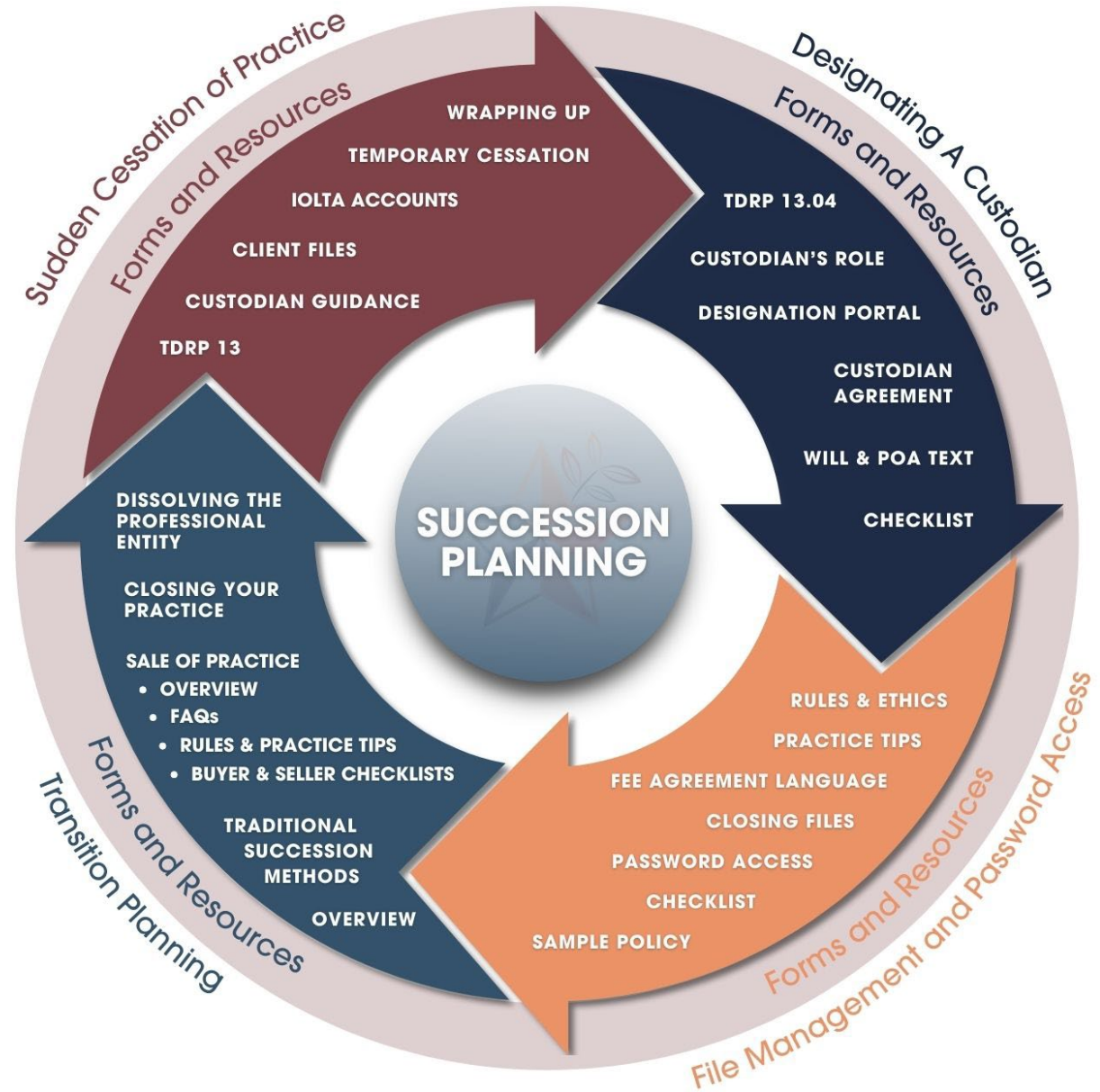
13.04 – Voluntary Appointment of Custodian

13.05 – Termination of Custodianship



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Succession Planning Toolkit



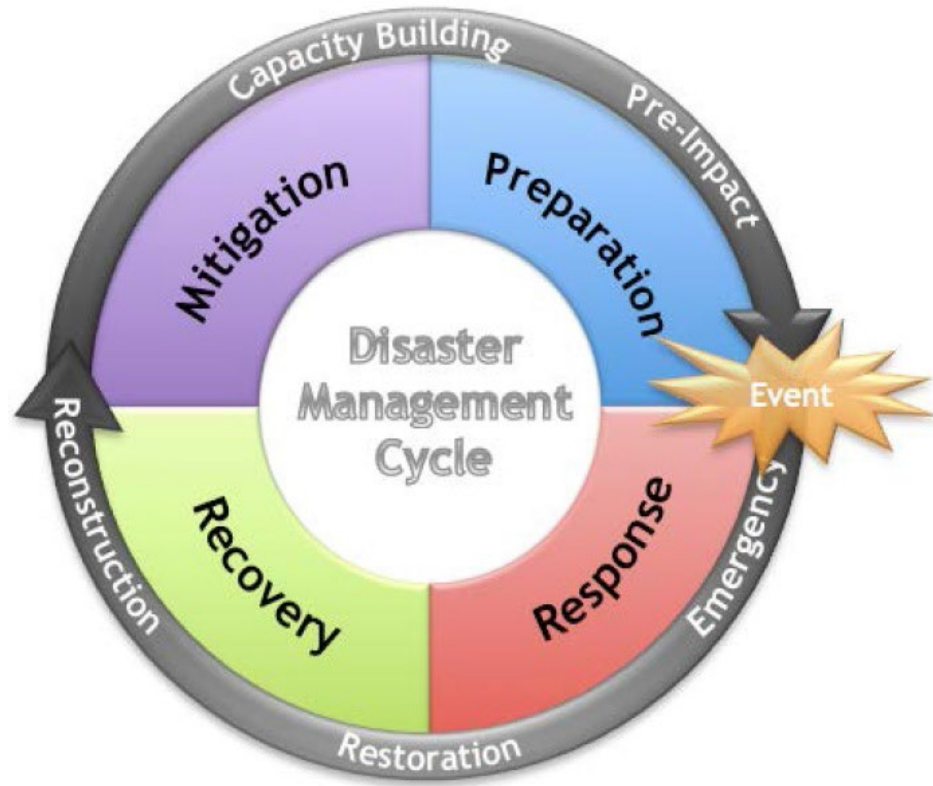
Succession Planning Toolkit





Tools for Custodians

- Guidelines for custodianship
- Guidelines for final disposition of client files
- Guidelines for handling IOLTA and other trust and escrow accounts, and
- Template pleadings and correspondence
 - To give clients notice and get consent while acting as a custodian attorney.



Preparation Phase

Education, training, and experience

How Your Bar Community Can Help



Unplanned cessations are best handled at the local level. Recruit local lawyers and organize teams.

Implement a crisis assistance program. It helps lawyers, clients, courts, and lawyers' families.

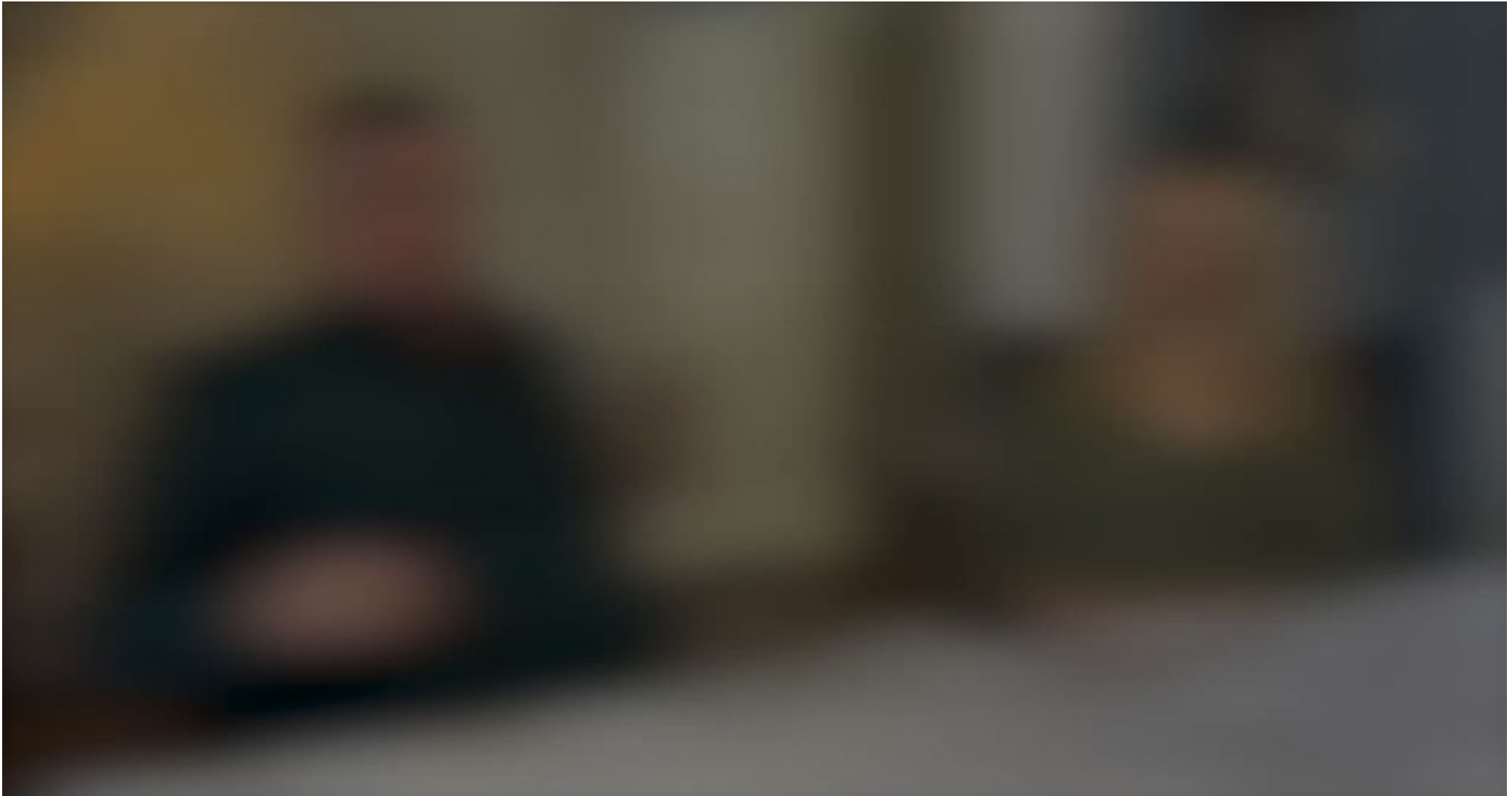
Meet

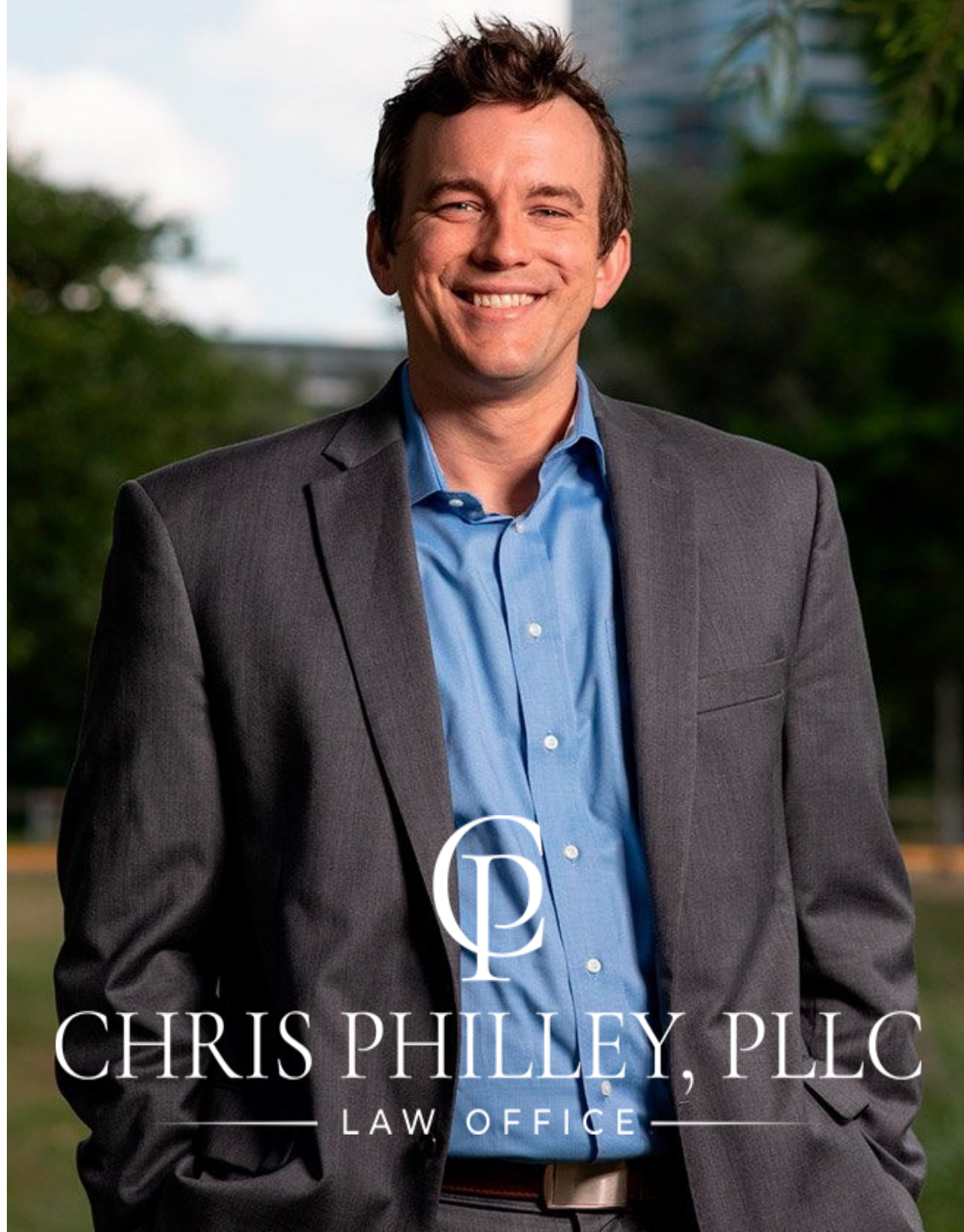
CHRIS PHILLEY



Chris Philley is a licensed attorney in Texas. Chris has worked in the Austin legal community since his undergraduate days at the University of Texas at Austin. Chris enjoys how the practice of law allows him to help his clients through difficult times. While dealing with legal issues, especially family law, can be stressful – Chris believes it also allows for people to really get to know one another and forge strong relationships. It is these relationships that Chris believes make the practice of law worthwhile and a great profession. Chris is a member of the Austin Young Lawyer's Association, Austin Criminal Defense Lawyer's Association, Austin Bar Association, Williamson County Bar

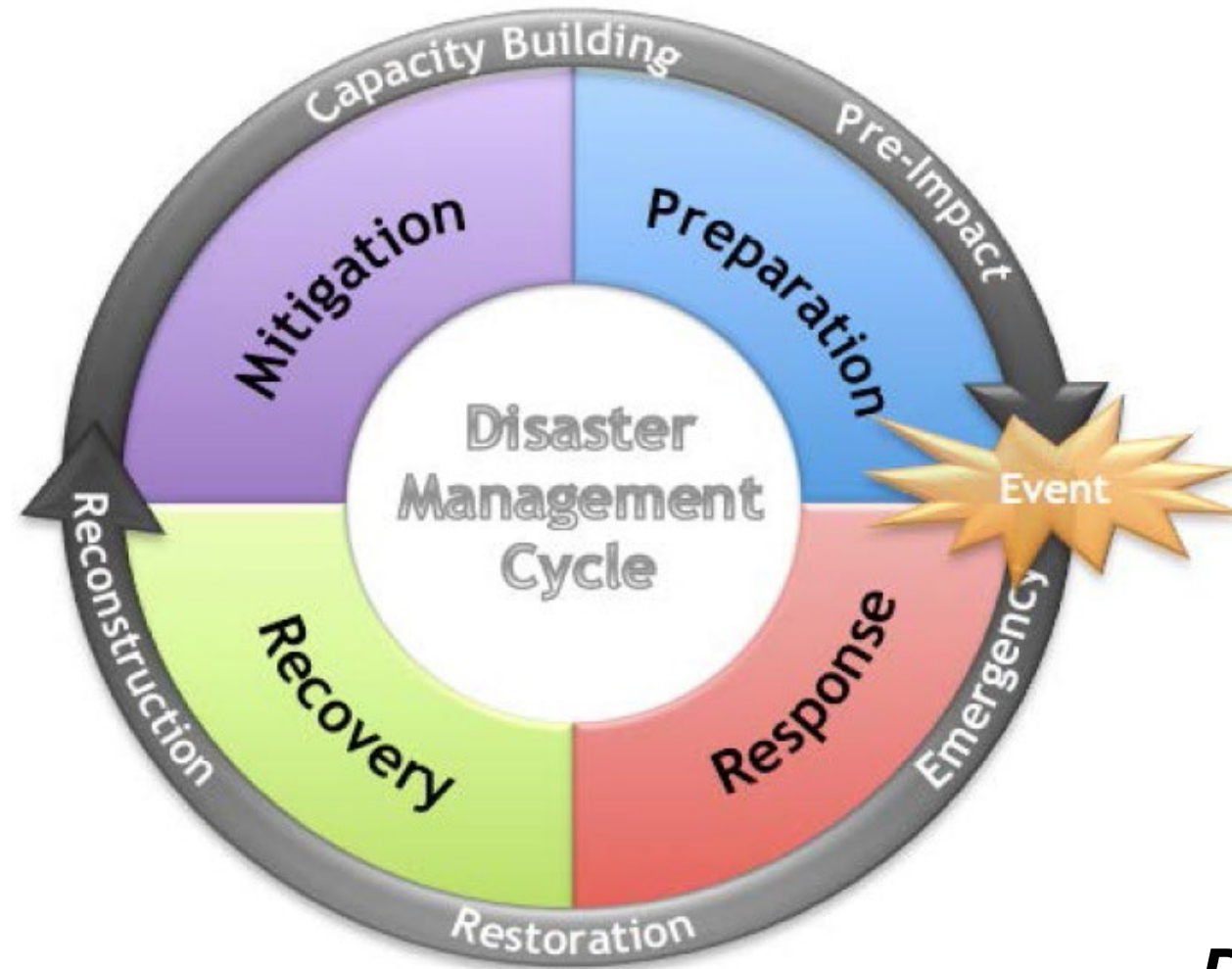
Austin Bar Association and Austin Bar Foundation:
Crisis Assistance Pilot Program





CHRIS PHILLEY, PLLC
— LAW OFFICE —

Before



After

During

3 Points to Take with You

1

Emergency
Cessations Are a
Problem, But Can
Be Managed

2

With Succession
Planning: Lawyers
Do Better, Clients
Do Better, and
Lawyers' Families
Are Protected

3

The LPM Program Is
Ready with
Succession
Planning Resources