

THE LAW FIRM OF THE FUTURE

Latest Developments in AI for Smaller and Midsize Law Firms

by

Anthony DeSimone, CPA

Founder, You're the Expert Now

Uri Gutfreund

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MPF WEBINAR

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TheRemsenGroup
Smart Strategies for the Forward Thinking Law Firm

TheRemsenGroup.com

BIOGRAPHICAL PROFILE

Anthony DeSimone, CPA

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Tony is a CPA and CMA and specializes in aiding small business owners with improving profitability, cash flow, and efficiency. With over 25 years of experience working with small businesses, including a start at the CPA firm Deloitte, he uses numbers, data and AI to enhance team dynamics and business operations.

He owns 'You're the Expert Now, LLC', and also teaches at the University at Buffalo Center for Entrepreneurial Leadership, focusing on entrepreneurial education.

An author of three books, Tony is pursuing a 'ChatGPhD' and conducts ChatGPT and AI accelerator courses. He also hosts 'Get your ChatGPhD' podcast, discussing ChatGPT and AI advancements for business owners.

April 2024

The MPF Webinar Series



The MPF Webinar Series: Building the Law Firm of the Future

Latest Developments in AI for Smaller and Midsize Law Firms

An MPF Webinar with Tony DeSimone

August 21, 2024 – 2:00-3:00pm ET



Welcome



Uri Gutfreund

Senior Vice President and Managing Principal, Ames & Gough



John Remsen, Jr.

President and CEO, Managing Partner Forum
President, TheRemsenGroup



The MPF Webinar Series



Today's Guest Speaker



Anthony DeSimone, CPA, CMA

Founder, You're the Expert Now

TheRemsenGroup
Smart Strategies for the Forward Thinking Law Firm

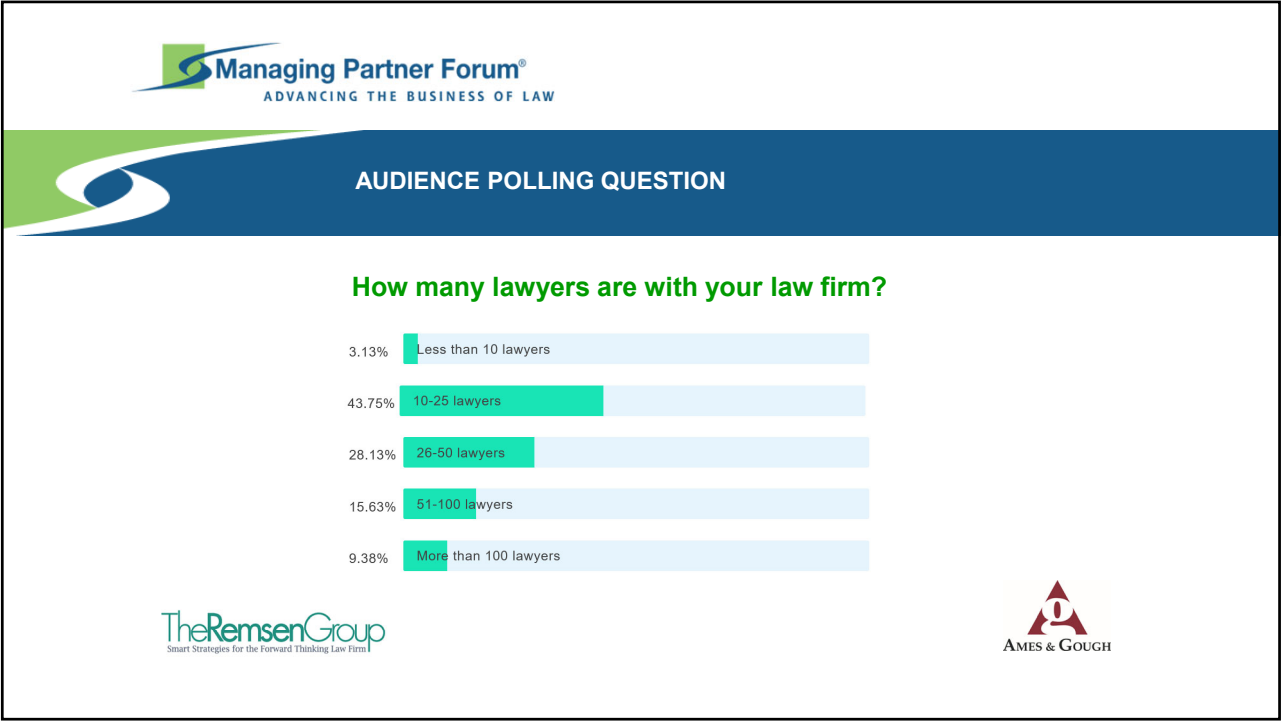


TODAY'S WEBINAR

- **Latest Developments in AI for Smaller and Midsize Law Firms**
- 115 Managing Partners and Law Firm Leaders
- Registrant Survey Results and Audience Polling Questions
- On-Demand Recording, Handout Materials
- Your Feedback on Today's Session

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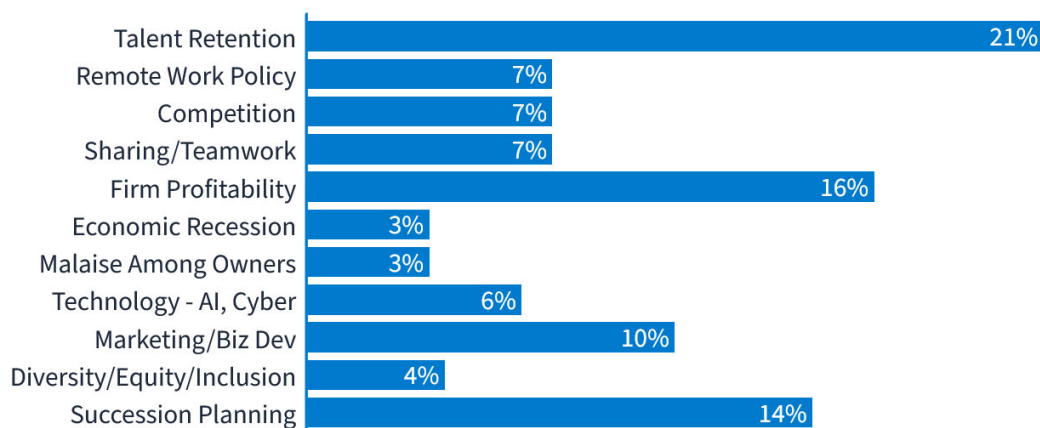


MPF 2024 Leadership Conference May 2024 - Live Polling Results

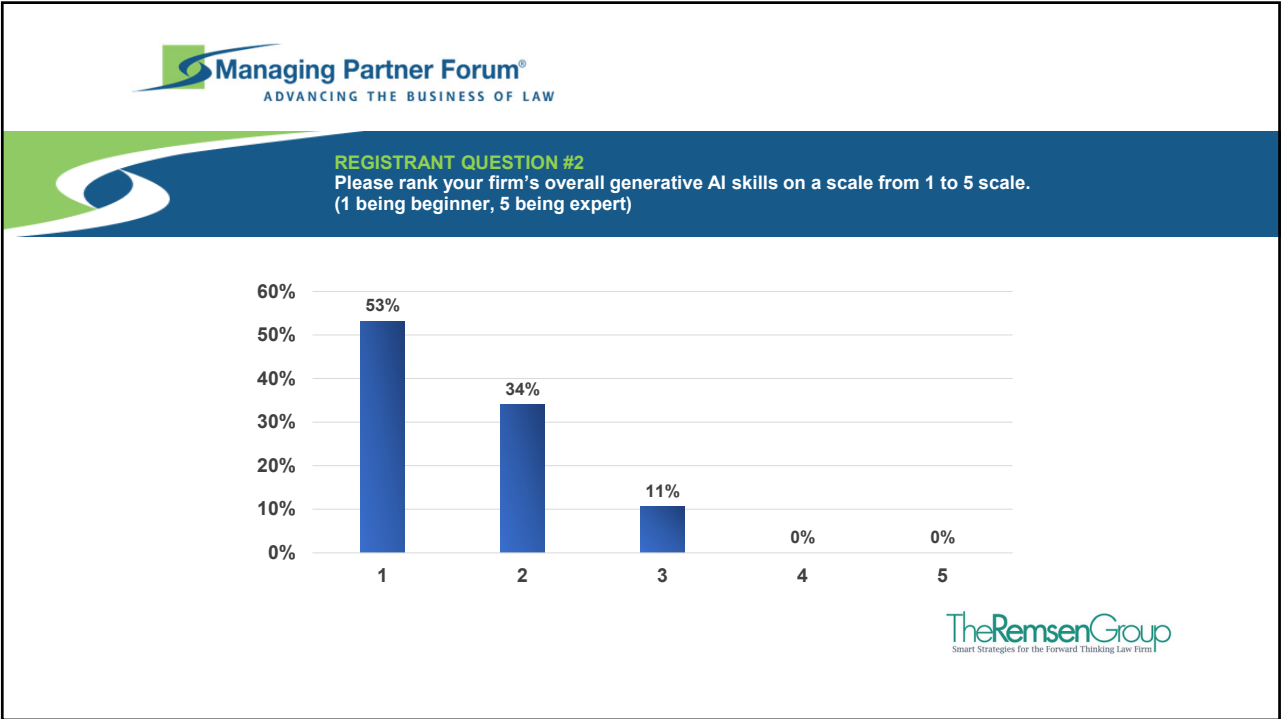
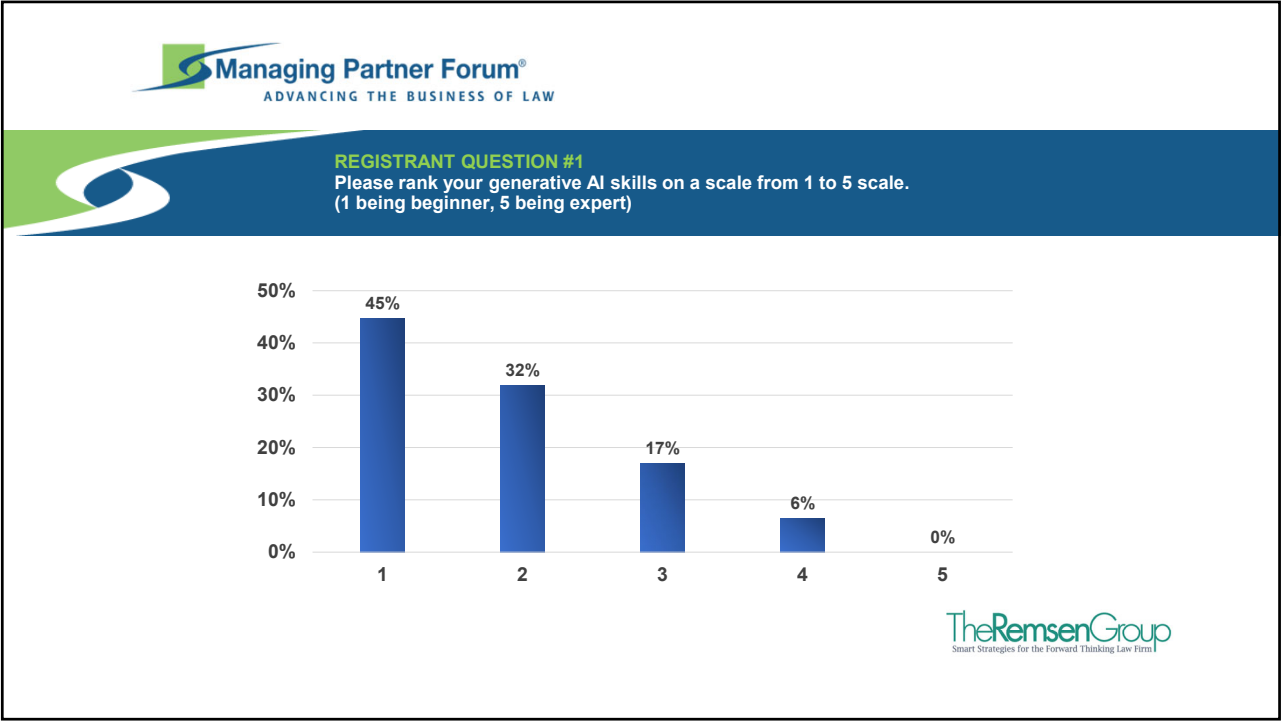
- 105 managing partners and firm leaders
- Leading firms ranging in size from 2-750 lawyers
- 24 US states, DC, Puerto Rico, Canada, BWI
- 49% of you have been here before

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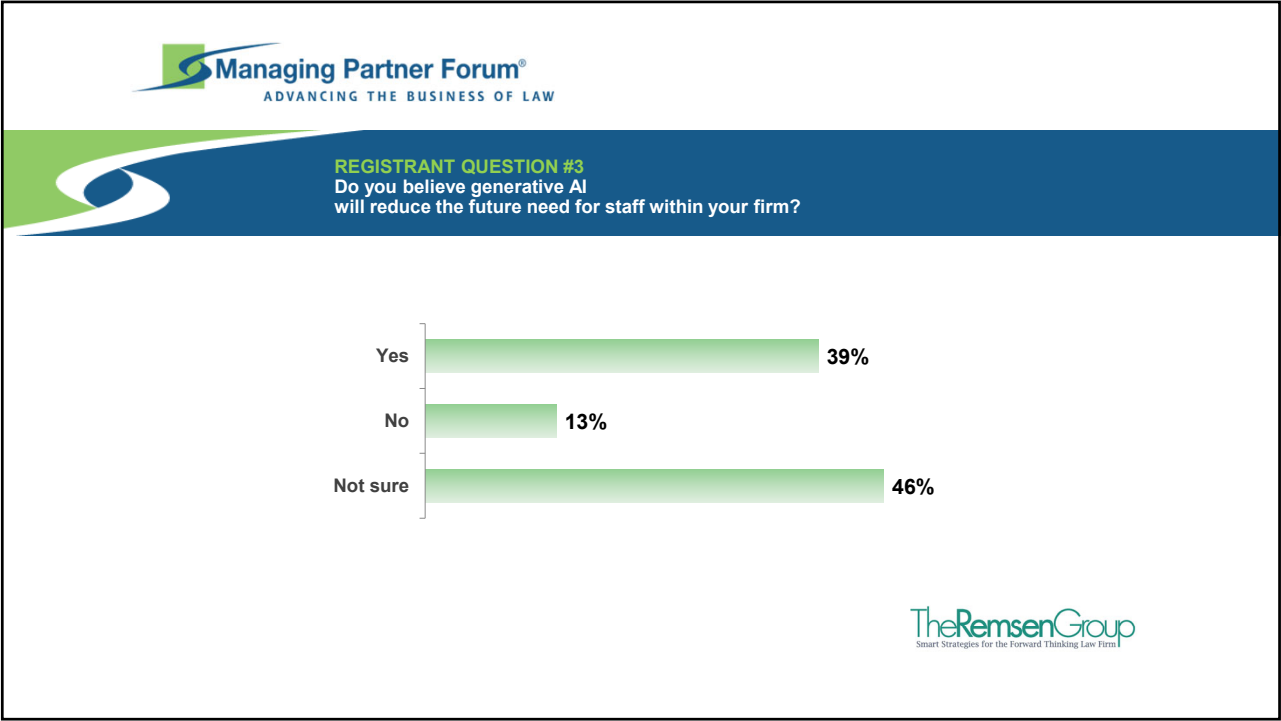
From the list below, please indicate the **TOP THREE CHALLENGES** currently facing your Firm.



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ROLL TAPE!



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AUDIENCE POLLING QUESTION

From the list below, which generative AI tools is your firm currently using on a regular basis?
(Click all that apply.)

54.55%	ChatGPT	
21.21%	Co-Pilot	
27.27%	Lexis+ AI	
33.33%	WestLaw AI (Thomson Reuters)	
21.21%	Other	

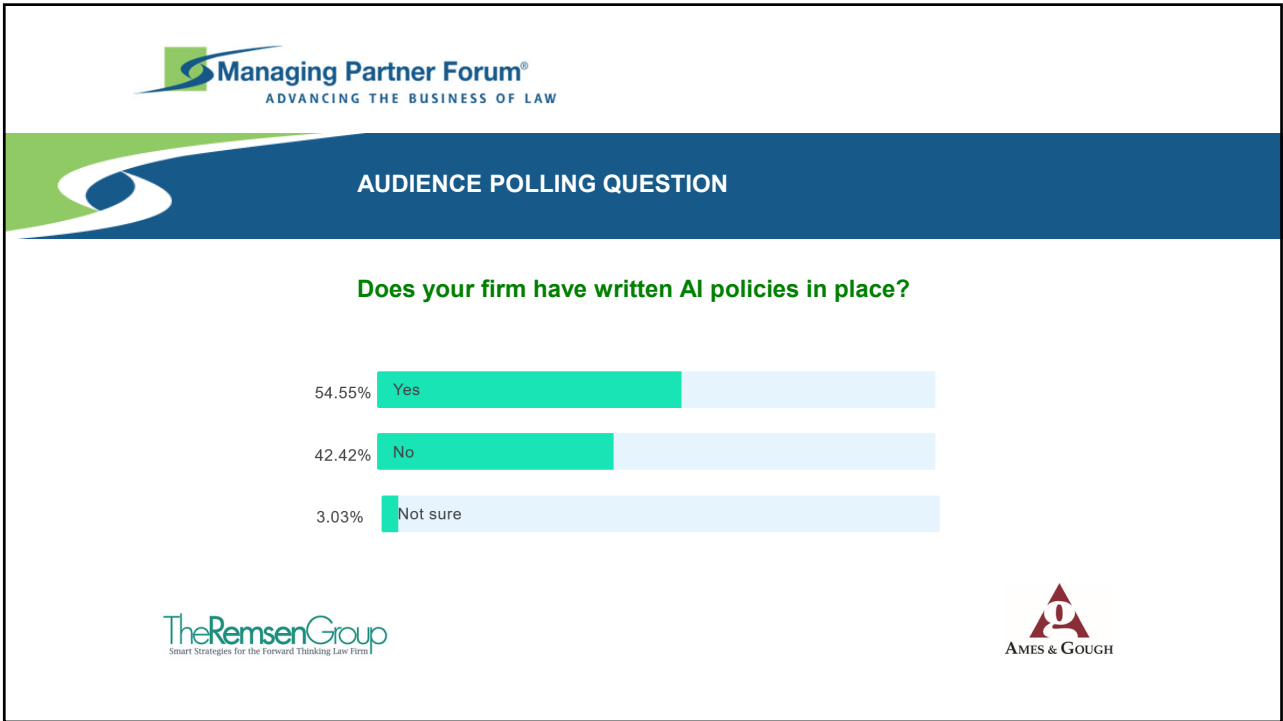


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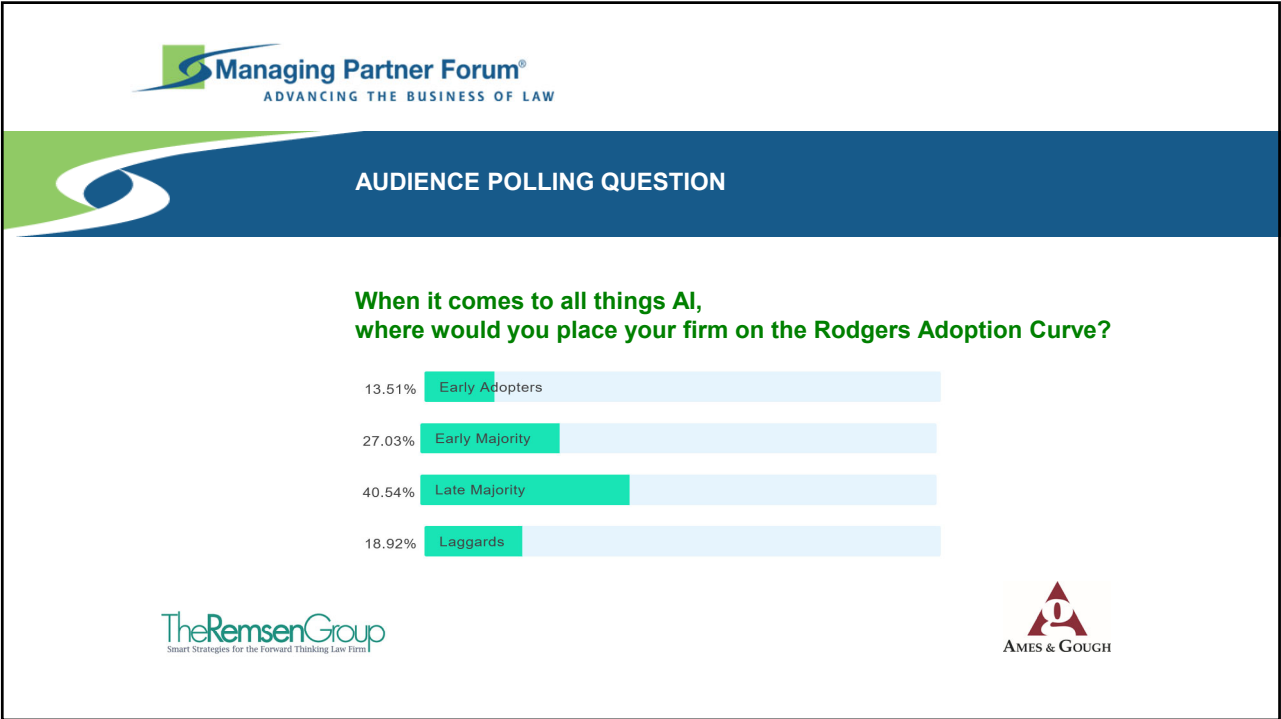
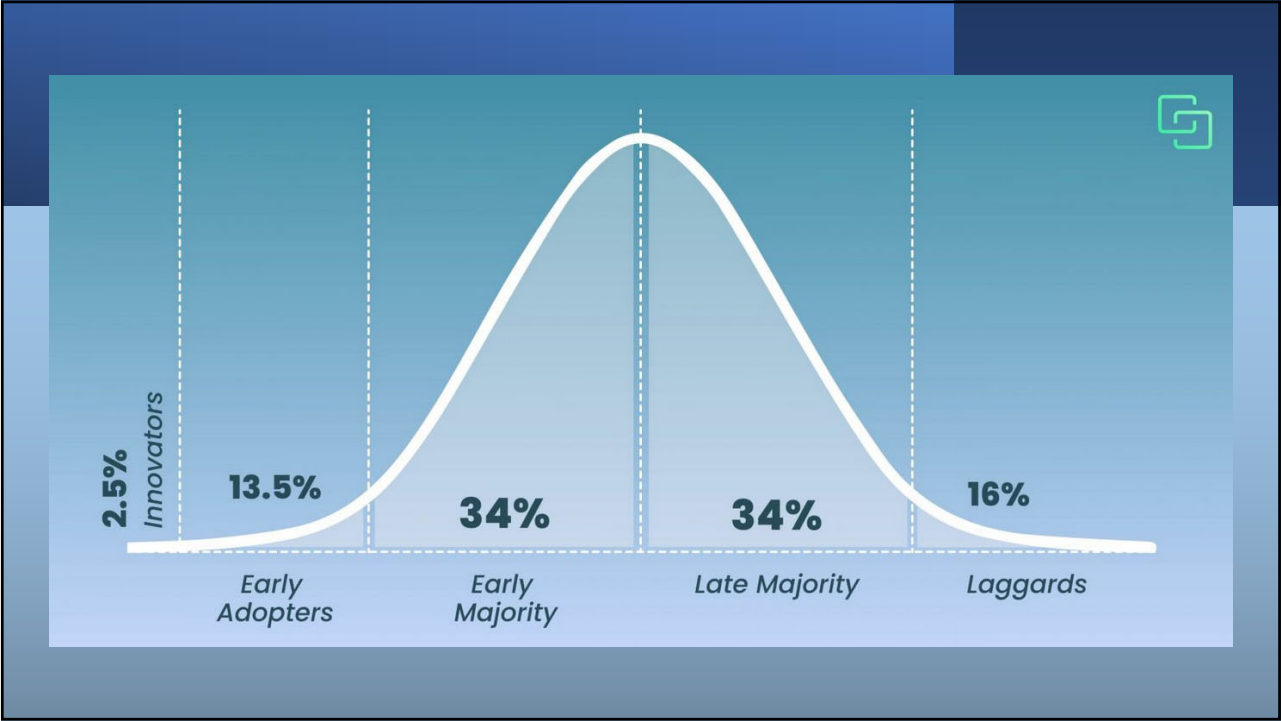


AMES & GOUGH

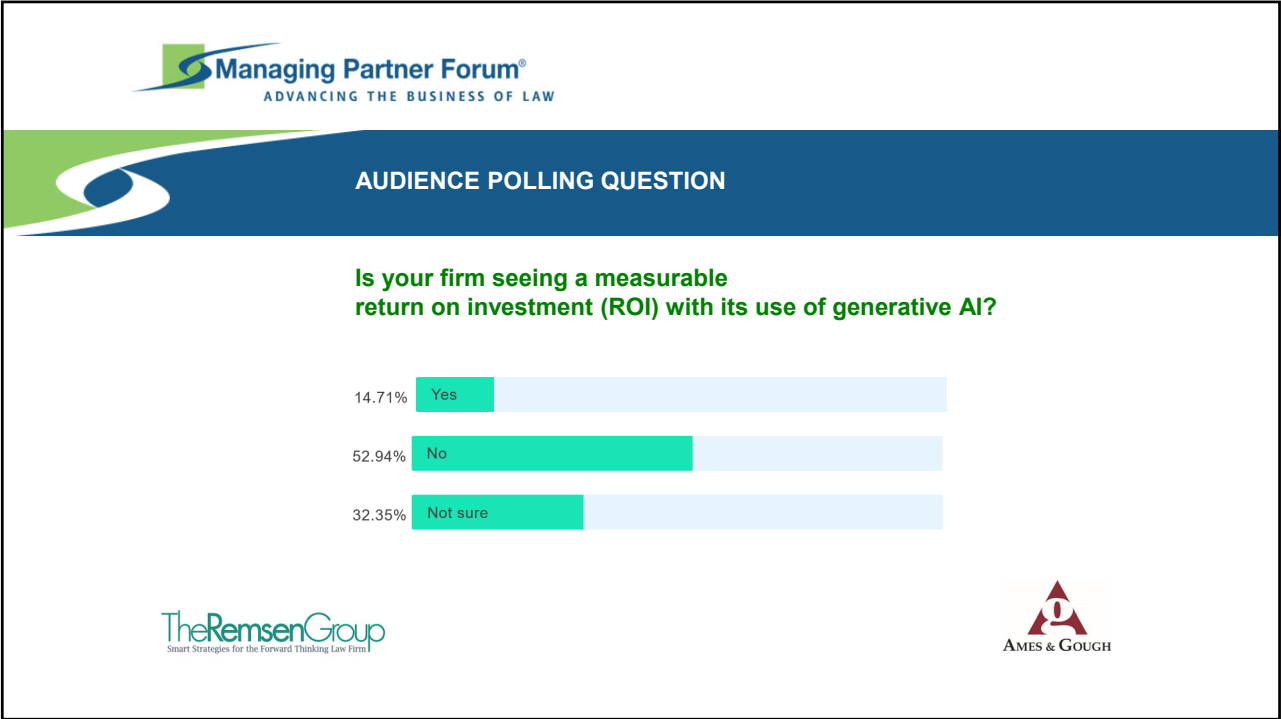
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Lean into It



Be Smart



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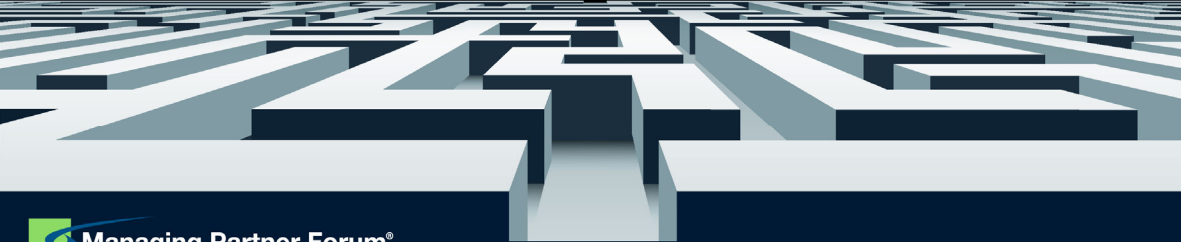


MPF GUIDANCE

- Lean Into It!
- Form an AI Task Force
- Get Policy in Place
- Train Your People
- Think Long Term Implications
- Join our New MPF AI Community



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People you know. People you trust.

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ETHICAL CONSIDERATIONS IN THE USE OF GENERATIVE AI TOOLS IN LEGAL PRACTICE

AN OVERVIEW OF ABA FORMAL OPINION 512
ISSUED BY THE ABA ON JULY 29, 2024





Model Rule 1.1 - Competence

- Lawyers must provide competent representation, including understanding GAI tools.
- Requires reasonable understanding of GAI capabilities and risks.
- Continuous learning and consulting experts may be necessary.



Model Rule 3.3 - Candor Toward the Tribunal

- Lawyers must not submit false information generated by GAI tools.
- Review all GAI outputs before presenting them to a tribunal.



Model Rule 1.6 - Confidentiality of Information

- Lawyers must safeguard client information when using GAI.
- Informed consent is required before inputting client-related information.
- Review Terms of Use and privacy policies of GAI tools.



Model Rule 8.4(c) - Misconduct

- Do not use GAI tools in a way that could be misleading or deceptive.
- Verify the authenticity of citations and legal arguments generated by GAI.



Model Rule 1.4 - Communication

- Lawyers may need to disclose the use of GAI tools to clients.
- Important when GAI outputs influence significant decisions.
- Client expectations and engagement terms must be considered.



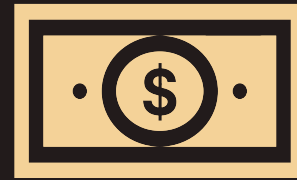
Model Rule 5.1 - Responsibilities of Supervisory Lawyers

- Establish clear policies for GAI use within the firm.
- Ensure proper training on ethical and practical use of GAI tools.



Model Rule 5.3 - Responsibilities Regarding Nonlawyer Assistance

- Lawyers must supervise nonlawyers using GAI tools to ensure compliance.
- Conduct due diligence on GAI providers and third-party services.



Model Rule 1.5 - Fees

- Fees must remain reasonable even with GAI efficiency gains.
- Communicate any GAI-related costs clearly to clients.
- Lawyers cannot charge for time spent learning GAI tools unless requested by the client.

CONCLUSION

- GAI tools offer significant benefits but require careful ethical consideration.
- Adherence to the ABA Model Rules is crucial to protect clients and maintain professional standards.
- Continuous learning and vigilance are key to using GAI tools responsibly in legal practice.

[The ABA's Formal Opinion 512](#) discusses several Model Rules of Professional Conduct, which are ethical guidelines that lawyers in the United States must follow. Below is a detailed explanation of each Model Rule as it relates to the use of Generative Artificial Intelligence (GAI) tools in legal practice, based on the opinion.

1. Model Rule 1.1 - Competence

Overview: Lawyers are required to provide competent representation to their clients. This means they must possess the legal knowledge, skills, thoroughness, and preparation necessary for the representation.

Application to GAI:

- Lawyers using GAI tools must understand the capabilities and limitations of these tools to provide competent legal services. This does not require them to become GAI experts but to have a reasonable understanding of how these tools function.
- Lawyers should stay informed about technological advancements and may need to consult with experts or engage in continuing education to maintain their competence in using GAI tools.
- Competent use of GAI involves not only knowing how to use the tools but also recognizing their risks, such as producing inaccurate or biased outputs.

2. Model Rule 1.6 - Confidentiality of Information

Overview: Lawyers must keep information relating to the representation of a client confidential unless the client gives informed consent, the disclosure is impliedly authorized, or it falls under specific exceptions.

Application to GAI:

- Lawyers must carefully assess the risk of disclosing client information when using GAI tools, particularly self-learning tools that may retain and use inputted data in future outputs.
- Informed consent is required before inputting any client-related information into a GAI tool that might disclose it to third parties or even within the same firm.
- Lawyers must read and understand the Terms of Use and privacy policies of GAI tools to ensure compliance with confidentiality obligations.

3. Model Rule 1.4 - Communication

Overview: Lawyers must keep clients reasonably informed about the status of their matter and explain matters to the extent reasonably necessary to allow the client to make informed decisions about the representation.

Application to GAI:

- Lawyers may need to disclose their use of GAI tools to clients, particularly if the output of the tool influences significant decisions in the case or if the client specifically requests such information.
- Even if Rule 1.6 does not require informed consent, Rule 1.4 may require the lawyer to discuss the use of GAI tools with the client, especially if it affects the client's objectives or how legal services are delivered.

4. Model Rule 3.1 - Meritorious Claims and Contentions

Overview: A lawyer must not bring or defend a proceeding or assert or controvert an issue unless there is a basis in law and fact for doing so that is not frivolous.

Application to GAI:

- Lawyers must ensure that any legal claims or defenses based on GAI-generated outputs are grounded in fact and law. They must critically evaluate the accuracy and reliability of GAI outputs before using them in litigation to avoid asserting frivolous claims or defenses.

5. Model Rule 3.3 - Candor Toward the Tribunal

Overview: Lawyers must not knowingly make false statements of fact or law to a tribunal or fail to correct false statements previously made.

Application to GAI:

- Before submitting any materials generated by GAI tools to a court, lawyers must thoroughly review them to ensure they do not contain false information or misrepresentations.
- This rule also requires lawyers to correct any inaccuracies in GAI-generated content that is submitted to a tribunal.

6. Model Rule 8.4(c) - Misconduct

Overview: It is professional misconduct for a lawyer to engage in conduct involving dishonesty, fraud, deceit, or misrepresentation.

Application to GAI:

- Lawyers must avoid using GAI-generated content in a way that could be considered deceptive or misleading. This includes verifying the authenticity of citations, legal authorities, or factual statements produced by GAI tools to ensure they are accurate and truthful.

7. Model Rule 5.1 - Responsibilities of Partners, Managers, and Supervisory Lawyers

Overview: Lawyers with managerial authority in a law firm must make reasonable efforts to ensure that the firm has measures in place for all lawyers to conform to the Model Rules of Professional Conduct.

Application to GAI:

- Partners and supervisory lawyers must establish clear policies regarding the use of GAI tools within the firm and ensure that all lawyers, including non-lawyers who might use these tools, understand their ethical obligations.
- Supervisory lawyers are responsible for ensuring that appropriate training is provided on the ethical and practical use of GAI tools.

8. Model Rule 5.3 - Responsibilities Regarding Nonlawyer Assistance

Overview: Lawyers must make reasonable efforts to ensure that the conduct of nonlawyers employed or retained by them is compatible with the professional obligations of the lawyer.

Application to GAI:

- If nonlawyers or third-party providers use GAI tools in connection with legal work, the lawyer must ensure that these parties adhere to the same ethical standards, particularly regarding confidentiality, competence, and reasonable fees.
- This includes conducting due diligence on GAI providers, such as reviewing their security policies, training procedures, and potential conflicts of interest.

9. Model Rule 1.5 - Fees

Overview: Lawyers must charge reasonable fees and explain the basis for fees and expenses to their clients.

Application to GAI:

- When using GAI tools, lawyers must ensure that their fees remain reasonable. For instance, if GAI tools enable a task to be completed more quickly, it may be unreasonable to charge the same fee as if the work were done manually.
- Lawyers must not charge clients for the time they spend learning to use GAI tools unless the client specifically requests the use of a tool that the lawyer is unfamiliar with.
- Any charges related to GAI tools, whether as fees or expenses, should be communicated clearly to the client, and should reflect the actual time and cost involved.

Conclusion:

The ABA's Formal Opinion 512 emphasizes that while GAI tools can significantly enhance the efficiency and quality of legal services, lawyers must navigate their use carefully to comply with ethical obligations. This includes understanding and managing the risks associated with GAI, maintaining technological competence, ensuring client confidentiality, charging reasonable fees, and upholding the standards of the legal profession.