



**Fall 2023 Conference**  
**19 - 21 October 2023**  
**La Jolla, California**



**Host Firm:**





## LawPact Fall 2023 Conference Agenda

October 19-21, 2023

Grande Colonial Hotel, La Jolla, California

### Hot Topics in the Legal Profession

<b>Thursday October 19, 2023</b>		
<b>Board Meeting and Welcome Reception</b>		
<b>3:30 – 5:00 PM</b>	<b>Board Meeting:</b> All Members and guests are invited to attend.	<b>Parlor Room</b>
<b>7:00 – 10:00 PM</b>	<b>Welcome Reception:</b> Please join LawPact members and guests for an opportunity to review the past six month's happenings and welcome our new participants.	<b>Garden Courtyard</b>
<b>Friday October 20, 2023</b>		
<b>(Sun Room)</b>		
<b>7:30 – 8:30 AM</b>	<b>Breakfast</b>	<b>Terraces</b>
<b>8:30 – 10:00 AM</b>	<b>Opening Remarks and Member Firm Introductions</b> Delegates introduce themselves and provide updates about their firms	<b>Doug Conover,</b> LawPact President
<b>10:00 – 10:15 AM</b>	<b>Break</b>	
<b>10:15 – 11:15 AM</b>	<b>The Corporate Transparency Act – What Law Firms Need to Know NOW!</b>	<b>Tiana Garbet,</b> Sheppard Mullin
<b>11:15 – 12:15 PM</b>	<b>Risk Management – Insuring against risks from Cyber Crime and AI issues</b>	<b>Brian Savitch,</b> AMWINS Insurance Services
<b>12:15 – 1:30 PM</b>	<b>Lunch</b>	<b>Terraces</b>

<b>1:30 – 3:00 PM</b>	<b>The Ethical Considerations of Artificial Intelligence</b>	<b>Andrew Servais and Irean Swan</b> Klinedinst
<b>3:00 – 3:15 PM</b>	<b>Break</b>	
<b>3:15 – 3:45 PM</b>	<b>How Our Firm Augments our Bottom Line by Providing Registered Agent Services</b>	<b>Larry Donahue</b> , Business Law Southwest
<b>3:45 – 4:45 PM</b>	<b>Incentivizing Performance</b>	<b>Member Panel Discussion</b> <b>Barb Wells, Eric Seigel, Kipp Williams, and Scott Collins</b> Moderator
<b>7:00 PM</b>	<b>Dinner</b>	<b>George’s at the Cove</b> La Jolla, California

**Saturday October 21, 2023  
(Sun Room)**




<b>7:30 – 8:30 AM</b>	<b>Breakfast</b>	<b>Terraces</b>
<b>8:30 - 9:15 AM</b>	<b>Friday Follow Up Discussion and Takeaways</b>	<b>Josh Glikin and John Pickervance</b> (discussion leaders)
<b>9:15 - 10:30 AM</b>	<b>LawPact Financial Ratios Review</b>	<b>Mark Hoyt</b> , Sherman, Sherman, Johnnie & Hoyt
<b>10:15 – 10:30 AM</b>	<b>Break</b> (Adjust time as necessary)	
<b>10:30 – 11:15 AM</b>	<b>Roundtable discussion</b>	
<b>11:15 – 12:00 PM</b>	<b>What’s New in Technology</b>	<b>Eric Seigel</b> , THK Law
<b>12:00 – 12:45 PM</b>	<b>Member Discussion</b> – Open forum regarding LawPact and what we can be doing to support our members. <b>LawPact Finances</b> <b>LawPact Business</b> <b>Membership Development</b> <b>Website and Forums</b> <b>Future Conference Schedule</b> <b>Final Announcements</b>	<b>Doug Conover</b>
<b>12:45 – 1:30 PM</b>	<b>Lunch</b>	<b>Terraces</b>
<b>1:45 – 4:00</b> (approximate)	<b>Group Event</b> – Tour of the USS Midway	Meet in the hotel lobby
<b>5:00</b> (approximate)	<b>Group Dinner</b> optional	









2023 Fall Conference  
La Jolla, California  
October 19-21, 2023

Conference Delegates and Guests

*Program Presenters*

	<p><b>Tianna Garbet</b> Sheppard Mullin Del Mar, California</p>
	<p><b>Brian Savitch</b>, AMWINS Insurance Services</p>
	<p><b>Andrew Servais</b> Klinedinst San Diego, California</p>
	<p><b>Irean Swan</b> Klinedinst San Diego, California</p>

**Delegates and Guests**  
**(Alphabetical by firm name)**

	<p><b>Christopher Stevenson</b> Adair Myers Stevenson Yagi PLLC Houston, Texas</p> <p>Guest: Audra Stevenson</p>
	<p><b>Kenichi Yagi</b> Adair Myers Stevenson Yagi PLLC Houston, Texas</p> <p>Guest: Masae Tomoda</p>
	<p><b>Frederic Beele</b> Lawfirm Beele Gent, Belgium</p>
	<p><b>Charles Van Horn</b> Berman Fink Van Horn Atlanta, Georgia</p>
	<p><b>Thomas Sowers</b> Berman Fink Van Horn Atlanta, Georgia</p> <p><a href="#">First Time Delegate</a></p>
	<p><b>Kipp Williams</b> Blanchard, Krasner &amp; French La Jolla, California</p>



**John Whitemore**  
Blanchard, Krasner & French  
La Jolla, California



**Jim Radabaugh**  
Bowen, Radabaugh & Milton, P.C.  
Troy, Michigan

Guest: Barbara Radabaugh



**Nathan Welch**  
Bowen, Radabaugh & Milton, P.C.  
Troy, Michigan

Guest: Erin Welch



**Josh Glikin**  
Bowie & Jensen, LLC  
Towson, Maryland

Guest: Meghan Glikin



**Robert Brouillette**  
Brouillette Law  
Montreal, Quebec, Canada

*Member of the Board of Directors*

Guest: Francine LeDuc



**Philippe Brouillette**  
Brouillette Law  
Montreal, Quebec, Canada

Guest: Marie-Christine Anctil



**Laurence Donahue, Jr.**  
Business Law Southwest  
Albuquerque, New Mexico

Guest: Kristy Donahue



**Douglas Conover**  
Law Offices of Douglas Conover LLC  
Chicago, Illinois

*President of LawPact and Member of the Board of Directors*

Guest: Cindy Conover



**John Pickervance**  
Forbes Solicitors  
Manchester, England

*Member of the Board of Directors*



**David Aldrich**  
Forge IP, PLLC  
Shelton, Connecticut



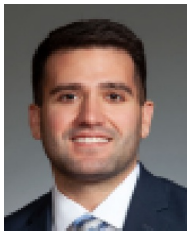
**David Azrin**  
Gallet Dreyer & Berkey, LLP  
New York, New York

Guest: Judy Azrin



**David Gaw**  
Gaw Estate Planning  
Napa, California

*Vice President - North America, and Member of the Board of Directors*



**Christopher Clemson**  
Gordon, Fournaris & Mammarella, P.A.  
Wilmington, Delaware

Guest: Sarah Yannes



**Thomas Mammarella**  
Gordon, Fournaris & Mammarella, P.A.  
Wilmington, Delaware

Guest: Barbara Marsh



**Scott Collins**  
Helsell Fetterman LLP  
Seattle, Washington



**Kameron Kirkevold**  
Helsell Fetterman LLP  
Seattle, Washington



**Nathan Watson** (firm administrator)  
Helsell Fetterman LLP  
Seattle, Washington

*LawPact Website Committee*



**Amy Delisle**  
KMB Law  
Mississauga, Ontario, Canada

Guest: Andrew Kirwin





**Amandeep Sidhu**  
Keyser Mason Ball, LLP  
Mississauga, Ontario, Canada

Guest: Mona Sidhu



**John Ambrogi**  
Latimer LeVay Fyock  
Chicago, Illinois

Guest: Loyanna Grierson



**Bryan Dardis**  
Meyers Roman Friedberg & Lewis  
Cleveland, Ohio



**Barbara Wells**  
Minor & Brown, P.C.  
Denver, Colorado



**Aaron Shumway**  
Newmeyer Dillion  
Las Vegas, Nevada

Guest: Janet Shumway

[First Time Delegate](#)



**Mark Hoyt**  
Sherman Sherman Johnnie & Hoyt  
Salem, Oregon

*Treasurer of LawPact, and Member of the Board of Directors*

Guest: Maggie Hudson



**Grace Fox**  
Sims Funk  
Nashville, Tennessee

[First Time Delegate](#)



**Kathy Speaker MacNett**  
Skarlatos Zonarich  
Harrisburg, Pennsylvania

*Member of the Board of Directors*

Guest: Colleen MacNett



**Wojciech Marczysyn** (firm administrator)  
TGC Corporate Lawyers  
Warsaw, Poland

Guest: Edyta Marczysyn



**Adam Russell**  
THK Law  
South Bend, Indiana



**Eric Seigel**  
THK Law  
South Bend, Indiana



**Madeleine ("Maddy") Lebedow**  
MfL Associates, Inc.  
Lincolnwood, Illinois

*Executive Director of LawPact*

Guest: Aaron Lebedow

### Lawpact La Jolla Conference – October 19 – 21, 2023

Welcome to La Jolla! I have put together some information about La Jolla and San Diego as we are a rather large county (4,200 square miles) with lots to see and experience.

Transportation: San Diego International Airport is very close to downtown San Diego and about 15 miles (24 kms) south of La Jolla. There is no public transportation from the airport to La Jolla but there are plenty of taxis available and an Uber/Lyft parking area. You will not need transportation while in La Jolla – everything will be within walking distance from our hotel. If you want to take a taxi while in La Jolla you will need to call at least 20 minutes in advance as there are no taxi companies in the Village. Uber and Lyft drivers are plentiful and usually close by.

Weather: September and October are my favorite months of the year in San Diego as the days are usually sunny and warm. If you are interested in swimming or snorkeling keep in mind the average temperature in the Pacific Ocean near San Diego in late October is 65 (F) / 18 (C).

I have provided links to several points of interest in La Jolla and the surrounding area. (Hover over the link and control/left click to open.) If you have any questions at all, please feel free to give me a call or shoot me an email. Kipp Williams (858) 551-2440, ext. 303  
[kwilliams@bkflaw.com](mailto:kwilliams@bkflaw.com)

All of us at Blanchard, Krasner & French look forward to seeing you in La Jolla in October!

The Grande Colonial: The conference will be held at The Grande Colonial, located in the heart of the Village. Built in 1913, The Grand Colonial was the first hotel built in La Jolla and will provide a unique venue for our conference.

<https://www.thegradecolonial.com/>



George's At the Cove: George's is a short walk from The Grand Colonial and the site of our Friday night dinner. I recommend lunch or drinks at the second floor bar or rooftop terrace if you have some free time before or after the conference.

<https://www.georgesatthecove.com/>



La Jolla Village Merchants: The La Jolla Merchants website provides a lot of information about where to eat and shop in the Village.

<https://lajollabythesea.com/>



Torrey Pines Golf Course: Torrey Pines is a public course and was the site of the 2008 and 2021 US Open Golf Championships. It is approximately a 15 minute drive from the Village and the mission-style Lodge is worth checking out as well.

<http://www.torreypinesgolfcourse.com/>



Balboa Park: Balboa Park was built for the 1915 Panama – California Exposition and today is home to our museums – the Natural History Museum, the San Diego Museum of Fine Art, Museum of Man and several others. Balboa Park is approximately 20 minutes from La Jolla. The San Diego Zoo is also part of Balboa Park.

<https://balboapark.org/>



San Diego Zoo: San Diego has a very nice zoo and is part of Balboa Park and is only 20 minutes from La Jolla.

<https://zoo.sandiegozoo.org/>



SeaWorld San Diego: Sea World is approximately 20 minutes south of La Jolla. There are lots of water rides for the kids and plenty of shows to attend. If I had to pick one, I would pick Sea World over the Zoo, especially if you are bringing children.

<https://seaworld.com/san-diego>



San Diego Safari Park: Safari Park is located about 45 minutes from La Jolla. It is different from the typical zoo in that it is primarily one very large enclosure. If you decide to visit, I recommend joining one of the vehicle tours where you are driven into the enclosure and up close to the animals.

<https://sdzsafaripark.org/>







**Board of Directors' Meeting**  
**Parlor Room, Grande Colonial Hotel, La Jolla, California**  
**Thursday, October 19, 2023**  
**3:30 Pacific (U.S.) Time**

LawPact Board of Directors:

Robert Brouillette  
Mark Hoyt  
Scott Pohlman  
Ian Wick

Douglas Conover  
Bernd Lichtenstern  
Martin Preslmayr

Dave Gaw  
John Pickervance  
Kathy Speaker MacNett

Invited Guests:

Madeleine Lebedow, Executive Director      Nathan Watson, Technical Advisor

Treasurer's Report: Mark Hoyt

Old Business

Weekly Zoom Conferences  
October 19-21, 2023: La Jolla, California  
Spring (April 11-13) 2024: Tel Aviv, Israel  
Fall 2024: Houston, Texas  
Spring 2025 (late May): Manchester (or London), England  
Membership Development  
Website revamp (Sherri Cook and Nathan Watson)

New Business

Zealth proposal for email  
LawPact Europe (Bernd Lichtenstern, John Pickervance, and Martin Preslmayr)  
LawPact Latin America  
Future Meetings  
Other new business?

Next meeting:

November 8, 2023 (conference call) via Zoom

Adjournment



Corporate  
Transparency Act

Reporting  
Requirements &  
Preparing Your Clients

*Tiana Garbett*

*October 20, 2023*

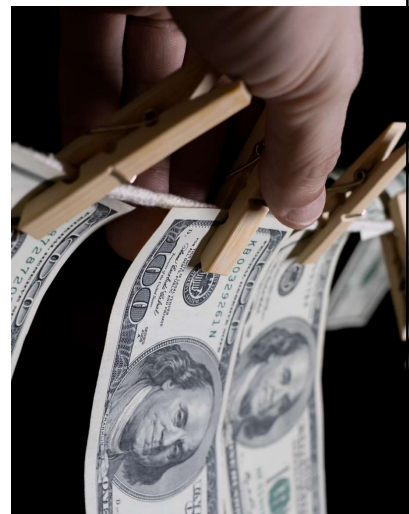
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## Corporate Transparency Act (the “CTA”)

- Passed by Congress on January 1, 2021 as part of the National Defense Authorization Act (NDAA).
- Imposes extensive reporting requirements on beneficial owners of most entities that are formed and/or operating in the US to the Financial Crimes Enforcement Network (FinCEN)
- Primary purpose:
  - transparency of legal entities
  - detect and combat illegal activities.
- Each year it is estimated that more 2 million corporations or LLCs are formed under state law.



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## Overview of Key Information

- The CTA requires all Reporting Companies to file a BOI report reporting information on the reporting company and its Beneficial Owners.
- Effective Date: **January 1, 2024**
  - Companies formed prior to this date will have 1 year to comply (**January 1, 2025**)
  - Companies formed after this date, but prior to January 1, 2025, will have 90 days
  - Companies formed after January 1, 2025 will have **30 days\*** to comply



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## BOI Report: Reporting Procedure with FinCEN

- Reporting Information:
  - Electronically filings through a secure filing system available via FinCEN's website.
  - Form to report beneficial ownership
  - FinCEN's beneficial ownership information webpage.
- FinCEN aims to establish a contact center prior to January 1, 2024, for BOI reporting requirements questions



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## Overview of Key Information

- What is a “Reporting Company”?
- What is a “Beneficial Owner”?
- What is a “Company Applicant”?
- How to Prepare for Reporting Requirements?



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## What is a “Reporting Company”?

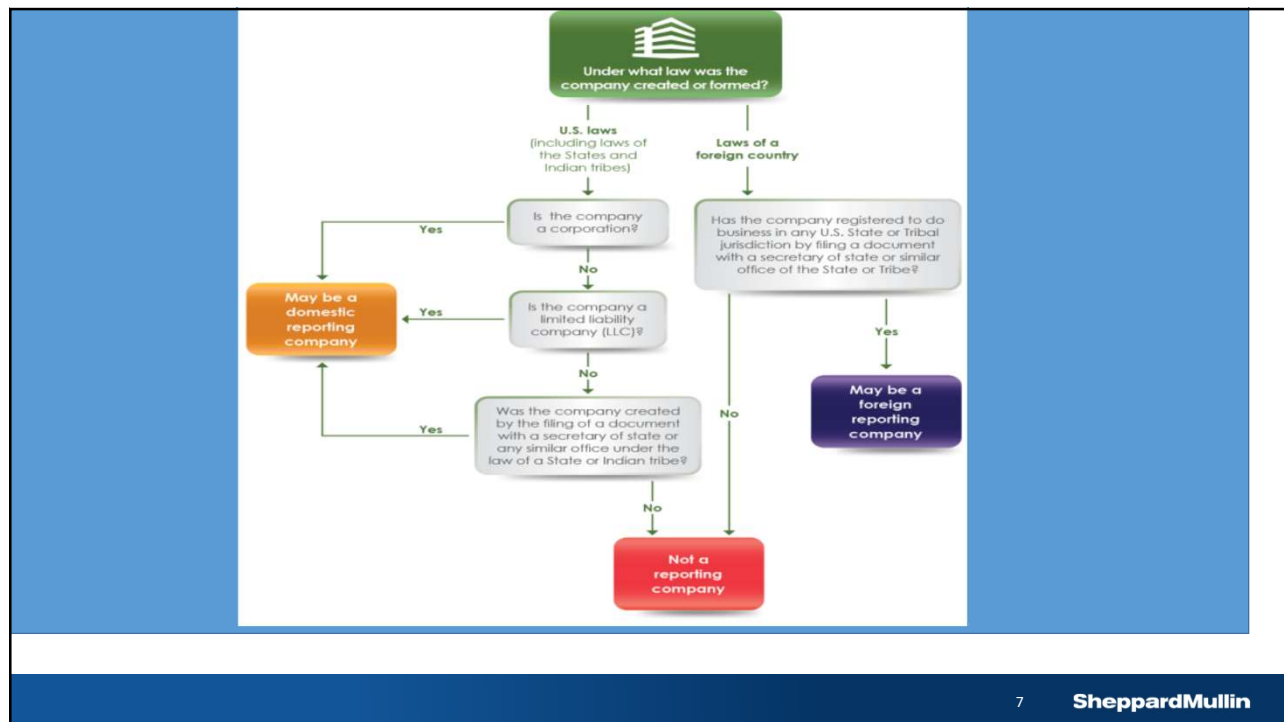
- Any entity formed by the filing “of a document with a secretary of a State or any similar office of a State or Indian tribe”
  - Corporations, LLCs, etc.
- Any foreign entity (corporation, LLC or other entity) formed under the law of a foreign country and registered to do business in the US is a reporting company.
  - The registration requirements and determination of what constitutes “doing business” varies by State and will need to be reviewed.
- *Likely NOT reporting companies:* Sole proprietorships, certain types of trusts, and general partnerships
  - The registration and filing provisions vary by State and need to be reviewed.



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## Exempt Entities

- The CTA specifically excludes from the definition of “reporting company” 23 types of entities.
- These include a number entities (e.g. credit unions, insurance companies, exchanges or clearing agencies) already subject to substantial federal or state regulation or already have to provide their beneficial ownership information to a governmental authority.
- Also included, among others, are:
  - Securities Issuers
  - Banks
  - Accounting firms;
  - Tax exempt entities and entities assisting tax exempt entities;
  - Inactive businesses; and
  - Large operating companies (“LOC”).

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## Exempt Entities: Large Operating Company Exception

- Must satisfy the following 3 criteria:
  1. Employs more than **20 employees** on a **full-time basis** in the US (CANNOT consolidate headcount across affiliates);
    - “full-time employee” anyone who works at least 30 hours per week or 130 hours per month
  2. Filed federal U.S. income tax returns in the previous year with more than **\$5M in gross receipts or sales** in the *aggregate* (CAN use gross receipts for consolidated groups); and
  3. Has an operating presence at a **physical office** with the US.
    - entity must own/lease the space, the space cannot be a personal residence, and the space cannot be shared with anyone other than affiliated entities

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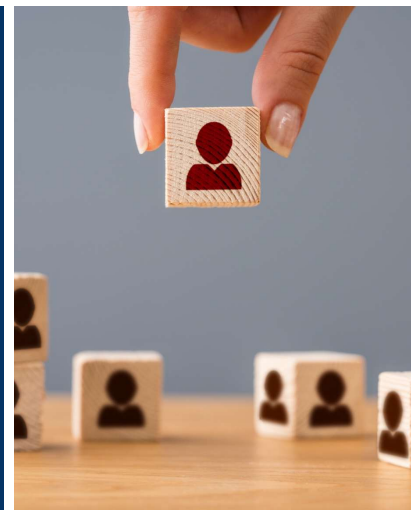
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## Who Is a “Beneficial Owner”?

“**Beneficial Owner:**” any individual who, directly or indirectly, through any contract, arrangement, understanding, relationship, or otherwise:

1. Exercises **substantial control** over the entity; or
  2. **Owns or controls not less than 25-percent** of the ownership interests of the entity.
- **NOT beneficial owners:** minors, creditors, any nominee, intermediary, custodian or agent acting on behalf of another individual, individuals acting solely as employees, and individuals whose only interest in a reporting entity is through a right of inheritance



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## (1) Exercises “Substantial Control”

The CTA does not define “substantial control” for purposes of determining beneficial owners.

The final rules set forth 3 specific indicators of substantial control:

1.

Service as a senior officer of a reporting company (position or exercising the authority of a president, CFO, CEO, GC, COO or any other officer, regardless of title who performs a similar function—not Corporate Secretary or Treasurer-ministerial functions);

2.

Authority over the appointment or removal of any senior officer or dominant majority of a Board or similar body of a reporting company;

3.

Direction, determination, or decision of, or substantial influence over important decisions made by a reporting company.

The first indicator looks to *de jure* authority and the last 2 to *de facto* authority.

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## 1.1 Exercises “Substantial Control”

1.

Service as a senior officer of a reporting company (position or exercising the authority of a president, CFO, CEO, GC, COO or any other officer, regardless of title who performs a similar function—not Corporate Secretary or Treasurer-ministerial functions);

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## 1.2 Exercises “Substantial Control”

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2.

Authority over the appointment or removal of any senior officer or dominant majority of a Board or similar body of a reporting company;

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## 1.3 Exercises “Substantial Control”

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3.

Direction, determination, or decision of, or substantial influence over important decisions made by a reporting company.

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## Substantial Control: What Are “Important Company Decisions”?

Decisions regarding the reporting company’s:

### 1. **Business**, such as

1. Nature, scope and attributes of the business
2. Selection or termination of business lines or ventures or geographic focus
3. Entry into, fulfillment or termination of significant contracts

### 2. **Finances**, such as

1. Sale, lease, mortgage or transfer of any principal assets
2. Major expenditures or investments, issuance of any equity, incurrence of significant debt, or approval of operating budget

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## Substantial Control: What Are “Important Company Decisions”?

### 3. **Structure**, such as

1. Reorganization, dissolution or merger
2. Amendments of substantial government corporate documents, such as AOI, Bylaws, or significant procedures/policies of the company

*\*Catch-all: Any other form of substantial control over the reporting company (i.e., Control exercised in new or unique ways can still be substantial; flexible corporate structures may have different indicators of substantial control)*

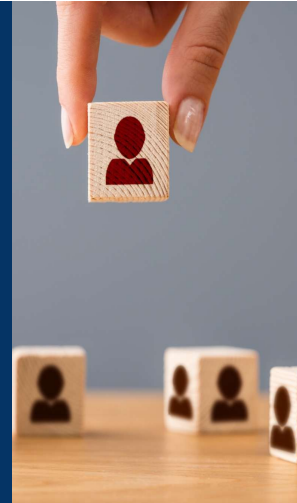
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## (2) “Owns or controls not less than 25% of the ownership interests”

- The final rules define “ownership interest” to include:
  - **Equity, stock or voting rights:** or similar instrument; preorganization certificate or subscription; or transferable share of, or voting trust certificate or certificate of deposit for, an equity security, interest in a joint venture, or certificate of interest in a business trust;
  - **Capital or profit interests;**
  - **Convertible instruments** or futures:
  - Warrants, rights or option or privileges to acquire equity, capital or other interests in a reporting company regardless of whether they are characterized as debt;



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## (2) “Owns or controls not less than 25% of the ownership interests”

- The final rules define “ownership interest” to include:
  - **Option or Privilege:** Puts, calls, straddles or other option or privilege of buying or selling ownership interests; or
  - **Catch-all:** Any other instrument, contract, arrangement, understanding, relationship, or mechanism used to establish ownership.
- A person can own or control ownership interests as a grantor or settlor, a beneficiary, a trustee, or another person with authority to dispose of trust assets.
- Function over form will drive the identification of beneficial owners.



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## Ownership Interest Commentary

- Listed forms of ownership (like equity or stocks) are independent of voting power or voting rights (which may be relevant to the related but conceptually distinct concept of substantial control)
- FinCEN declined to add provisions with respect to constructive ownership or attribution
  - for example, by spouses, children, or other relatives, by reference to other statutory or regulatory authorities such as the Internal Revenue Code. FinCEN believes that the terms “ownership interest” and “substantial control” are sufficiently comprehensive.
- Holders of contingent interests: Options and similar interests are treated as though exercised and added to the calculation of an individual’s total ownership interest.
  - Note: The present value of a contingent interest is irrelevant to the calculation of percentage of ownership interests.
  - Example: An individual with a 26% profits interest is deemed to own or control 25% or more of a company even if the value of the profits interest is indeterminate or negligible at the present time.

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## What Information Must Be Reported to FinCEN?

Unless an exclusion applies, each reporting entity must submit a report to the Director of FinCEN that includes the following information :

### **About the Reporting Company:**

1. Full legal name of the reporting company
2. Any trade name or d/b/a:
3. The business street address of the reporting company. The State, Tribal or foreign jurisdiction of formation where the company first registers; and
4. IRS TIN (including an EIN) or where a foreign company has not been issued a US TIN, a tax identification number issued by a foreign jurisdiction and the name of the foreign jurisdiction.

### **About the Beneficial Owners**

1. Full legal name:
2. Date of birth:
3. Residential street address of the individual
4. Unique ID number and issuing jurisdiction from either a non-expired US passport, driver’s license , or other identification document issued by a state, local government, or Indian Tribe; and
5. An image of the document from which the unique identifying number in 4 above was obtained.

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## What Information Must Be Reported to FinCEN?

- Each person filing such report will have to certify that the report is accurate and complete.
- While an individual may file a report on behalf of a reporting company, the company is ultimately responsible for the filing. The same is true of the certification.

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## FinCEN Identifier

- An individual may obtain a FinCEN identifier by submitting to FinCEN an application containing the information/documentation required for individuals on the prior slide.
- Once obtained the reporting company may include such FinCEN identifier in its report in lieu of the information on the prior slide with respect to such individual
- FinCEN intends to provide individuals and reporting companies that choose to request a FinCEN ID with information about the application process, the processing time, the procedure for updating a FinCEN ID, and other procedural questions.



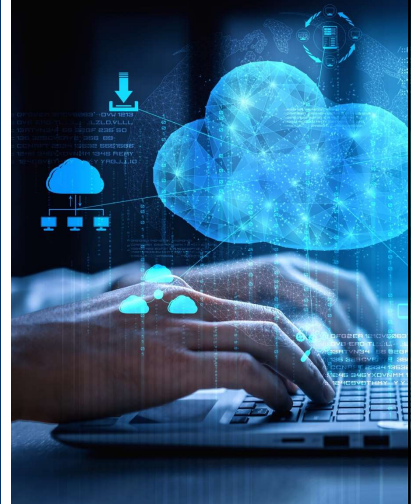
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## Who are “Company Applicants”?

- “Company Applicant”: any individual who directly files the document that creates a reporting company or first registers a foreign reporting company with a US secretary of state or similar office.
  - Additionally, the individual who is primarily responsible for directing or controlling such filing if more than one individual is involved in the filing of the document (e.g. both a law firm lawyer AND paralegal).
- Company applicants may apply for a FinCEN ID in lieu of providing their identifying information.
- Reporting companies existing or registered **as of January 1, 2024** are NOT required to identify or report company applicants.



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## Updates and Corrections to BOI Reports

### Updated Reports

- Reporting companies must file updated reports within 30 calendar days after the date of any change with respect to any change of information provided to FinCEN
- Death of a reporting individual- a change is deemed to occur when the estate of the beneficial owner is settled. The updated report shall remove the deceased beneficial owner and, if applicable, identify any new beneficial owners.
- Minor children-if a company reported information of the parent or legal guardian, a reportable change is deemed to occur when the minor child reaches the age of majority.

### Corrected Reports

- Reporting companies will need to file a corrected report within 30 calendar days after the date it becomes aware or has reason to know that any reported information was inaccurate when filed and remains inaccurate.
- A correctly filed report within the 30-day period is deemed to satisfy 31 USC 5336(h)(3)(C)(i)(I)(bb) if filed within 90 calendar days after the date on which an inaccurate report is filed.

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## Updates and Corrections to BOI Reports (continued)

### Examples of Information to be Updated:

- Any change to the information reported for the reporting company, such as registering a new business name.
- A change in beneficial owners, i.e. new CEO, or a sale that changes who meets the ownership interest threshold of 25%.
- Any change to a beneficial owner's name, address, or unique identifying number previously provided to FinCEN.
- Any change in Company status that may constitute the entity as exempt from further reporting requirements.

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## What Are the Penalties for Non-Compliance?

- Civil penalty is \$500 per day for each day that the violation continues or has not been remedied
- If a person **willfully** provides **false or fraudulent** beneficial ownership information to FinCEN, or willfully fails to report complete or update beneficial ownership information to FinCEN, such person may be subject to a fine of up to \$10,000 and imprisonment of up to two years.



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## Who Will Have Access to the Beneficial Owner Information?

- The beneficial ownership information submitted to FinCEN is sensitive information and will be directly available only to authorized government authorities subject to safeguards and controls.
- It will not be available to the general public.
- Any person who knowingly discloses or uses the beneficial ownership information obtained through FinCEN reports will face penalties of up to US\$10,000 and/or imprisonment of up to two years.
- The Act requires the Secretary of the Treasury to maintain the beneficial owner information in a secure, nonpublic database, using information security methods and techniques that are appropriate to protect nonclassified information systems at the highest security level; and to take all steps, including regular auditing, to ensure that government authorities accessing beneficial ownership information do so only for authorized purposes consistent with the Act.

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## Who Will Have Access to the Beneficial Owner Information? (continued)

- The CTA provides for limited disclosure exceptions
  - Request by certain US federal agencies, financial institutions, and regulatory agencies to facilitate important national security, intelligence, and law enforcement activities;
  - To confirm beneficial ownership information provided to financial institutions
- The CTA expressly permits the IRS to be able to access the beneficial ownership information for tax administration purposes.



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## Preparing for Compliance: Counsel and Clients

### 1. Preparing Reporting Information

- Advising your clients to begin collecting reporting information.

### 2. Obtaining a FinCEN Identifier

- Counsel and Clients



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## Preparing for Compliance: Counsel and Clients (continued)

### 3. Updating Internal Policies:

- Questionnaires:
  - Request BOI reporting information in investor questionnaires prior to financings.
  - Ownership changes for a reporting company may trigger update requirements to FinCEN.
- Due Diligence Risk Area:
  - For companies involved in M&A activity, consider ensuring target companies have fulfilled their reporting obligations.
  - Incorporating CTA compliance checklists in diligence process.
- Reporting Procedures:
  - Monitoring reporting status changes



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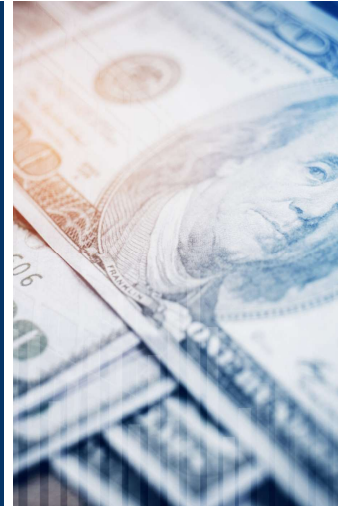
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## Preparing for Compliance: Privacy Considerations

- Staying compliant with privacy laws, would require companies, at minimum, to:
  - Revise existing data inventories and records.
  - Review existing privacy policies and revise to include notice regarding new collection and disclosure of beneficial owner information.
  - Obtain and document consent for collection and use of the information where required.
  - Implement and maintain technical, administrative and physical security measures to ensure the information (particularly the copies of identifying documents) are protected from unauthorized access, use or disclosure.



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## Resources

The CTA will place a large responsibility on companies, specifically small businesses, to prepare and submit reporting information to FinCEN. As the law continues to develop, we expect FinCEN to provide additional guidance on the reporting process.

FinCEN's Small Entity Compliance Guide: [BOI Small Compliance Guide \(fincen.gov\)](https://www.fincen.gov/boi-small-compliance-guide)

FinCEN's BOI FAQ: [BOI FAQs Q&A \(fincen.gov\)](https://www.fincen.gov/boi-faq)

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## Contact Us



**Andrius Kontrimas**  
(713) 431-7111 | Houston, TX  
akontrimasn@sheppardmullin.com



**Tiana Garbett**  
(858) 720-7456 | Del Mar, CA  
tgarbett@sheppardmullin.com



**Farha Moiduddin**  
(858) 509-3691 | Del Mar, CA  
fmoiduddin@sheppardmullin.com



# Risk Management for Lawyers

Insuring Against Risks from Cyber Crime and AI Issues





# Presenter Bios

Brian Savitch - Senior Vice President - [brian.savitch@amwins.com](mailto:brian.savitch@amwins.com)

Industry Experience: Almost 20 years - wholesale broker since 2004, all in Management and Professional Liability. Specialized book includes law firms, architects & engineers, contractors, tech companies, real estate, and cannabis. Amwins Cannabis practice leader for ML/PL.



Colin Barber - Senior Marketing Broker - [colin.barber@amwins.com](mailto:colin.barber@amwins.com)

Industry Experience: 1.5 years underwriting workers compensation; seven years on the wholesale side at AmWins, specializing in tech, law firms, architects & engineers, contractors and Cannabis.





**01 AI & ChatGPT**

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**02 Usages & Legal Implications**

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**03 Insurance**

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**04 Cyber**

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**05 Claims Examples**



# What is AI?

AI is the simulation of human intelligence processes by machines, especially computer systems. In general, AI works by ingesting large volumes of labeled training data, analyzing the data for patterns and correlations, and then using those patterns to predict future states.





# What is ChatGPT?

ChatGPT, which stands for Chat Generative Pre-trained Transformer, is a large language model-based chatbot developed by OpenAI, which enables users to refine and steer a conversation towards a desired length, format, style, level of detail, and language. The language model can respond to questions and compose various written content, including articles, social media posts, essays, code and emails.





## Is Anyone Using ChatGPT?

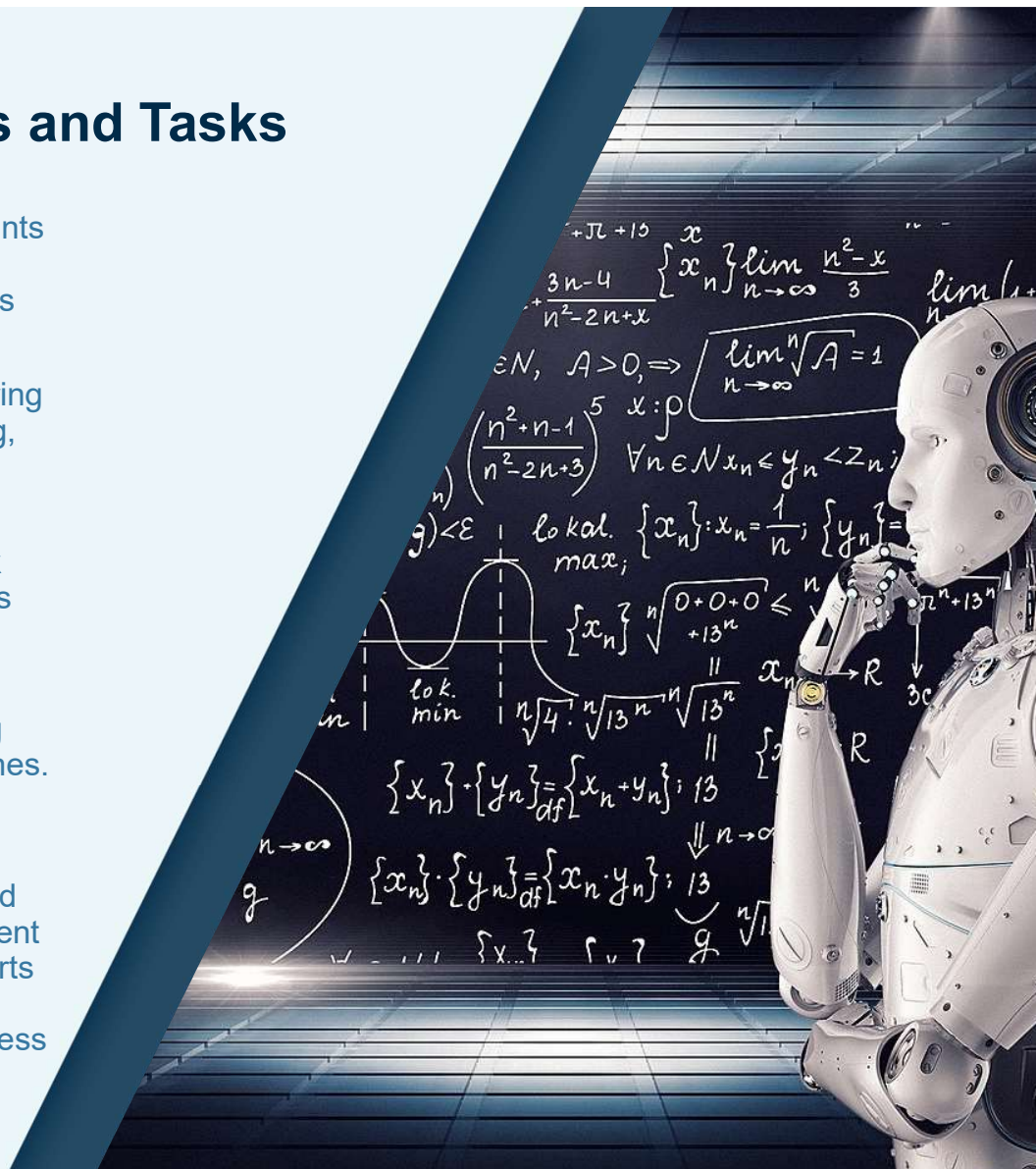
- According to a recent report from Goldman Sachs, a bank, 44% of legal tasks could be performed by ai, more than in any occupation surveyed except for clerical and administrative support. Lawyers spend an awful lot of time scrutinizing tedious documents—the sort of thing that ai has already demonstrated it can do well. Lawyers use ai for a variety of tasks, including due diligence, research and data analytics. These applications have largely relied on “extractive” ai, which, as the name suggests, extracts information from a text, answering specific questions about its contents.
- Not all lawyers are convinced. One recent survey found that 82% of them believe generative ai can be used for legal work but just 51% thought it should. Many worry about “hallucinations”.
- Concern about misinformation that may appear on the internet. Apparently, AI systems can go further and actually generate misinformation, a phenomenon called “hallucinations.”





## AMWINS™ Examples of Platforms and Tasks

- ❑ **LegalRobot:** helps users understand and draft legal documents with ease. Document analysis, automated contract drafting, customize legal documents to suit individual needs. Algorithms turn legalese into a clear explanation in plain language.
- ❑ **Latch:** ai-powered legal practice management software, offering case management document automation, time tracking, billing, and client communication tools
- ❑ **OneLaw.ai:** ai-powered legal research platform using natural language processing to understand/analyze legal docs. Quick access to case law, statutes, and regulations. Citation analysis and automated case summarization.
- ❑ **LawGeex:** ai-powered contract review platform to help streamline the process. Automates contract review, identifying issues and ensuring compliance with internal/external guidelines. It can quickly analyze contracts, comparing them against pre-defined criteria and providing actionable insights and recs.
- ❑ **PatentPal:** ai-driven platform that simplifies patent search and analysis process for inventors, law firms, and companies. Patent search, analysis, monitoring tools, the ability to generate reports and compare patents. Helps users identify relevant patents, analyze strength/weaknesses, making the patent search process more efficient and accurate.





## How are law firms using it? Pros

- To draft a will or trust documents makes more sense.
- Write the brief, draft the contract. When putting briefs together, you still (always) need to check your work and add citations.
- At end of summary judgement, the responsible lawyer signs that motion.
- Run brief through AI to make it sound better. Trust but verify.
- Speed up efficiencies. Make responses better.
- Based on research, AI has been wrong (legal precedent/case law). Should be a tool.
- More sophisticated firms are using it actively. Client specific.
- Just another piece of technology that lawyers would use.
- This is like Word on steroids – not materially change the practice of law.
- Is there a difference between cloud based software and chatGPT?
- The larger law firms are investing in their own AI.



## How are law firms using it? Pros Continued

**Document Review and Legal Research** – quickly review vast amounts of legal docs, find relevant case law, precedents

**Due Diligence and Contract Review** – streamline due diligence process with automation of contracts, financial statement review (reducing risk of human error)

**Legal Compliance** – monitor regulatory changes and ensuring a firm remains compliant with evolving laws/regulations

**Workflow Automation** – automate repetitive tasks such as scheduling, document generation, data entry, freeing up lawyers to focus on complex/strategic work

**Cost Reduction** – by automating tasks and speeding up processes, AI can help reduce overall operating cost of a law firm



## How are law firms using it? Cons

**Cost of Implementation** – some AI systems can require a significant upfront investment (software, hardware, training, integration into existing systems)

**Accuracy and Reliability** – AI platforms are not infallible. They may provide inaccurate or incomplete info and their algorithms can be influenced by biases present in the training data.

**Lack or Loss of Expertise** – specialized technical knowledge and skill to implement and maintain. Hiring an IT expert can be costly and time consuming

**Client Trust and Ethical Concerns** – client might have concern as it can affect their rights and interest. Ethical concerns about delegation of certain tasks?

**Loss of Personal Touch** – human touch, empathy, nuanced understanding of individual cases. Over reliance on AI could diminish the lawyer/client connection





## What are a law firm's obligations to a client?

- Loyalty
- Confidentiality
- Competency
- Diligence
- Communication
- Fiduciary Duty
- Compliance with Ethical Rules



## AMWINS™ ABA Model Rules that might apply?

**ABA Model Rule 1.1** states in part that “a lawyer shall provide competent representation to a client. Competent representation requires the legal knowledge, skill, thoroughness, and preparation necessary for the representation.”

It’s tough to satisfy that rule by relying solely on work produced by an AI platform.

**ABA Model Rule 1.6** states, with limited exceptions, “a lawyer shall not reveal information related to the representation of a client unless the client gives informed consent.”

Protecting confidentiality is a foundational principle of the legal field, but it’s worth emphasizing that AI platforms are public in nature and they can use the information provided to them in the future, for non-firm work.





## ABA Model Rules that might apply? Continued

When ChatGPT was asked why a lawyer should not use AI platforms for legal research, it produced a very good answer: “One concern is the accuracy and reliability of the information produced by AI algorithms. AI platforms may make mistakes or draw incorrect conclusions, which could have serious consequences for legal cases.”

The lawyer must take what is generated by AI and independently confirm the information provided.

**Model Rule 2.1** requires in part that “in representing a client, a lawyer shall exercise independent professional judgment and render candid advice.”

That independence would seem to run counter to simply adopting positions from outside nonlawyers, including AI.

**ABA Model Rule 5.3**, which governs non-lawyer assistance. That rule requires, in part, that a lawyer having “direct supervisory authority over the non-lawyer shall make reasonable efforts to ensure that the person’s conduct is compatible with the professional obligation of the lawyer.”

It is arguable that this provision extends to legal software and AI-driven legal programs.





## How can a law firm run afoul? Stephen A Schwartz case

The lawyer had created a legal brief for a case in Federal District Court that was filled with fake judicial opinions and legal citations, all generated by ChatGPT. He did not comprehend that ChatGPT could fabricate cases.

Robert Mata suing Avianca (airline) claiming he was injured when a metal serving cart struck his knee.

Avianca asked judge to dismiss the lawsuit because the statute of limitations expired.

Mata's lawyers responded with 10-page brief citing multiple court cases, like *Martinez vs Delta Airlines*, *Zicherman vs Korean Airlines* and *Varghese vs China Southern Airlines*, in support of their argument that the suit should be allowed to proceed.

Avianca's lawyers could not locate the cases, so judge ordered Mata's lawyers to provide copies. They submitted a collection of decisions.





## Stephen A Schwartz case continued...

It turned out the cases were not real.

“Did you read any of the cases cited?” Judge Castel asked.

“No,” Mr. LoDuca replied.

“Did you do anything to ensure that those cases existed?”

No again.

The judge wrote in the sanctions order that there is nothing "inherently improper" in lawyers using AI "for assistance," but he said lawyer ethics rules "impose a gatekeeping role on attorneys to ensure the accuracy of their filings."

Schwartz was sued for malpractice. We are waiting to hear about the outcome (from the carrier).





## Suggested safeguards to help make AI safe?

### Discuss ChatGPT with Clients and Obtain Their Informed Consent to its Use

- ✓ Firms should obtain the informed consent prior to engaging in certain actions, given potential confidential/privileged/protected info may be disclosed outside the attorney-client relationship
- ✓ Consider discussing if, how and when generative AI/ChatGPT may or will be used during representation
- ✓ Include provisions or addendums to their engagement agreement (use of AI or ChatGPT), which at least puts clients on notice
- ✓ Regularly reassess the use and protections offered by AI programs and communicating those conclusions with clients

### Supervise ChatGPT as You Would Any Other Non-Lawyer Assistant

- ✓ ChatGPT is not licensed to practice law or provide legal services
- ✓ The supervisor may want to retain an IT expert to vet the ai product being contemplated for use, look at firm's current IT capabilities, plus education and training needed for all staff to effectively use the platform
- ✓ Supervisory attorney must review/vet any ai generated content that will be included in a motion, pleading, contract or any document/communication being sent outside the firm
- ✓ Verify the accuracy of the output, rather than blind reliance



## What will the future hold? Will this change this industry? Less bodies?

AI has the potential to transform the legal profession in big ways.

1) *It could reduce big firms' manpower advantage.* Now a single lawyer or small firm will be able to upload these documents into a litigation-prep ai and begin querying them. As Lawrence Lessig of Harvard Law School notes, "You can be a smaller, leaner specialized firm and have the capacity to process these sorts of cases."

2) *AI could change how firms make money* - firms profit by "having armies of young lawyers to whom they pay less than they charge clients". If AI can do the work of those armies in seconds, firms will need to change their billing practices. Some may move to charging flat fees based on the service provided, rather than for the amount of time spent providing it. Stephen Wu of Silicon Valley Law Group speculates that firms may charge "a technology fee", so that "clients don't expect to get generative ai for nothing".

3) *AI could change how many lawyers exist and where they work.* Eventually, Mr Lessig argues, it is hard to see how ai "doesn't dramatically reduce the number of lawyers the world needs". If ai can do in 20 seconds a task that would have taken a dozen associates 50 hours each, then why would big firms continue hiring dozens of associates? A veteran partner at a prestigious corporate-law firm in New York expects the ratio of associates to partners to decline from today's average of perhaps seven to one at the top firms, to closer to parity. If associates aren't worried about their jobs, he says, "they should be".



## What will the future hold continued...

4) AI could make legal services cheaper and thus more widely available, particularly for small and medium-sized businesses that currently often struggle to afford them.

5) Ambitious law-school graduates may find that ai provides an easier path to starting a solo practice. If so, then ai could actually lead to an increase in the overall number of lawyers, as well as changing the sort of tasks they perform.

6) Ultimately this will be good news for clients. “People who go to lawyers don’t want lawyers: they want resolutions to their problems or the avoidance of problems altogether,” explains Mr Susskind. If ai can provide those outcomes then people will use ai. Many people already use software to do their taxes rather than rely on professionals; “Very few of them are complaining about the lack of social interaction with their tax advisers.”



## How does it relate to malpractice insurance? What does lawyers professional liability cover?

Any lawyer in the performance or failure to perform (negligence) Legal Services on behalf of the Named Insured.

Legal Services means those services provided on behalf of the Named Insured by an Insured, for others, as a licensed lawyer in good standing, including services as:

- An arbitrator or mediator;
- a notary public;
- a title agent;
- a lobbyist;
- administrator, conservator, receiver, executor, guardian, trustee, escrow agent or in any other fiduciary capacity;
- expert witness services that are related directly to the practice of law

but only where such services were performed in the ordinary course of the Insured's activities as a lawyer.

### Would it trigger?

- ✓ Failure to supervise? Still negligence
- ✓ Failure to check citations and references? Still negligence
- ✓ Failure to protect sensitive client info? Still negligence





## Can AI be used against a law firm by hackers? Is it currently being used?

- 1) AI has in fact changed the threat landscape
- 2) AI is being used by threat actors to craft more sophisticated/natural sounding fishing emails.
- 3) Historical telltale signs were not proper sentence construction.





**Cyber – how many of you currently buy? If not, why not? What do you think your biggest Cyber exposure is?**



# AMWINS™ What is Cyber Liability?

A specialty insurance product intended to protect business from internet-based risks, and more generally from risk relating to information technology infrastructure and activities. The cyber insurance policy helps a company pay for any financial losses that may occur in the event of a cyberattack or data breach. It also helps cover costs related to the remediation process, ie paying for the investigation, crisis communication, legal services and refunds to customers.

One of the main drivers of cyber loss is *Ransomware*.

*Ransomware* is a type of malicious software or encryption program that works by encrypting data on a network and then demanding that a ransom be paid in exchange for a decryption key to regain access to the data. Ransomware has wreaked havoc on countless businesses in recent years, and those operating in the legal sector are no exception to this.





# What is Cyber Liability continued...

To improve their leverage in ransom negotiations, threat actors have now started to exfiltrate data during the course of ransomware attacks, which they can then threaten to publish online. Log in, even if they have back-ups in place they can recover from, the potential reputation harm caused by having their data published online, may make them more inclined to pay the ransom demand.

*The Big Picture:* Law firms and other organizations that operate within the Legal industry rely on IT services for many of their critical day-to-day operations. Businesses in the legal field regularly handle high volumes of sensitive client data, which positions them as prime candidates for ransomware attacks.

In the first quarter of 2022 alone, the average ransom payment increased 43% to \$220,298 per attack, with 24.9% of all attacks targeting professional services firms, such as small and midsize law firms, due to inadequate implementation of cybersecurity practices.



## AMWINS™ Why are law firm's targets?

- They hold client sensitive information
- HIPPA, Trust/Estate Individuals
- Consequences to that info being released
- Weaker controls/infrastructure compared to other industries
- If info is compromised, you get sued





# Types of Claims

## *Ransomware*

### *Financial Fraud*

- In speaking with the head of Cyber at a leading Cyber carrier...
- Law firms see much higher than average severity for Ransomware claims.
- Law firms are much more inclined to pay an extortion demand for data suppression (keeping bad actors from publishing/selling client data on dark web).
- Law firms actually use that as additional leverage to get the carrier to pay an extortion demand.
- If it's a data breach, exfiltrating encryptionless ransomware type of event, \$5mm - \$10mm law firms are paying \$1.5mm - \$2mm extortion demands, only to prevent customer info from getting published.
- Reputational harm
- Family Law, Estate/Trust, Firms with Fortune 500 clients (IP)
- Loss ratio north of 150% but makes up less than 5% of the entire book. Good would be 40-60%.
- As such, recently had to adjust rates and deductibles
- Law firms are targets for double or triple extortion. Threat actors will re-brand and come back for another extortion demand.
- Once in, they can start sending customers fraudulent emails





# What can a law firm do to help prevent?

Fishing, Social Engineering are rampant.

- 1) Good Email security is huge. Products that can sift out these fraudulent emails. Good email management product can help. Minecast and Gmail are two best.
- 2) Securing the perimeter / remote access. Have MFA in force for all users. No special permission grants for some senior partner.
- 3) Make sure you're using patching software on a regular basis (insurance companies can help).
- 4) Have an offline backup



# AMWINS™ Claim Example

\$20mm revenue firm catering to private individuals and commercial organizations, across wide range of AOPs

Employee receives Phishing email from assumed “trusted” contact

Email appeared as part of pre-existing email chain and came with a Word doc attached, with the latest email in the chain simply stating “Please see attached.”

As email appeared to come from legitimate source, the employee clicked on the attachment

While attempting to open, notification that document was created in a previous version of Word, and to click “enable content” in order to view. Employee of course did so.

This enabled Macros to run and execute malicious code onto end user’s computer.

Malicious software was downloaded onto employee’s computer, allowing hacker to gain remote access to the device

Signaled basic network info back to threat actor, like company’s domain name...investigating the org to decide whether worth infiltrating further

Law firm was deemed a lucrative target

Hacker downloaded a password scraping software from the internet which allowed them to gain access to every password ever used on the employee’s computer



# Claims Example continued...

With these credentials, they were able to gain higher access privileges across the law firm's network and launch their own encryption software across multiple servers

This resulted in a ransom note for the business and requested payment of \$195,000 in bitcoin be made in exchange for decryption key

Carrier's forensics team advised this gang had a history of falling back on promises to delete data, so they opted not to pay the ransom demand.

Forensics initial findings suggested that the exfiltrated data was largely benign.

Hackers then published the stolen data on a file sharing website.

Incident response team contacted the website, requesting the data be removed (stolen) as this breached the file sharing service's own terms of service, and they agreed to promptly remove the data from the site.

Although the firm was able to recover back-ups and avoid paying the ransom, incident was not without costs.

\$28k for forensics and \$34k for 3rd party legal assistance company in total.

Thankfully those costs were all recoverable under the law firm's Cyber policy.



Virus identification



Safety



2 Factor Authentication



Global security



Hackers



# More Claim Examples...

Ransomware attack, law firm attempted to restore their systems from backups.

Working with a MSP, they thought things were under control, until they learned the threat actor exfiltrated data and threatened to leak

Law firm felt urge to pay the ransom to protect client data

Breach/Incident response began and discovered threat actor stole more than 100GB of data

Incident Response engaged with threat actor and requested evidence of what data had been stolen

Incident Response team negotiated ransom down from six-figures to less than half of the demand

That was covered by the firm's Cyber policy.

Ultimately received video confirmation of hacker deleting the files



# AMWINS™ More Claims Examples

- ❑ A Prominent Boston-based law firm with Fortune 500 clients experienced a ransomware attack in August 2021. The attack resulted in the exposure of Personally Identifiable Information (PII) such as financial information, Social Security numbers, and passport numbers
- ❑ A law firm for celebrities such as Lady Gaga & Elton John was struck with a REvil ransomware attack in May 2020. The original ransom was \$21 million but doubled to \$42 million once the group uncovered files related to former President Donald Trump.
- ❑ An international law firm fell victim to a “Clop Gang” ransomware attack in February 2021. The attackers managed to steal 100 gigabytes of sensitive files and began publishing the data as proof of their successful attack.







**Time for questions?  
Don't be Shy!**



# An Evolving Landscape: GENERATIVE ARTIFICIAL INTELLIGENCE (AI) IN LEGAL PROFESSION

*Presented by:*

- ▶ Andy Servais, Klinedinst
- ▶ Irean Swan, Klinedinst

1

## Generative AI: What Is It?

Generative AI is a type of machine learning technology that is trained on an input dataset to create new outputs, including text, software code, images, audio, and video. The technology is particularly groundbreaking because of its ability to sometimes produce human-like outputs.

Generative AI does what its name implies. Generative AI takes text a person puts into the platform and responds to it with a text “output” derived from text that had been previously put into the platform

2

# How will Language Modelers like ChatGPT Affect Occupations and Industries?

Ed Felten (Princeton)  
 Manav Raj (University of Pennsylvania)  
 Robert Seamans (New York University)<sup>1</sup>

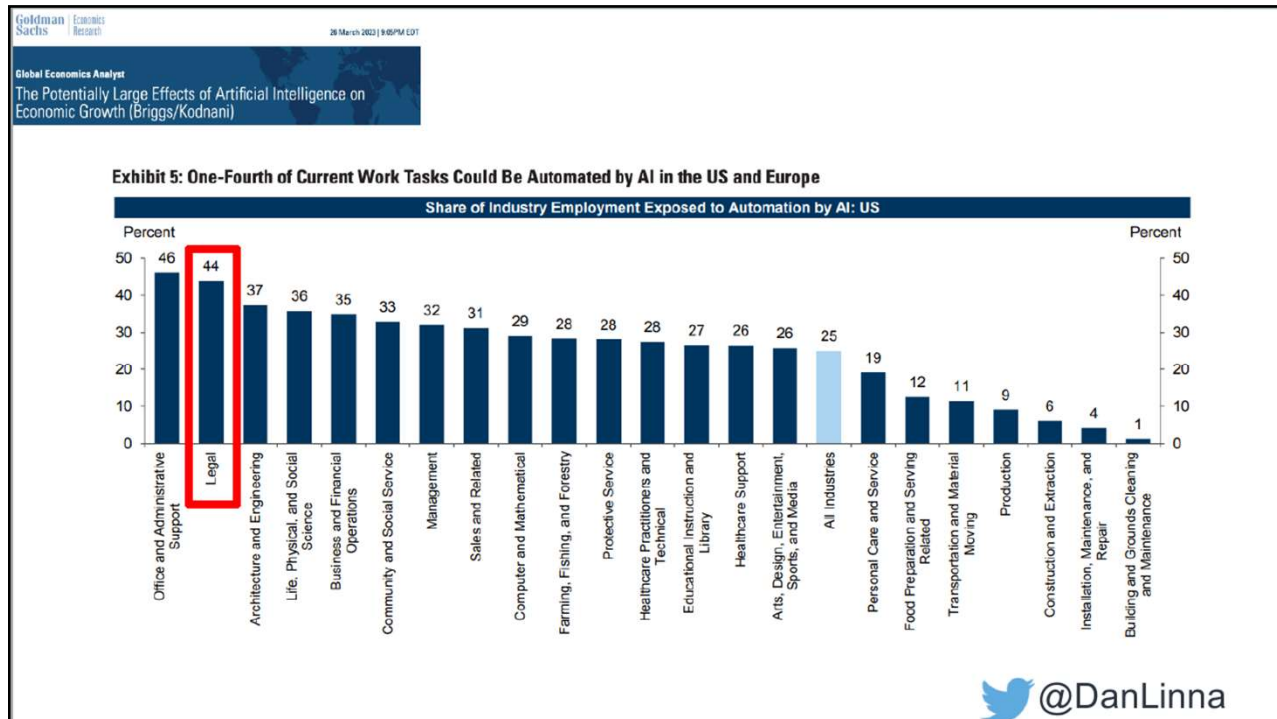
**Table 2: Top 20 Industries Exposed to AI, Original and with Language Modeling Adjustment**

Rank	Top 20 Industries from Original AIOE	Top 20 Industries after Language Modeling Adjustment
1	Securities, Commodity Contracts, and Other Financial Investments and Related Activities	Legal Services
2	Accounting, Tax Preparation, Bookkeeping, and Payroll Services	Securities, Commodity Contracts, and Other Financial Investments and Related Activities
3	Insurance and Employee Benefit Funds	Agencies, Brokerages, and Other Insurance Related Activities
4	Legal Services	Insurance and Employee Benefit Funds
5	Agencies, Brokerages, and Other Insurance Related Activities	Nondepository Credit Intermediation
6	Nondepository Credit Intermediation	Agents and Managers for Artists, Athletes, Entertainers, and Other Public Figures
7	Other Investment Pools and Funds	Insurance Carriers
8	Insurance Carriers	Other Investment Pools and Funds
9	Software Publishers	Accounting, Tax Preparation, Bookkeeping, and Payroll Services
10	Lessors of Nonfinancial Intangible Assets (except Copyrighted Works)	Business Support Services
11	Agents and Managers for Artists, Athletes, Entertainers, and Other Public Figures	Software Publishers
12	Credit Intermediation and Related Activities (5221 And 5223 only)	Lessors of Nonfinancial Intangible Assets (except Copyrighted Works)
13	Computer Systems Design and Related Services	Business Schools and Computer and Management Training
14	Management, Scientific, and Technical Consulting Services	Credit Intermediation and Related Activities (5221 And 5223 only)
15	Monetary Authorities-Central Bank	Grantmaking and Giving Services
16	Office Administrative Services	Travel Arrangement and Reservation Services
17	Other Information Services	Junior Colleges
18	Data Processing, Hosting, and Related Services	Computer Systems Design and Related Services
19	Business Schools and Computer and Management Training	Management, Scientific, and Technical Consulting Services
20	Grantmaking and Giving Services	Other Information Services

Notes: This table lists the top 20 industries most exposed to AI from the original AIOE (Felten et al., 2021) and the top 20 industries most exposed to advances in AI language modeling.



3



4

# Using AI to Practice Law?

5

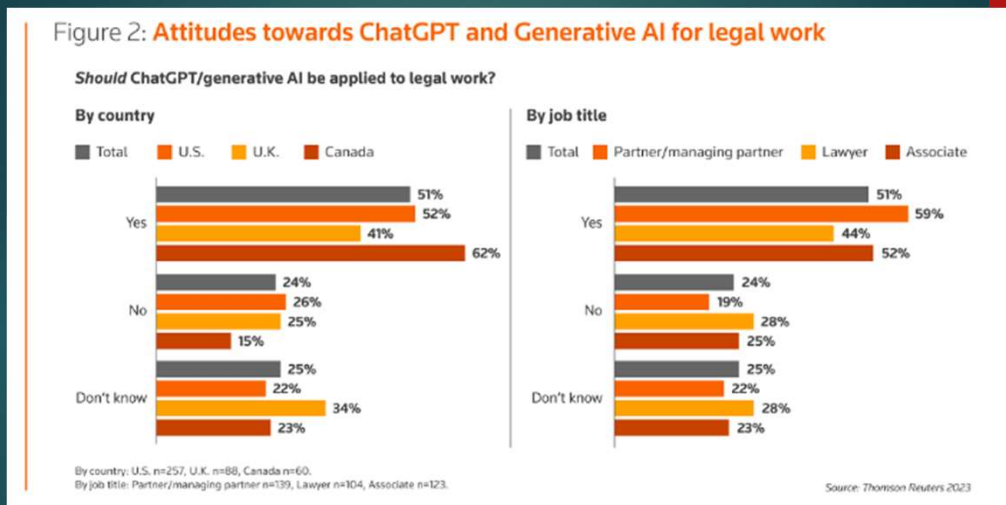
## LexisNexis International Legal Generative AI Report Findings:

Most Potential for Generative AI in Legal

	TOTAL	US	CANADA	FRANCE	UK
Researching matters	65%	59%	61%	77%	66%
Drafting documents	56%	53%	57%	55%	59%
Document analysis	44%	40%	40%	52%	47%
Writing emails	35%	30%	45%	34%	32%
Conducting due diligence	27%	27%	26%	18%	32%
Understanding new legal concepts	23%	19%	34%	24%	20%
Developing litigation strategies	12%	11%	12%	18%	9%
Other	4%	5%	3%	5%	4%
None / See no potential	5%	0%	10%	5%	7%

<https://www.lexisnexis.com/pdf/lexisplus/international-legal-generative-ai-report.pdf>

6



7

## Tools of the “Past”

- Document review (Relativity, etc.)
- Litigation analytics;
- Drafting;
- Spell check/Grammerly

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## Tools of the “Future” – Generative AI Made with the Legal Profession “In Mind”

- **Harvey AI** (Open.AI GPT): is built on a version of Open.AI's GPT AI, but is tailored for legal work. It combines general internet data from the GPT model with legal-specific data, including case law and reference materials.
- **CoCounsel** (Casetext Inc. acquired by Thomson Reuters/Westlaw in August 2023 ): Built on Open.AI's GPT-4, “combines the power of next-generation AI with the security and data privacy law firms require,”
  - Note: Claims that “Client data is never used to train the models, and law firms retain complete control over their data. CoCounsel is the most secure AI in legal technology.”
- **Lexis+ AI**: AI that searches, summarizes, and drafts for you using the most trusted, authoritative content from LexisNexis®
- **Westlaw Edge**: Similar to Lexis – AI enhanced capabilities to help attorneys search more effectively.

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## Using AI to Draft or Oppose a Motion to Dismiss?

Re: [Case Name and Number]

[Defendant's Name]'s Motion to Dismiss [Plaintiff's Name] Legal Malpractice

Dear Judge [Judge's Last Name]

I, [Your Name], on behalf of the Defendant, hereby submit this Motion to Dismiss pursuant to [relevant rule of court] that the Plaintiff has failed to establish the necessary element of causation in the legal malpractice claim alleged against the Defendant. The following arguments and supporting reasons are presented:



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## Mata v. Avianca, Inc., No. 22-cv-1461 (PKC) (S.D.N.Y.)

Lawyers representing client in personal injury case to sue an Avianca Airlines employee for harming client's knee on a flight bound for New York

Lawyers used ChatGPT in opposition to a motion to dismiss – cited non-existent cases

\$5,000 monetary sanction imposed jointly and severally on lawyers and their firm and ordered to send 34-page sanctions opinion to client and "judges" who wrote the "fake" opinions

Judge Castel found that the lawyers acted in bad faith and made false and misleading statements to the Court and threatened of discipline from N.Y. State Bar

### *Here's What Happens When Your Lawyer Uses ChatGPT*

A lawyer representing a man who sued an airline relied on artificial intelligence to help prepare a court filing. It did not go well.



As an Avianca flight approached Kennedy International Airport in New York, a serving cart collision began a legal saga, prompting the question: Is artificial intelligence so smart? [Silicon Economics](#), [New Photos](#), via Getty Images

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## Mata v. Avianca, Inc., No. 22-cv-1461 (PKC) (S.D.N.Y.)

Judge Castel identified the following harms from using improper use of AI:

Time and money wasted by opposing party in exposing deception

Diverting Court's time from other matters

Clients are deprived of arguments based on authentic judicial precedents

Harm to reputation of judges and courts whose names are falsely invoked as authors of "bogus" opinions

May lead to citizens defying judicial rulings by disingenuously claiming doubt about their authenticity

May promote cynicism about the legal profession and American judicial system

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## Gates v. Zelaya Chavez (Colo. Dist. Ct.)

Lawyer with 1.5 years experience in civil litigation filed motion to set aside summary judgment ruling with cases "hallucinated" by ChatGPT

First time he had researched, drafted, and filed a motion on his own. In explaining his use of ChatGPT to the Court, the lawyer wrote, "I felt my lack of experience in legal research and writing, and consequently, my efficiency in this regard could be exponentially augmented to the benefit of my clients by expediting the time-intensive research portion of drafting."

Motion denied due to false citations and judge threatened to file a complaint against the attorney because lawyer violated his duty of candor to the tribunal (Model Rule 3.3)

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## Federal and Other Courts' AI Disclosure Bans and Disclosure Requirements

Northern District of Illinois, Magistrate Judge Gabriel Fuentes

Any party using any generative AI tool to conduct legal research or to draft documents for filing with the Court must disclose in the filing that AI was used, with the disclosure including the specific AI tool and the manner in which it was used. Further, Rule 11 of the Federal Rules of Civil Procedure continues to apply, and the Court will continue to construe all filings as a certification, by the person signing the filed document and after reasonable inquiry, of the matters set forth in the rule, including but not limited to those in Rule 11(b)(2). Parties should not assume that mere reliance on an AI tool will be presumed to constitute reasonable inquiry, because, to quote a phrase, "I'm sorry, Dave, I'm afraid I can't do that .... This mission is too important for me to allow you to jeopardize it." 2001: A SPACE ODYSSEY (Metro Goldwyn-Mayer 1968).

Northern District of Texas, Judge Brantley Starr

All attorneys and pro se litigants appearing before the Court must, together with their notice of appearance, file on the docket a certificate attesting either that no portion of any filing will be drafted by generative artificial intelligence (such as ChatGPT, Harvey.AI, or Google Bard) or that any language drafted by generative artificial intelligence will be checked for accuracy, using print reporters or traditional legal databases, by a human being. These platforms are incredibly powerful and have many uses in the law: form divorces, discovery requests, suggested errors in documents, anticipated questions at oral argument. But legal briefing is not one of them.

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## Jurisdictional AI Disclosure Bans and Disclosure Requirements

Eastern District of Pennsylvania, Judge Michael M. Baylson

If any attorney for a party, or a pro se party, has used Artificial Intelligence ("AI") in the preparation of any complaint, answer, motion, brief, or other paper, filed with the Court, and assigned to Judge Michael M. Baylson, MUST, in a clear and plain factual statement, disclose that AI has been used in any way in the preparation of the filing, and CERTIFY, that each and every citation to the law or the record in the paper, has been verified as accurate.

U.S. Court of International Trade, Judge Stephen Vaden

Any submission that "contains text drafted with the assistance of a generative artificial intelligence program on the basis of national language prompts" must be accompanied by:

A disclosure notice identifying the program used and the specific portions of text that have been so drafted

A certification that the use of such program has not resulted in the disclosure of any confidential or business proprietary information to any unauthorized party

District of Montana, Judge Donald W. Molloy

In granting a California lawyer's pro hac vice application, Judge Molloy ordered that "[u]se of artificial intelligence automated drafting programs, such as Chat GPT, is prohibited."

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## Rules of Professional Conduct Implicated

- Model Rule 1.1 – Competence
- Model Rule 1.3 – Diligence
- Model Rule 1.4 – Communications
- Model Rule 1.5 – Fees
- Model Rule 1.6 – Confidentiality of Information
- Model Rule 3.3 – Candor Toward the Tribunal
- Model Rule 3.4 – Fairness to Opposing Party & Counsel
- Model Rule 5.1 – Responsibilities of a Partner or Supervisory Lawyer
- Model Rule 5.2 – Responsibilities of a Subordinate Lawyer
- Model Rule 5.3 – Responsibilities Regarding Nonlawyer Assistance
- Model Rule 8.4 – Professional Misconduct

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## ABA Model Rule 1.1 and its comment [8]

### ABA Model Rule 1.1 Competence

- A lawyer shall provide competent representation to a client. Competent representation requires the legal knowledge, skill, thoroughness and preparation reasonably necessary for the representation.

### Comment 8: Maintaining Competence

- [8] To maintain the requisite knowledge and skill, a lawyer should keep abreast of changes in the law and its practice, **including the benefits and risks associated with relevant technology**, engage in continuing study and education and comply with all continuing legal education requirements to which the lawyer is subject.
- Most states have adopted some version of comment [8] except for Alabama, Georgia, Maine, Maryland, Mississippi, Nevada, New Jersey, Oregon, Rhode Island, and South Dakota

### ABA Resolution 19A112, August 2019

[U]rges courts and lawyers to address the emerging ethical and legal issues related to the usage of artificial intelligence ("AI") in the practice of law, including (1) bias, explainability, and transparency of automated decisions made by AI; (2) ethical and beneficial usage of AI; and (3) controls and oversight of AI and the vendors that provide AI.

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## ABA Model Rules Continued

### Model Rule 1.4 – Communications

- A lawyer shall "reasonably consult with the client about the means by which the client's objectives are to be accomplished" and "explain a matter to the extent reasonably necessary to permit the client to make informed decisions regarding the representation."

### Model Rule 1.6 – Confidentiality of Information

- Prohibits lawyers from revealing information relating to the representation of a client absent informed consent.
- Requires lawyers to "make reasonable efforts to prevent the inadvertent or unauthorized disclosure of, or unauthorized access to information relating to their representation of a client."

### Model Rules 5.1, 5.2, and 5.3 – Duty of Lawyers to Supervise

- Requires lawyers to supervise subordinates in connection with the delivery of legal services.
- Extends the duty of supervision to non-lawyers and third-party providers—a lawyer must make "reasonable efforts" to ensure those person's conduct is compatible with the lawyer's professional obligations to a client.
- Recognized by the ABA House of Delegates resolution from February 2023:  
[I]t is important that legally recognizable entities such as humans and corporations be accountable for the consequences of AI systems, including any legally cognizable injury or harm that their actions or those of

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## ABA Model Rules Continued

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[I]t is important that legally recognizable entities such as humans and corporations be accountable for the consequences of AI systems, including any legally cognizable injury or harm that their actions or those of the AI systems or capabilities cause to others, unless they have taken reasonable measures to mitigate against that harm or injury.

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## Risks to Lawyers

- Bias in data sets used to train AI algorithms can lead to discriminatory outcomes that violate ethical principles of fairness and justice.
- The use of AI in legal research and analysis may result in errors or omissions that could lead to incorrect legal advice or decisions.
- The lack of transparency in how AI systems arrive at their conclusions can make it difficult to assess their accuracy or challenge their results.
- The potential for AI systems to replace human judgment in legal decision-making raises concerns about accountability and the role of lawyers as ethical decision-makers.
- The use of AI systems to analyze large volumes of personal data could raise privacy concerns and lead to potential breaches of confidentiality.
- The deployment of AI systems in legal proceedings could exacerbate existing power imbalances and exacerbate inequities in the justice system.
- The potential for AI systems to perpetuate or amplify existing biases and discriminatory practices in the legal system is a significant ethical risk that must be addressed.
- The use of AI systems could lead to the displacement of human lawyers, potentially exacerbating existing economic and social inequalities

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## ABA Task Force on Law and Artificial Intelligence

On August 28, the ABA announced the Task Force on Law and Artificial Intelligence, which will explore some of the ethical risks identified:

- Bias
- Threats to client confidential data
- Inadvertent waiver of attorney-client and work-product privileges
- The Task Force's mission is to (1) address the impact of AI on the legal profession and the practice of law, (2) provide insights on developing and using AI in a trustworthy and responsible manner, and (3) identify ways to address AI risks
- The Task Force will also seek to develop ethical principles for AI and ways to increase access to justice so that AI is more accessible to lawyers and judges.

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## Various State Bars and Approach to AI

- **California:** The Board of Trustees for the California State Association has asked its Committee on Professional Responsibility and Conduct to produce by mid-November 2023 proposed revisions to the California Rules of Professional Conduct to ensure that AI is used competently and in compliance with the professional responsibility obligations of lawyers.
- **Florida:** Formed Special Committee on AI Tools & Resources in late September to propose changes to the Florida professional ethics code as soon as December 2023. Responsible to provide guidance that ensures Florida's legal community can extract value from artificial intelligence while maintaining the lawyer's independent legal judgment.
- **New Jersey:** Voted to create a task force to examine the ways in which AI might replace human beings and might be deployed in ways that inadvertently waive attorney-client privilege.
- **New York:** Formed a task force this year to address legal and ethical issues raised by AI technologies and examine AI's impact on all areas of the law as well as its potential for increasing greater access to justice.
- **Texas:** Established an expert working group that will be studying both the ethical challenges and the practical benefits of using AI in the practice of law. The State Bar of Texas Workgroup on Artificial Intelligence was given a one-year deadline to complete its work.
- **Illinois, Kentucky, and Minnesota** state bars have also formed working groups in 2023.

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## Key Considerations for Law Firm Policy

- Obtain client's informed written consent to transmit client confidential information
- Otherwise, prohibit use of client confidential information or personally identifiable information
- Disclose AI use to client; sometimes disclosure require to opposing counsel based on e-Discovery protocols
- Avoid Dabbling
- Require human review of all AI-generated work product – independently check all AI output for accuracy and completeness
- Treat AI-generated documents as "initial drafts"
- Require associates and professional staff to disclose to a supervising lawyer when AI is used to generate work product
- Require maintenance of appropriate records of AI use, including source of data inputs and methodology to validate output accuracy
- Clearly label AI-generated work product as AI-generated
- Review and update policy regularly to reflect firm's use of AI and technological developments and require ongoing training

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## Structuring Challenges for AI Agreements/Procurements

- AI solutions involve many types of contracts, each with its own concerns.
- It's difficult to know what's possible, so building to specifications may be a poor fit.
- Both the possible and the performance may change over time.
- Audit may be very challenging - difficult or impossible.
- AI Vendors rely on data, tool and talent providers under a series of contracts that buyers cannot affect.
- AI use may be embedded in standard form agreements- AI Vendors are not always transparent regarding their use of AI tools.
- AI Vendors are already using AI products internally to dramatically lower their costs without passing their savings onto buyers.
- Services contracts written years ago do not expressly prohibit the AI Vendor's use of AI to replace humans.
- Human oriented SLAs do not apply well to machines

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## Initial Questions/Transaction Questions

- What predictions/probabilities/suggestions will the AI system provide?
- How will you measure success?
- Who will train what tool with which data?
- Will the same AI system serve parties (i.e. clients) other than you?
- Will the AI solution make or affect regulated decisions?
- Will the AI solution process personally identifiable information/personal information?
- How will the AI Vendor's performance be assessed?
- How, if at all, will the AI Vendor's compensation be linked to how well the system performs?
- What control will you, the buyer or any user have over how the AI system works, if any?
- What options will each party have to terminate, and what rights will the parties have upon termination?

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## Due Diligence

- Know your AI Vendor
- Is the AI Vendor a relatively mature company or a start-up?
- Has it been the subject of any publicly available complaints, such as regulatory investigations (i.e., the FTC, Privacy Regulators) or lawsuits?
- What is the origin of the AI product/service? Understand the scope of its source data—was it captured "in-house" or scraped from "publicly available" sources?
- Some AI products/services may not be specifically designed for the legal industry—do your homework.
- Have they been the victim of any data breaches? How do they store data?
- Before diving into the black and white contract terms, ask your Client the necessary questions so that you fully understand (i) the nature of the intended AI application; (ii) the industry it will serve; and (iii) how the AI product/service will be used by your Client as these considerations will impact your legal advice.
- Will the AI product/service make or affect decisions that are subject to specific laws?
- Understand the AI Contract framework
- The "AI Contract" may reference a number of hyperlinked, ever-changing documents, including:
- Order form, service agreement, separate Terms of Use/Terms of Service, Privacy Policy, Additional Legal Terms—all of these must be reviewed.

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## Use Rights/Licensing/Data Ownership

- Review AI Contract to ensure that Client has the necessary rights to use the AI service/product as contemplated.
- Critical to drill down in the prospective AI Contract to determine what the AI Vendor says about (i) the ownership of its own intellectual property (AI models, tools) including any licensed 3rd party content; and (ii) who owns the content/output generated by the AI product/service, as applicable (i.e., the AI Vendor or the Client?).
- Rights and limitations must be expressly defined in the AI Contract.
- Many AI systems are built on data sets that have been scraped from other publicly available third-party content, which opens these vendors up to prospective litigation.
- Track source, jurisdiction, type, and restrictions in data used in analytics or stored in the data lake.
- Look for language in the AI Vendor Contract to ensure that all rights that make up the AI system have been listed and protected and that the AI Vendor has the right to license the AI technology for its intended uses (and any restrictions should be carefully noted).

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## Questions?

### ▶ Andy Servais

▶ [aservais@klinedinstlaw.com](mailto:aservais@klinedinstlaw.com)

▶ <https://klinedinstlaw.com/profiles/attorney/andre-w-servais>

### ▶ Irean Z. Swan

▶ [iswan@klinedinstlaw.com](mailto:iswan@klinedinstlaw.com)

▶ <https://klinedinstlaw.com/profiles/attorney/irean-swan>

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## Biographies

**Andrew A. Servais** is a Shareholder in the San Diego office of Klinedinst PC. Mr. Servais' practice focuses on business and commercial litigation and professional liability having tried multiple matters on behalf of attorneys and business through verdict in multi-week (and multi-month) trials and arbitrations. Mr. Servais has been recognized by San Diego Super Lawyers® Professional Liability: Defense (2018-2023) and previously as a Rising Star (2015-2017). Mr. Servais was a member of the San Diego County Bar Association's (SDCBA) Legal Ethics Committee and served as its chair in 2016.

**Irean Z. Swan** is an attorney in the San Diego office of Klinedinst PC. Ms. Swan's practice focuses on professional liability defense, especially in the area of legal malpractice. She was recognized in San Diego Super Lawyers® as a Rising Star in Professional Liability: Defense (2023) and Best Lawyers: Ones to Watch® in America (2021-2024). Ms. Swan is an active member of his community including serving as Chair of the San Diego County Bar Association's (SDCBA) Legal Ethics Committee in 2022.



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- *Willing to partner with law firms in other states (we'd rather send you our RA business, then a non-law firm)*
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- *Lots of leads coming in – how can we help each other?*

- **Willing to Send Leads**

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- *Clients wants rapid, cost-effective, easy access to appropriate attorneys – how can we make that happen?*

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  - *Commercial Lease Generator*
  - *Expungement Eligibility*
  - *Entity Selection Tool*
  - *Change Ownership Assistant*
  - *Corporate Transparency Act (CTA), Beneficial Ownership Information, Evaluator*

- **Looking for E-Commerce Partners**

- *We desire JV's with the right law firm partners*
- *We can provide the knowhow, technology, systems, ongoing maintenance and tech-support (we're the backend)*
- *You need to provide the front-end customer support, marketing and fulfillment (you're the front-end)*
- *You get the leads and all referrals to your traditional legal practice (and we get a share in the profits of the JV only)*



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**Laurence S. Donahue, Esq.**  
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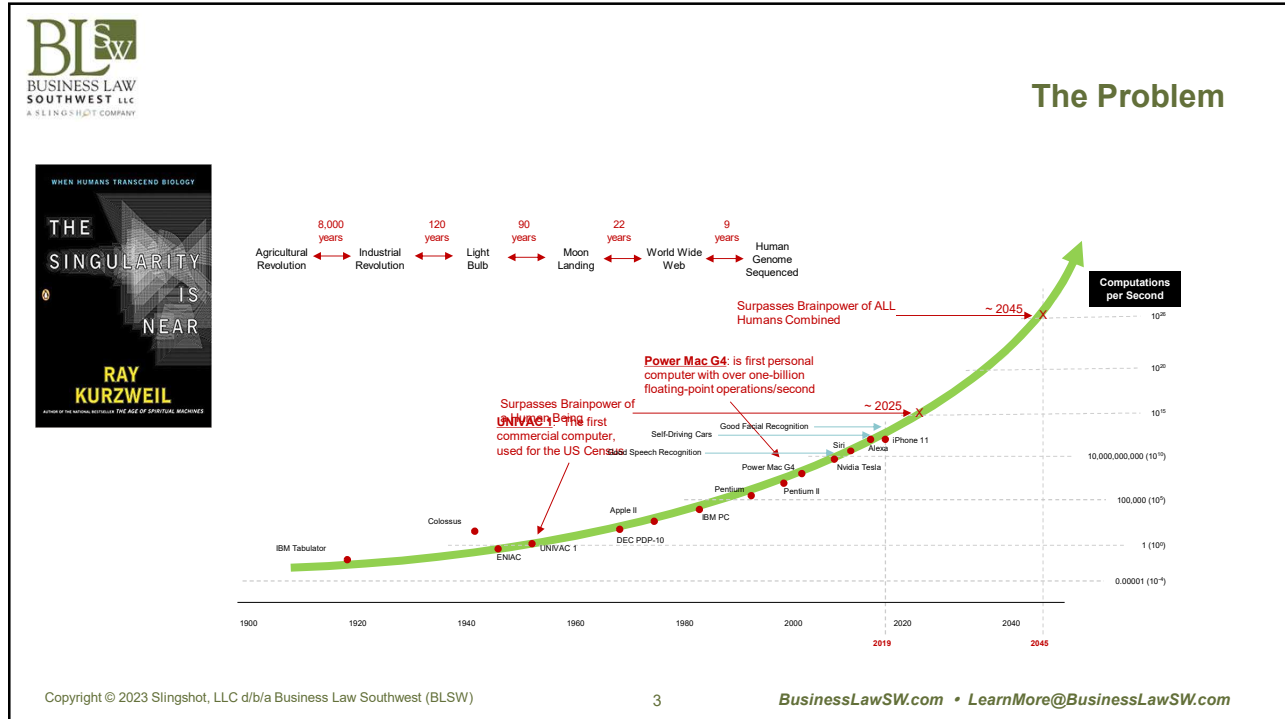
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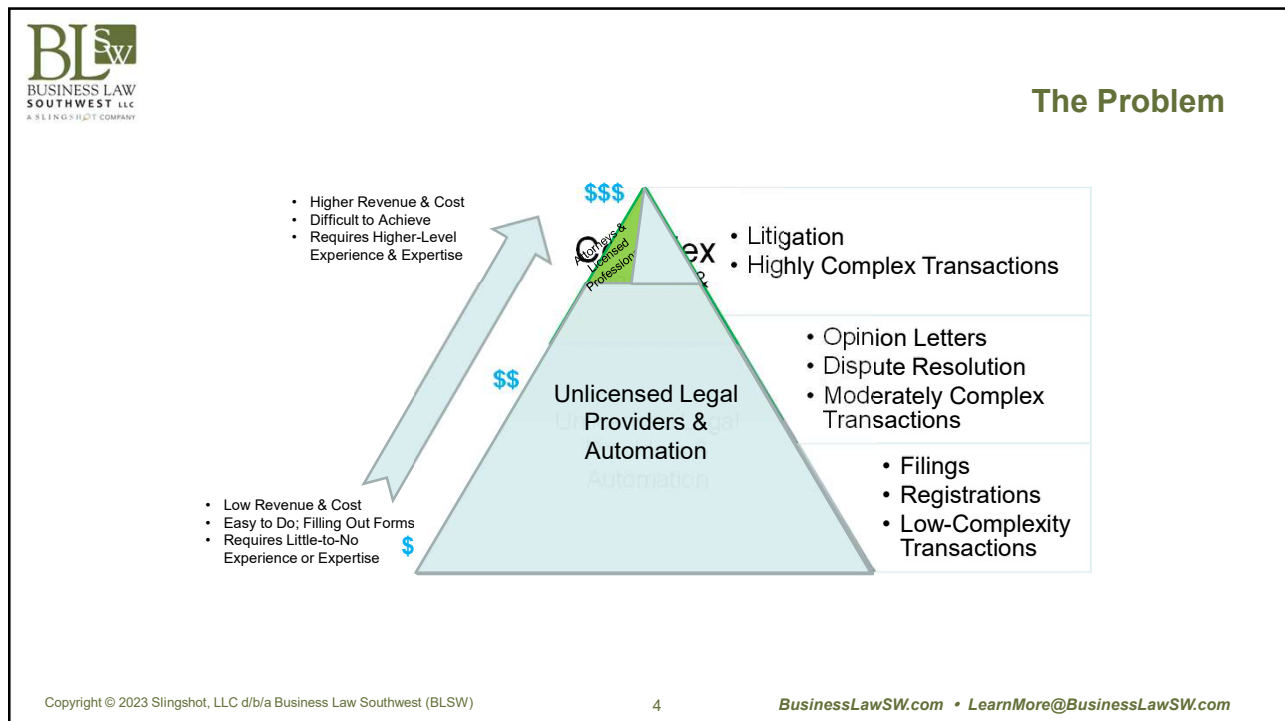
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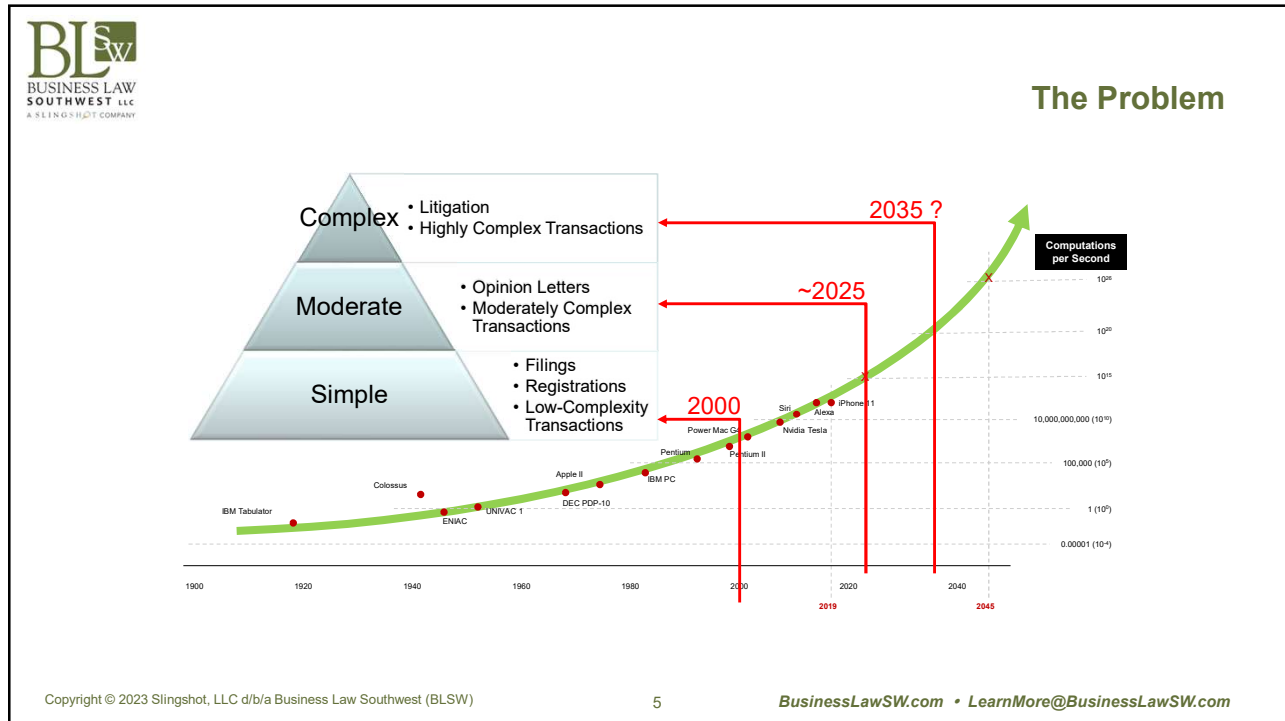
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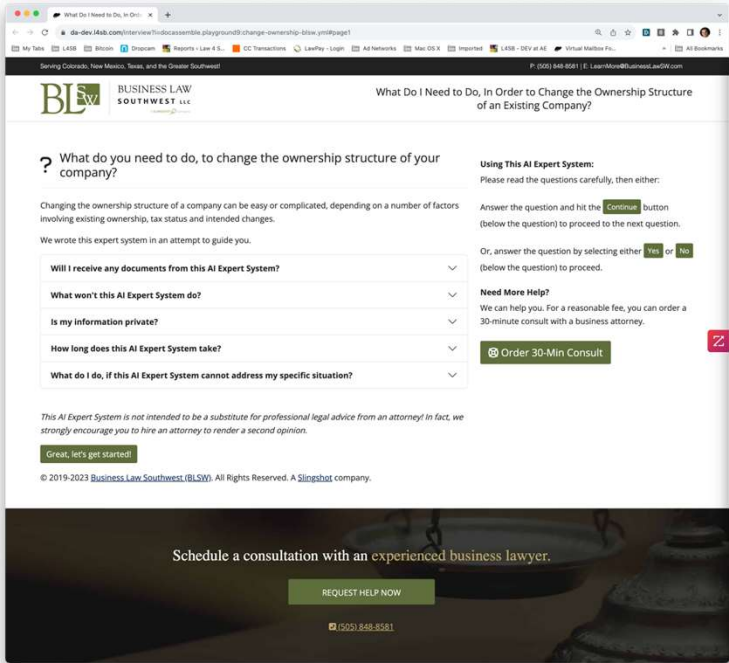


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Please read the questions carefully, then either:  
Answer the question and hit the **Continue** button (below the question) to proceed to the next question.  
Or, answer the question by selecting either **Yes** or **No** (below the question) to proceed.

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*This AI Expert System is not intended to be a substitute for professional legal advice from an attorney. In fact, we strongly encourage you to hire an attorney to render a second opinion.*

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As the Buyer of Test Co, Inc., a Corporation, by ownership interest, we recommend the following tasks, documents and/or activities are needed to accomplish your intended objective.

We strongly encourage you to hire a business attorney in the relevant states to evaluate our recommendations, and help you as appropriate. You'd be best served by hiring a competent business attorney in the State of New York.

**Select Activities:**  
This is your list of documents and activities we think you need, based on what you told us. Select those activities and/or documents you want our help with, and hit "Order Now" to pay for and submit these activities to us for fulfillment. Print this page, and use it as a helpful task list.

**Need More Help?**  
We can help you. For a reasonable fee, you can order a 30-minute consult with a business attorney.

**Order 30-Min Consult**

- Before: Tax Clearance Certificate for Test Co, Inc. (if available in New York) (NO Fee: We Cannot Help) 1
- Before: Letter of Intent (LOI) from Buyer to Seller (\$99.00) 2
- Before: 30-Minute Tax Attorney Consult to discuss acquisition of ownership interest (\$199.00) 2
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- Before: Hire New York lawyer to review formation docs of Test Co, Inc. (NO Fee: We Cannot Help) 7
- Before: Ownership Interest Purchase Agreement and Bill of Sale Templates (\$299.00) 7
- Before: Promissory Note and Security Interest Agreement Templates (\$398.00) 7
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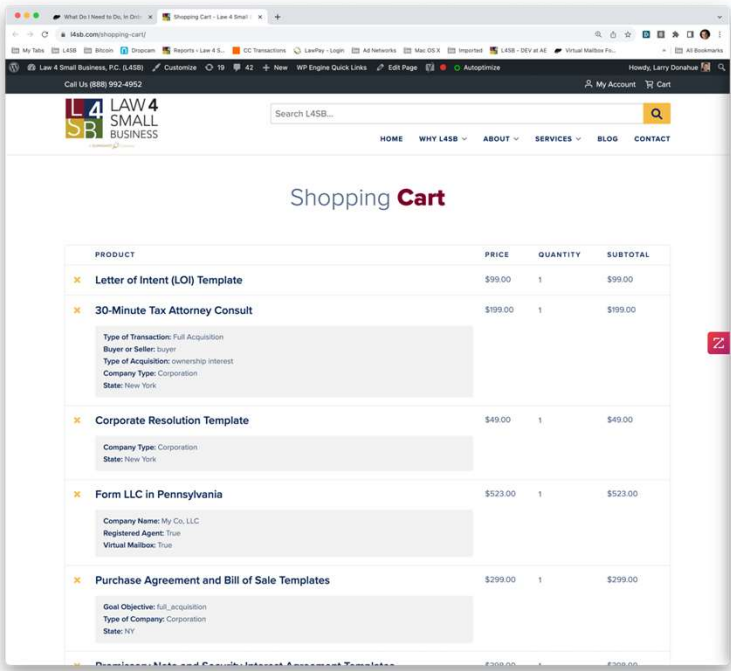
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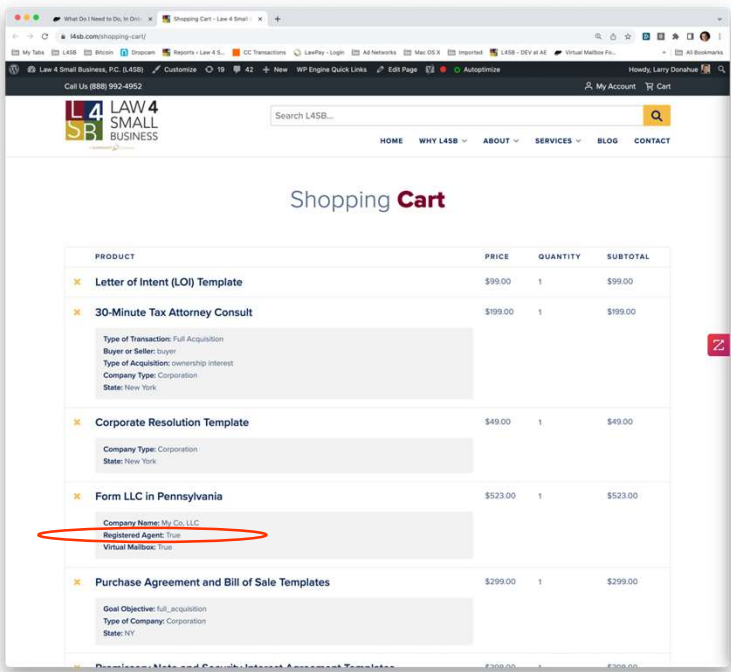
### Shopping Cart

PRODUCT	PRICE	QUANTITY	SUBTOTAL
Letter of Intent (LOI) Template	\$99.00	1	\$99.00
30-Minute Tax Attorney Consult Type of Transaction: Full Acquisition Buyer or Seller: buyer Type of Acquisition: ownership interest Company Type: Corporation State: New York	\$199.00	1	\$199.00
Corporate Resolution Template Company Type: Corporation State: New York	\$49.00	1	\$49.00
Form LLC in Pennsylvania Company Name: My Co, LLC Registered Agent: True Virtual Mailbox: True	\$523.00	1	\$523.00
Purchase Agreement and Bill of Sale Templates Goal Objective: full_acquisition Type of Company: Corporation State: NY	\$299.00	1	\$299.00
Dispositions, Merger and Company Interest Agreement Templates	\$308.00	1	\$308.00

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**LAW 4 SMALL BUSINESS**

### Shopping Cart

PRODUCT	PRICE	QUANTITY	SUBTOTAL
Letter of Intent (LOI) Template	\$99.00	1	\$99.00
30-Minute Tax Attorney Consult Type of Transaction: Full Acquisition Buyer or Seller: buyer Type of Acquisition: ownership interest Company Type: Corporation State: New York	\$199.00	1	\$199.00
Corporate Resolution Template Company Type: Corporation State: New York	\$49.00	1	\$49.00
Form LLC in Pennsylvania Company Name: My Co, LLC Registered Agent: True Virtual Mailbox: True	\$523.00	1	\$523.00
Purchase Agreement and Bill of Sale Templates Goal Objective: full_acquisition Type of Company: Corporation State: NY	\$299.00	1	\$299.00
Dispositions, Merger and Company Interest Agreement Templates	\$308.00	1	\$308.00

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**LAW 4 SMALL BUSINESS**

### Operating Agreement Generator

#### What member dynamic do you want for Slingshot, LLC?

You should decide, generally speaking, how you want to balance power between the members themselves. You have three options:

- Strong protections for minority members** - This option emphasizes protection for the minority members against authoritarian rule of one or more majority members. It requires a supermajority vote for almost all decisions reserved to the members.
- Balanced** - This option balances the power of all members by requiring supermajority votes for some important decisions while letting others be decided by a simple majority vote.
- Strong majority members, fewer protections for minority members** - This option allows most decisions to be taken by a simple majority vote. If there is one majority member, this grants them a good deal of power to make decisions over the objections of minority members.

*NOTE: Regardless of what you select here, you will be able to customize these powers later on.*

Member Dynamics: **Strong protections for minority members (1)**

*Note: If 1 doesn't match the slider number, please move the slider more slowly or wait six (6) seconds for the number to refresh.*

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### Operating Agreement Generator

#### What member dynamic do you want for Slingshot, LLC?

You should decide, generally speaking, how you want to balance power between the members themselves. You have three options:

- Strong protections for minority members** - This option emphasizes protection for the minority members against authoritarian rule of one or more majority members. It requires a supermajority vote for almost all decisions reserved to the members.
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- Strong majority members, fewer protections for minority members** - This option allows most decisions to be taken by a simple majority vote. If there is one majority member, this grants them a good deal of power to make decisions over the objections of minority members.

*NOTE: Regardless of what you select here, you will be able to customize these powers later on.*

Member Dynamics: **Balanced (2)**

*Note: If 2 doesn't match the slider number, please move the slider more slowly or wait six (6) seconds for the number to refresh.*

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### Operating Agreement Generator

**What member dynamic do you want for Slingshot, LLC?**

You should decide, generally speaking, how you want to balance power between the members themselves. You have three options:

- 1. Strong protections for minority members** - This option emphasizes protection for the minority members against authoritarian rule of one or more majority members. It requires a supermajority vote for almost all decisions reserved to the members.
- 2. Balanced** - This option balances the power of all members by requiring supermajority votes for some important decisions while letting others be decided by a simple majority vote.
- 3. Strong majority members, fewer protections for minority members** - This option allows most decisions to be taken by a simple majority vote. If there is one majority member, this grants them a good deal of power to make decisions over the objections of minority members.

*NOTE: Regardless of what you select here, you will be able to customize these powers later on.*

Member Dynamics:  1  2  3

**Strong majority members (3)**

*Note: If 3 doesn't match the slider number, please move the slider more slowly or wait six (6) seconds for the number to refresh.*

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### Operating Agreement Generator

#### Slingshot, LLC: Company Overview

Here is what we know about the Company so far. Is this information correct? Do you need to change anything?

Attribute	Value	Action
Name	Slingshot, LLC	<a href="#">Edit</a>
Company type	LLC	<a href="#">Edit</a>
Address	Not Yet Known	<a href="#">Edit</a>
Formation State	New Mexico	<a href="#">Edit</a>
Date of Formation	October 10, 2023	<a href="#">Edit</a>
Purpose	Holding company and any other lawful purpose as permitted under the Act	<a href="#">Edit</a>
Management	Member Managed	<a href="#">Edit</a>
Units for Ownership?	True	<a href="#">Edit</a>
Number of Unit Classes:	1	<a href="#">Edit</a>
Tax Status	S-Corp	<a href="#">Edit</a>
Type of Operating Agreement	Original	<a href="#">Edit</a>
Member Priorities	Strong majority members	<a href="#">Edit</a>

**Why can I only change some things, and not others?**

If you placed an order with us to form your LLC, some values may have been obtained from an order and are locked in (e.g., the name of your Company). Other choices may be locked for other reasons (e.g., you've chosen a certain tax status, or state laws impose requirements that can't be changed).

If you feel you need to change something that is not editable here, please [CONTACT US](#) so a paralegal can assess how it may impact your order.

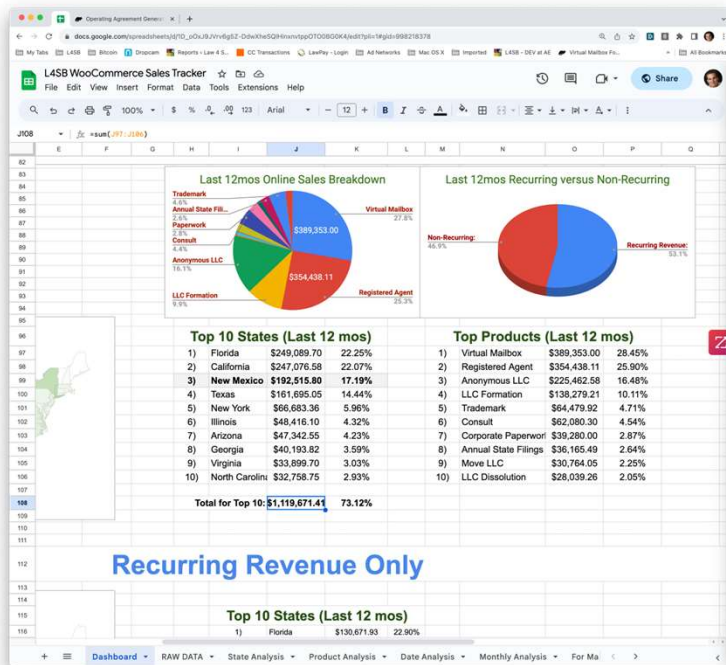
**Is this Everything?**

No. These are the basics. We will now ask you more questions, given this basic information.

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**L4SB Registered Agents List**


Legend:  
 View 30-Day Folds | View 15-Day Folds

Scroll to BOTTOM to perform global action, or select an Action on right of a state, to perform state-based Actions or view email templates for each state.

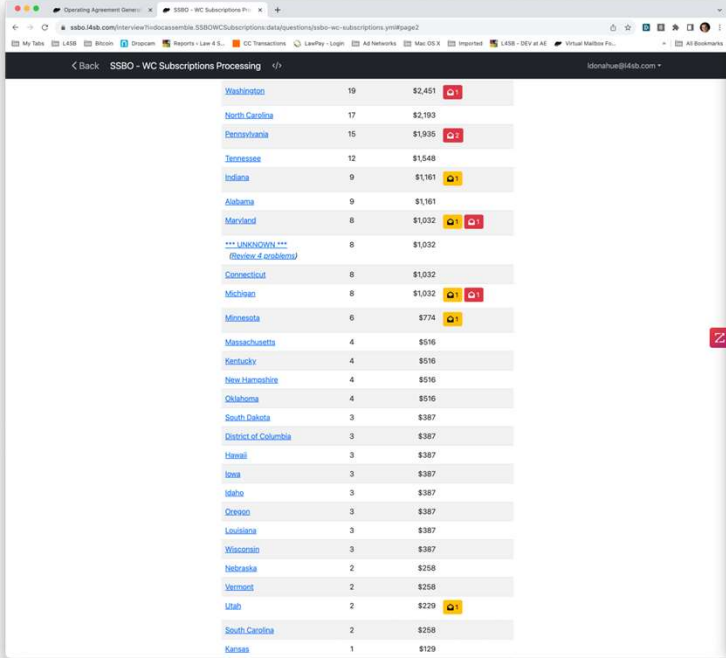
State	Count	Yrly Rev	Actions
New Mexico	1,697	\$216,855	[Icons]
Wisconsin	476	\$61,259	[Icons]
Florida	195	\$24,865	[Icons]
California	178	\$22,962	[Icons]
Delaware	138	\$17,686	[Icons]
Texas	130	\$16,612	[Icons]
Georgia	68	\$8,772	[Icons]
Missouri	57	\$7,353	[Icons]
Virginia	53	\$6,837	[Icons]
Colorado	45	\$5,805	[Icons]
Arizona	44	\$5,647	[Icons]
New York	30	\$3,712	[Icons]
Illinois	27	\$3,364	[Icons]
Ohio	25	\$3,225	[Icons]
New Jersey	24	\$3,096	[Icons]
Nevada	21	\$2,709	[Icons]
Washington	19	\$2,451	[Icons]

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Washington	19	\$2,451
North Carolina	17	\$2,193
Pennsylvania	15	\$1,935
Tennessee	12	\$1,548
Indiana	9	\$1,161
Alabama	9	\$1,161
Maryland	8	\$1,032
*** UNKNOWN *** (Review for updates)	8	\$1,032
Connecticut	8	\$1,032
Michigan	8	\$1,032
Minnesota	6	\$774
Massachusetts	4	\$516
Kentucky	4	\$516
New Hampshire	4	\$516
Oklahoma	4	\$516
South Dakota	3	\$387
District of Columbia	3	\$387
Hawaii	3	\$387
Iowa	3	\$387
Idaho	3	\$387
Oregon	3	\$387
Louisiana	3	\$387
Wisconsin	3	\$387
Nebraska	2	\$258
Vermont	2	\$258
Utah	2	\$229
South Carolina	2	\$258
Kansas	1	\$129


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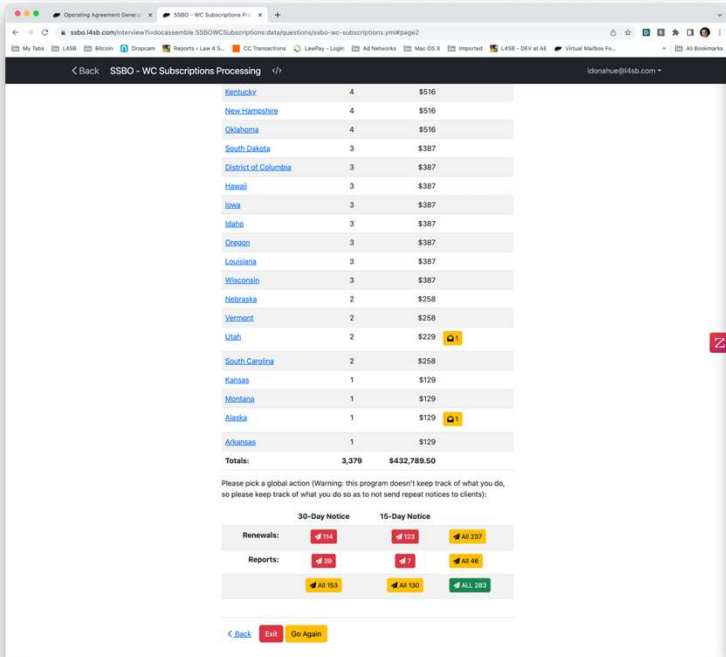
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Kentucky	4	\$516
New Hampshire	4	\$516
Oklahoma	4	\$516
South Dakota	3	\$387
District of Columbia	3	\$387
Hawaii	3	\$387
Iowa	3	\$387
Idaho	3	\$387
Oregon	3	\$387
Louisiana	3	\$387
Wisconsin	3	\$387
Nebraska	2	\$258
Vermont	2	\$258
Utah	2	\$229
South Carolina	2	\$258
Kansas	1	\$129
Montana	1	\$129
Alaska	1	\$129
Arkansas	1	\$129
<b>Totals:</b>	<b>3,379</b>	<b>\$432,789.50</b>

Please pick a global action (Warning: this program doesn't keep track of what you do, so please keep track of what you do so as to not send repeat notices to clients):

	30-Day Notice	15-Day Notice
Renewals:	All 114	All 113
Reports:	All 78	All 48
	All 183	All 203

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## What We Learned

- **There are Other Revenue Streams (for Lawyers), Aside from Legal Services**
  - *Recurring*
  - *Filing & Recording Services*
  - *Convenience Services*
  - *Non-Legal Products*
- **Recurring Revenue is Critical**
  - *High-margin, reliable, consistent income over time*
  - *Continues to increase over time*
- **Time-Value of Content (is Like Time-Value of Money)**
  - *All Attorneys are SME's / Content Gods*
  - *More Content → Means More Engagement → More Value to Google, Bing, et. al.*
  - *Same as Positive Reviews / Ratings*
- **Targeting Different Client Demographics**
  - *Chevy versus Cadillac*
  - *Some Clients Want Help Doing Something, Other Clients Want Someone Else to Do It*
- **Shifting Needs of Clients**
  - *Quick Turnaround / Immediate Gratification*
  - *Non-Human Engagement*
  - *Beware Smart Expert Systems / AI – They are only going to get better, at an ever increasing rate*

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## What We Seek

- **Grow Our Recurring Revenue**
  - *Willing to acquire RA portfolios of retiring attorneys*
  - *Willing to partner with law firms in other states (we'd rather send you our RA business, then a non-law firm)*
  - *Willing to share access to our document generation programs*
  - *Lots of leads coming in – how can we help each other?*
- **Willing to Send Leads**
  - *Lots of clients need legal services in states we're not licensed – need streamlined ways of sending leads to you*
  - *Clients wants rapid, cost-effective, easy access to appropriate attorneys – how can we make that happen?*
- **Desire to Share Access to Our Expert Systems**
  - *For a low-cost fee, we can skin your brand and fine-tune the legal outcomes / language*
  - **Programs Available Now:**
    - *Operating Agreement Generator*
    - *Bylaws/Shareholder Agreement Generator*
    - *Commercial Lease Generator*
    - *Expungement Eligibility*
    - *Entity Selection Tool*
    - *Change Ownership Assistant*
    - *Corporate Transparency Act (CTA), Beneficial Ownership Information, Evaluator*
- **Looking for E-Commerce Partners**
  - *We desire JV's with the right law firm partners*
  - *We can provide the knowhow, technology, systems, ongoing maintenance and tech-support (we're the backend)*
  - *You need to provide the front-end customer support, marketing and fulfillment (you're the front-end)*
  - *You get the leads and all referrals to your traditional legal practice (and we get a share in the profits of the JV only)*

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## What We Seek

## Interested?

Call Me.

Larry Donahue  
505-848-8581  
LDonahue@L4SB.com