

URGENT MEMORANDUM: LEGAL COMPLIANCE AND RISK MITIGATION

TO: All Legal Staff, Partners, and Associates

FROM: Risk Management / General Counsel's Office

DATE: [Insert Date]

SUBJECT: Mandatory Warning Regarding Generative AI and Malpractice Liability

This letter serves as a formal warning and policy directive regarding the use of Generative Artificial Intelligence (AI) tools in legal practice. While the firm recognizes the efficiency of AI, unauthorized or unverified use poses significant risks to client confidentiality, professional standing, and firm liability.

1. Duty of Competence and Verification

All personnel are strictly prohibited from submitting AI-generated content to any court, tribunal, or client without independent human verification. You must personally verify every case citation, statute, and legal assertion. "Hallucinations" (fabricated data) produced by AI do not excuse the filing of meritless claims or false information.

2. Client Confidentiality and Data Privacy

Do not input sensitive client data, trade secrets, or privileged information into public AI platforms. Such actions may waive attorney-client privilege and violate data protection laws. Only firm-approved, secure AI environments may be used for processing internal data.

3. Disclosure Requirements

Many jurisdictions and judges now require formal disclosure if AI was used in the preparation of legal filings. Failure to disclose AI usage when required may result in court sanctions, fines, and disciplinary action by the State Bar.

4. Supervision of Subordinates

Senior attorneys are responsible for the work product of associates and paralegals. You must ensure that all staff under your supervision strictly adhere to these AI guidelines. Failure to supervise the output of AI-assisted subordinates is a primary ground for malpractice claims.

5. Acknowledgment of Liability

Violation of these protocols may lead to internal disciplinary action, up to and including termination, and may result in the denial of professional liability insurance coverage in the event of a malpractice suit.

Please sign and return the attached acknowledgment form to the Compliance Department by [Insert Date].

Sincerely,

[Name of Managing Partner/General Counsel]

[Law Firm Name]