

## **Partner Briefing: In-House AI for Prior Matters**

Purpose of this briefing

This memo is for managing partners, practice leaders, CIOs, and risk officers evaluating whether and how the firm should adopt AI tools that rely on the firm's prior matters.

The core question is not whether AI is powerful. It is whether the way we use it can be defended to clients, courts, and regulators, and whether it strengthens or weakens the firm's long-term position.

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Business case: why AI over prior matters matters

Our prior filings, research, memos, and communications are a concentrated record of how the firm thinks and wins. Today, most of that record is effectively offline from the standpoint of rapid analysis:

- Attorneys rely on memory, ad-hoc search, and informal knowledge networks.
- Patterns across matters, jurisdictions, and opponents are difficult to see quickly.
- Drafting often starts from scratch, even when strong analogues exist in prior work.

An internal AI capability over prior matters can:

- Reduce research and drafting time on recurring issues.
- Surface relevant prior strategies, arguments, and outcomes.
- Help new team members get oriented on complex, long-running clients.

The risk is not that AI will replace lawyers; the risk is that firms that harness their institutional record effectively will consistently outperform firms that do not.

Why cloud AI is problematic for legal work

Most AI offerings in the market assume that client data will be sent to a vendor-hosted model in the cloud. Even where vendors promise not to train on that data, the legal posture is materially different from in-house processing:

- Third parties become part of the chain of custody.
- Logs, backups, and monitoring systems become potential discovery targets.
- It becomes harder to argue that privilege was never placed at risk.
- Client guidelines and regulatory expectations may be harder to satisfy.

In short: cloud AI introduces avoidable questions about privilege, confidentiality, and discovery.

How CounselCore addresses these concerns

CounselCore is designed around a single non-negotiable constraint: client data and matter history remain in-house.

Key characteristics:

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- Deployed on firm-controlled infrastructure (data center, private cloud, or on-prem hardware).
- No calls to public AI APIs or vendor-hosted models during normal operation.
- Retrieval-augmented: responses are grounded in the firm's documents, not generic internet training data.
- Permissions-aware: access is limited by existing ethical walls and matter-level permissions.
- Loggable and auditable: usage can be monitored and, if necessary, described and defended.

### Implications for risk and governance

With an in-house system:

- The firm can maintain that privileged and confidential material never leaves systems it directly controls.
- Discovery responses can focus on a known, bounded set of systems.
- Client assurances about use of AI can be specific and credible.
- Internal policies can treat AI as part of standard infrastructure, rather than as an experimental external service.

### Decisions for the partnership

If the firm wishes to move forward, partners will need to decide:

- Scope: which practice areas and document repositories should be included in a pilot.
- Governance: which committees or roles will oversee usage, auditing, and policy.
- Communication: how we will describe this capability to clients and regulators.
- Investment level: whether this is treated as a limited experiment or as core infrastructure.

### Recommended next step

Authorize a focused assessment and pilot:

- Identify 1–2 practice groups with high volume and repeatable patterns.

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- Define a narrow but meaningful corpus of prior matters to index.
- Establish clear rules for when and how attorneys may use the system.
- Evaluate impact on efficiency, quality, and risk posture over a defined period.

CounselCore can then be scaled deliberately, based on evidence and aligned with the firm's risk appetite and strategy.