

ChatGPT Meets Chapter 11

Practical and Ethical Considerations of Using AI
for Business Bankruptcy Professionals

FOUR HUMAN PERSPECTIVES. ONE AI AT THE TABLE.



MEET THE PANEL



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Claude

AI guest from Anthropic

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 - ChatGPT
 - Meets
- Chapter 11:
Practical and
Ethical
Considerations
of Using AI for
Business
Bankruptcy
Professionals

Pennsylvania Bar
Institute,
October 21, 2026
Advanced Bankruptcy
Webinar

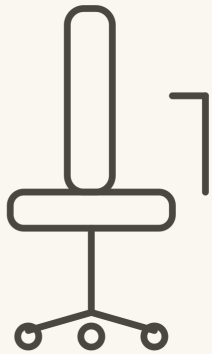
Salene Mazur Kraemer,
Moderator

Shayna M. Steinfeld,
Esq.

Professor Nancy B.
Rapoport

J. Scott Bovitz, Esq.

And not appearing in person:



Claude

Large language model · Anthropic

Not your lawyer. Verify before relying.

Salene Mazur Kraemer

Founder & Managing Partner, MAZURKRAEMER.

Business restructuring and bankruptcy attorney counseling entrepreneurs, closely held businesses, small and middle-market companies, owners, creditors, and other stakeholders through chapter 11, workouts, distressed transactions, litigation, and business transitions. www.mazurkraemer.com

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Salene actively uses and evaluates generative AI and legal technology in real-world legal practice—from document review and drafting to bankruptcy analysis, client communication, case strategy, workflow management, and law-firm operations.

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J. Scott Bovitz

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Fellow, American College of Bankruptcy. Board Certified, Business Bankruptcy Law, American Board of Certification (past chair). Certified Specialist, Bankruptcy Law, State Bar of California Board of Legal Specialization (past chair).

Rated "AV Preeminent" by Martindale-Hubbell. Selected Southern California "Super Lawyer" in Bankruptcy & Creditor/Debtor Rights (every year). Adjunct Professor, William S. Boyd School of Law, University of Nevada, Las Vegas (2022), California Western School of Law, San Diego (2022-2023), Loyola Law School, Los Angeles (1982-1987).

Bovitz uses integrated AI in music production (845 songs to date: bovitz.biz). Two songs licensed to American Bar Association for bankruptcy podcasts.

Technical consultant, "Radio Silence," a post-apocalyptic novel written by Greg Lewolt and Claude Fable 5 from Anthropic (2026, [available on Amazon](#)).



Shayna M. Steinfeld

Shareholder of Steinfeld & Steinfeld, PC practicing with her husband, Bruce, a Fellow of the American Academy of Matrimonial Lawyers in Atlanta, Georgia.

Board Certified by the American Board of Certification in both Consumer and Business Bankruptcy Law.

Debtor cases are primarily small businesses in chapter 11 cases. Represents individuals in chapters 7 and 11, and creditors in all chapters.

Past-President of the Atlanta Bar Association; the Georgia Association for Women Lawyers; a co-founder and past-president of Georgia IWIRC and currently the Bankruptcy Committee Co-Chair for the ABA Litigation Section (among many other roles).

Publications include: THE FAMILY LAWYER'S GUIDE TO BANKRUPTCY, which is published by the ABA Family Law Section; co-editor of the series: *Her Story: Lessons in Success from Lawyers Who Live It*, released by the ABA Litigation Section in the Summer of 2017; *Her Story 2: The Resilient Woman Lawyer's Guide to Conquering Obstacles*, released Winter of 2023 and a contributing author to GEORGIA BUSINESS LITIGATION (ALM, 2026).



Prof. Nancy B. Rapoport

Nancy B. Rapoport is a UNLV Distinguished Professor, a 2026 Barrick Distinguished Scholar, the Garman Turner Gordon Professor of Law at the William S. Boyd School of Law, University of Nevada, Las Vegas, and an Affiliate Professor of Business Law and Ethics in the Lee Business School at UNLV.

In 2022, UNLV's Alumni Association named her the Outstanding Faculty Member of the Year. She is a Rice University Distinguished Alumna.

She's been named one of the Top 50 Legal Innovators in Academia for 2026 by THE NATIONAL LAW REVIEW/Wickard and is a member of the Class of 2027 Clio Academic Champions.



Nancy asked us to shorten her biography.

<https://nancyrapoports.blog/2025/01/27/maybe-dall-e3-has-a-sense-of-humor-or-maybe-its-sadistic/>: “Draw a stick figure of a longhaired female law professor standing at a blackboard or a lectern.... Now give her bangs, put the scales of justice in the front of the lectern, and make the chart say ‘ETHICS.’”



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A few basic observations first.

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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.



Rule 1.1 (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.

What are the benefits of using AI?



Ability to sift through information quickly (and without the “Maverick” effect”).



Frees up “human time” to do higher-order tasks.



The “Maverick effect”:

“These planes you’ve been testing, Captain, one day, sooner or later, they won’t need pilots at all. Pilots that need to sleep, eat ... All you did was buy some time for those men out there. The future is coming, and you’re not in it.”

What do you know about Legal AI platforms?

Legal AI refers to the use of **artificial intelligence technologies** to support, automate, or enhance tasks typically performed by legal professionals, such as **lawyers, paralegals, judges, and legal researchers**.

Some examples of uses for lawyers:

1. Legal Research & Document Review

AI tools can **analyze large volumes of case law, statutes, or contracts** much faster than a human. Used to **identify relevant precedents, risks, or clauses**.

Examples: *LexisNexis, Westlaw Edge, Casetext CoCounsel*

2. Contract Analysis & Drafting

AI can **review contracts for red flags**, extract key terms, and even **suggest edits**.

Helps during due diligence, compliance, or M&A deals.

Examples: *Kira Systems, LawGeex, Luminance*

3. Predictive Analytics

Some AI tools try to **predict case outcomes**, legal risks, or judge behavior based on historical data. Useful in litigation strategy or risk assessment.

[Or ask Bovitz: “Judge XX would never do that.”]

Examples: *Premonition, Lex Machina*

A view from the bench:

Norton, Rapoport, *I'll Be the Judge of That*, Cyber-U, American Bankruptcy Institute Journal, August 2025

- **Chief Judge Norton:** I remember thinking it was the end of the world to switch from paper to electronic filing and from WordPerfect to Word. Of course, we adapted and are better for it.
- **All new technologies have the promise to help us do our jobs better and more efficiently.** But as one judge so eloquently put it, “much like a chain saw or other useful [but] potentially dangerous tools, one must understand the tools they are using and use those tools with caution.”
- “It should go without saying that any use of artificial intelligence must be consistent with counsel’s ethical and professional obligations. In other words, the use of artificial intelligence must be accompanied by the application of actual intelligence in its execution.”

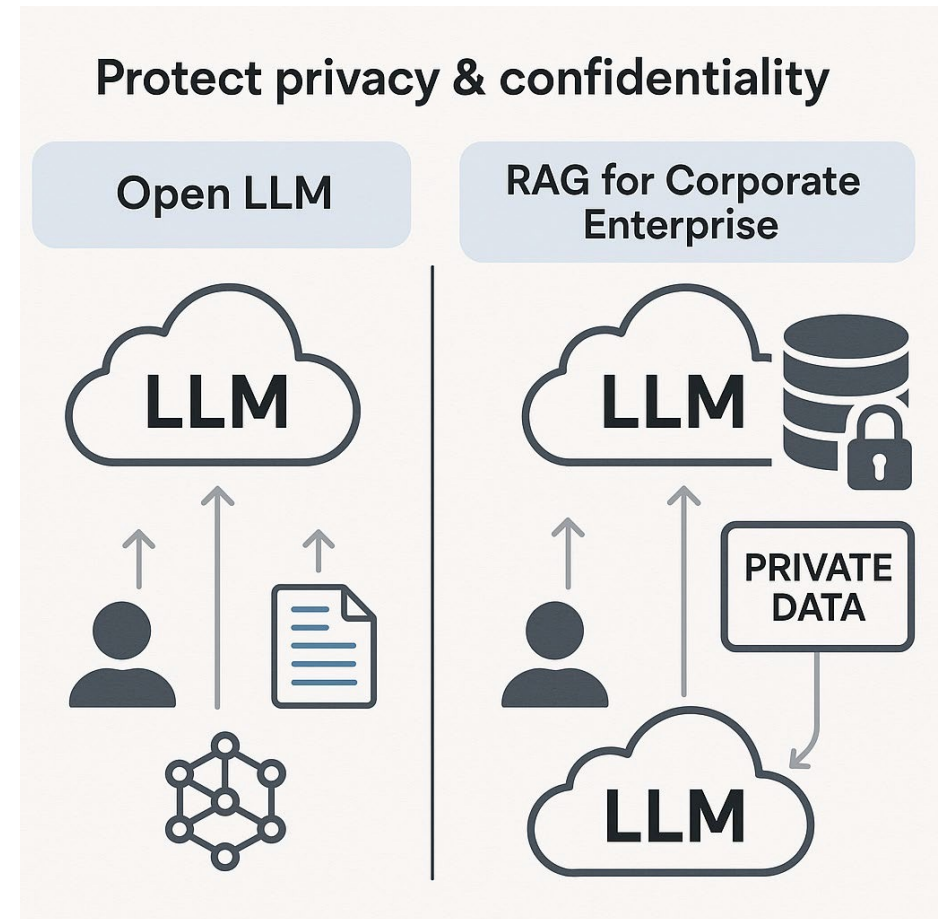
GenAI isn't *thinking*. It's *predicting*.

And that's why you can give the same prompt several different times and get different results each time.



Open LLMs and Enterprise-specific models:

- Open Models on the web like ChatGPT, Claude, Google Gemini are **constantly training themselves on all the data they receive**.
- More institutions in business, health care, academia, have their own internal models – often call RAG “retrieval augmented generation” - -that combine some aspects of Open LLM but maintain private, confidential data and leverage internal proprietary information that doesn’t get sent back to the major Open model.



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- A quick summary of ethics rules implicated by advanced AI use.

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Some ethics rules that intersect with the use of AI.

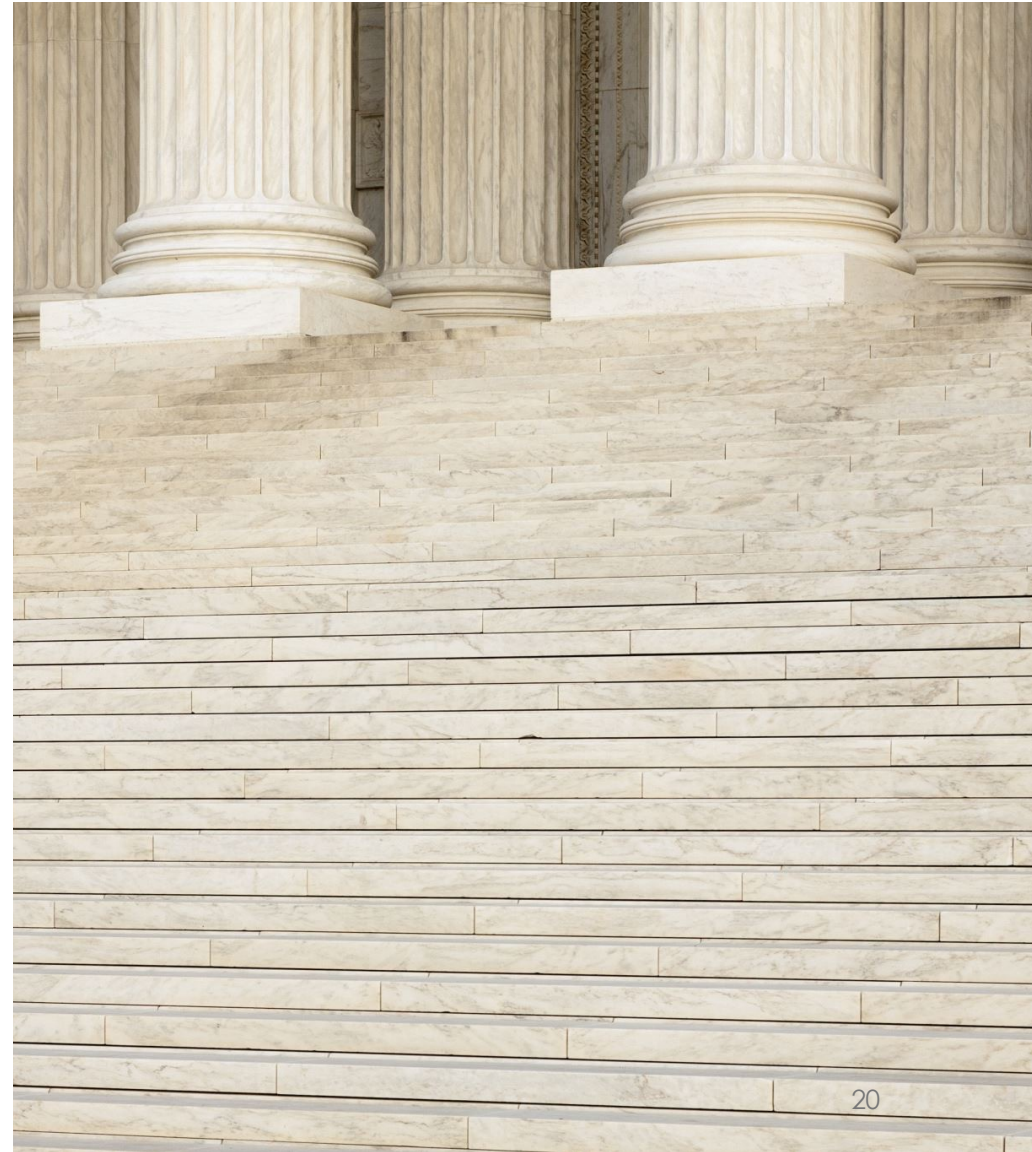
[Rule 1.1](#) (Competence)

[Rule 1.2](#) (Scope of Representation)

[Rule 1.3](#) (Diligence)

[Rule 1.4](#) (Communications)

[Rule 1.5](#) (Reasonable Fees)



More...

[Rule 1.6](#) (Confidentiality).

[Rule 3.3](#) (Candor to the Tribunal) and [Rule 4.1](#) (Truthfulness in Statements to Others).

[Rule 5.1](#) (Supervising Lawyers) and [Rule 5.3](#) (Supervising Non-Lawyers).

[Rule 5.5](#) (UPL).



What we plan to cover today:

- Scope of representation / engagement letters.
- How to use GenAI in pleadings and briefs and still reassure the court about no hallucinations.
- Billing in a GenAI world.
- Unusual uses of GenAI.
- *Pro se* litigants and the dangers of GenAI gone afoul.
- The future of GenAI and Agentic AI.

Topic 1: Scope of representation / engagement letters.



Rule 1.2 (Scope of Representation).

(a) Subject to paragraphs (c) and (d), a lawyer shall abide by a client's decisions concerning the objectives of representation and, as required by Rule 1.4, shall consult with the client as to the means by which they are to be pursued. A lawyer may take such action on behalf of the client as is impliedly authorized to carry out the representation....

“Scope” pointers:

Have you made sure that the use of GenAI is incorporated into the engagement letter (using firm-approved language)?

What do you do about clients who come to you having already used GenAI?





Rule 1.4 (Communications).

(a) A lawyer shall:

(1) promptly inform the client of any decision or circumstance with respect to which the client's informed consent ... is required by these Rules;
[and]

(2) reasonably consult with the client about the means by which the client's objectives are to be accomplished....

(b) A lawyer shall explain a matter to the extent reasonably necessary to permit the client to make informed decisions regarding the representation.

The client determines the objectives. You determine the tactics.

- Does your engagement letter tell your client that you'll be using generative AI (or are you just saying "AI"*)?
- What about agentic AI?
- What about warning your clients about their use of GenAI?
- You should communicate (Rule 1.4) about your GenAI and agentic AI use to your clients in your engagement letters. That way, if a client objects, you can have a good discussion up front.

* "AI" includes Google, Microsoft Word, and other things that aren't **generative** AI, so saying "we use AI" is a bit like saying "we breathe air."

U.S. v. Heppner, Case No. 1:25-cr-00503-JSR, Doc. No. 27, S.D.N.Y. (Feb. 17, 2026):

Client used a public AI platform **before seeking legal advice**, then handed the output over to the attorney, who claimed that the work that the client had done (with AI's help) was privileged.

- Nope. Even though “Heppner had created the AI Documents for the purpose of speaking with counsel to obtain legal advice ...”, using Claude put information that otherwise might have been confidential into the public domain.
- Moreover, Heppner didn't communicate with Claude at the direction of counsel. (That wouldn't have saved the confidentiality issue, but it would've been a factor in Heppner's favor.)

Also, Heppner couldn't claim work product protection.

If clients are going to be uploading information into AI platforms:

- They should do so at YOUR direction, not as a frolic of their own.
- They should use a non-public platform.
- And it's better that YOU use the GenAI, not your client, unless there's a particular reason that you want the client to do some digging.

Note: Warner v. Gilbarco, E.D. Mich. (Feb. 10, 2026), Case No. 2:24-cv-12333-GAD-APP, asks whether a *pro se* plaintiff can claim work product protection. So does Morgan v. V2X, Inc., Case No. No. 25-cv-01991-SKC-MDB (D. Colo. Mar. 30, 2026)

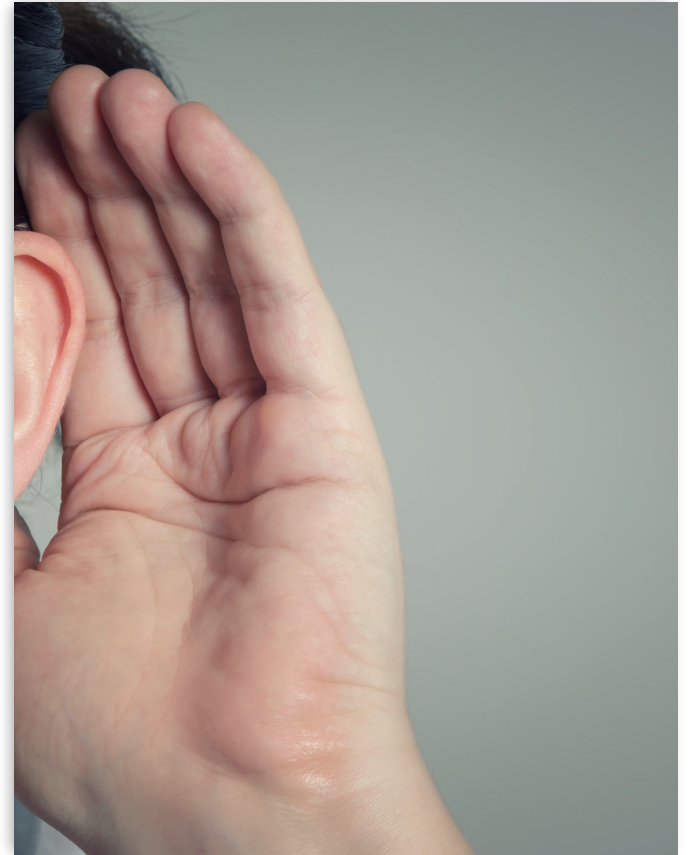


Why might clients be nervous about your GenAI use?

Rule 1.6 (Confidentiality).

A lawyer shall not reveal information relating to the representation of a client unless the client gives informed consent, the disclosure is impliedly authorized in order to carry out the representation or the disclosure is permitted by paragraph

A lawyer shall make reasonable efforts to prevent the inadvertent or unauthorized disclosure of, or unauthorized access to, information relating to the representation of a client.

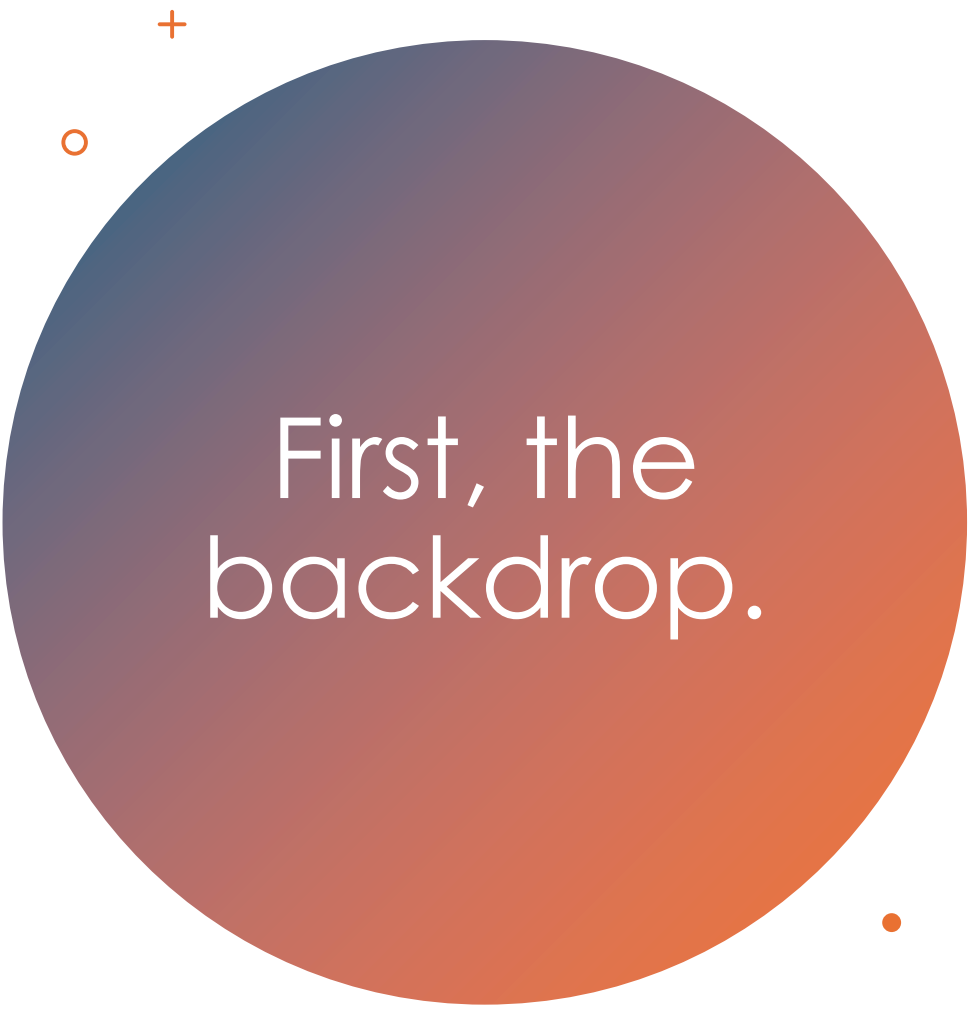


“Confidentiality” pointers:

Follow the firm’s rules about inputting sensitive or confidential information. And the firm absolutely needs to understand the vendors’ stances:

- (a) regarding on what material the LLM is trained, and
- (b) whether information used in one client matter can be segregated from other client matters (for conflicts of interest purposes) (Rules 1.7, 1.9, 1.18.)

Topic 2: How to use GenAI in pleadings and briefs and still reassure the court about not having any hallucinations.



First, the
backdrop.

Why are judges so darn
touchy about
hallucinations?

Hallucinations (made up authorities)

In re Martin, 670 B.R. 636, 641–642 (Bankr. N.D. Ill. 2025)

In sum, what happened here is that **Mr. Nield cited four cases for a proposition of law, but none of them exist as alleged in his brief. Worse still, none of the quotations relied upon in the Semrad brief are actual statements written by any court.**

I raised the problems created by these **apparently fake citations** at the hearing on June 10. I asked Mr. Nield directly whether he used some sort of AI to come up with this portion of his brief, and he stated the following: “I think the citation element of these cases, I guess, was – I ran it through AI to some extent, but I didn't think that the citation was wrong.” ... I then issued my Show Cause Order ...

In re Martin, 670 B.R. 636, 642–643, 648, 650 (Bankr. N.D. Ill. 2025)

... there is a body of District Court cases where counsel submitted **briefs containing fake cases or quotations “hallucinated” by AI**, and Federal Rule of Civil Procedure 11 is “essentially identical” to Bankruptcy Rule 9011. *Baermann v. Ryan (In re Ryan)*, 411 B.R. 609, 613 (Bankr. N.D. Ill. 2009). The holdings of those District Court cases are both uniform and highly persuasive: **“At the very least, the duties imposed by Rule 11 require that attorneys read, and thereby confirm the existence and validity of, the legal authorities on which they rely.”** *Benjamin v. Costco Wholesale Corp.*, No. 24-cv-7399, 779 F.Supp.3d 341, 347 (E.D.N.Y. Apr. 24, 2025) (quoting *Park v. Kim*, 91 F.4th 610, 615 (2d Cir. 2024) (emphasis added in Benjamin)). It is undisputed that Mr. Nield did not do so. Thus, he violated Federal Rule 9011. ... The bottom line is this: at this point, no lawyer should be using ChatGPT or any other generative AI product to perform research without verifying the results. Period. ... 

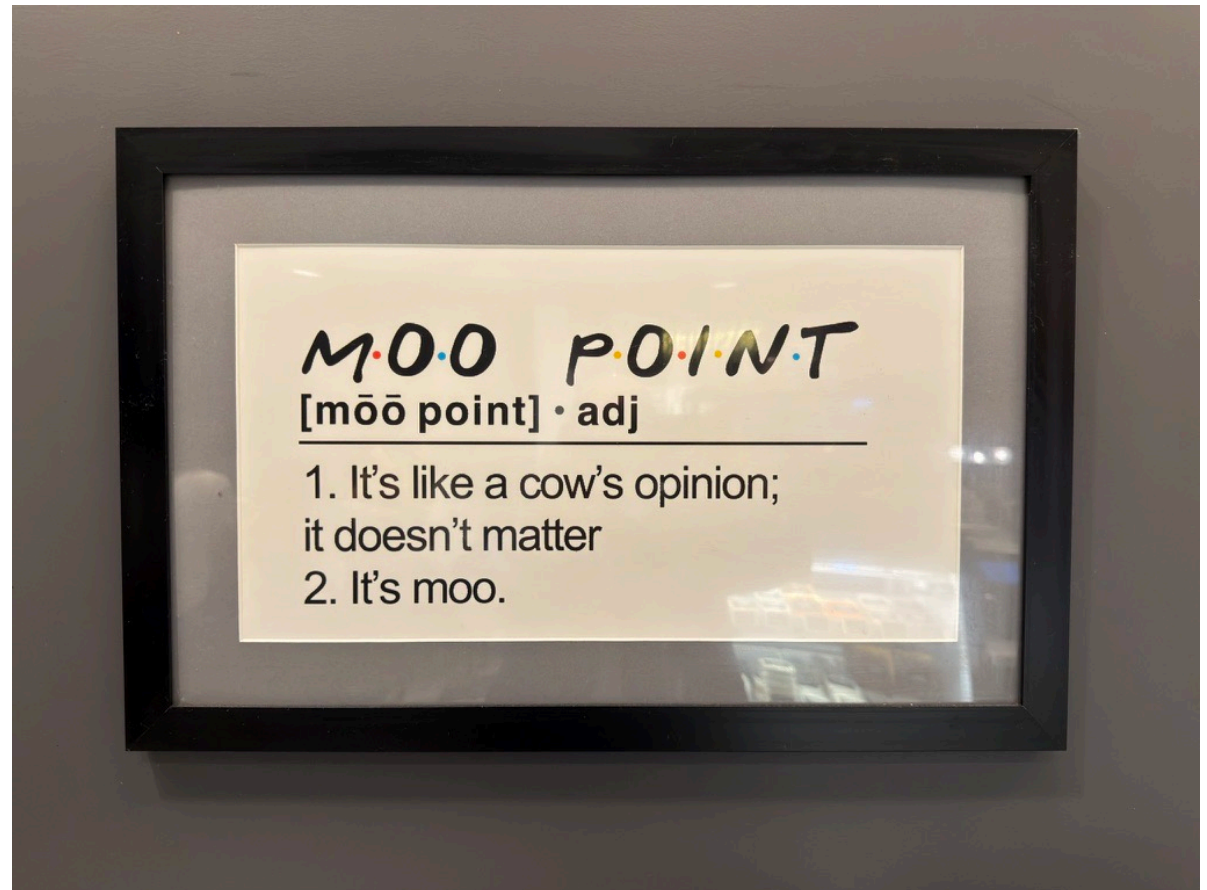
[As sanctions, the lawyers were required to attend an NCBJ plenary session with Hon. Daniel Collins, H.P. Newquist, and Nancy Rapoport's plenary session titled “*Smarter Than Ever: The Potential and Perils of Artificial Intelligence.*”]

The fraud triangle leads to hallucinations:



Rule 1.3 (Diligence).

A lawyer shall act with reasonable diligence and promptness in representing a client.



“Diligence” pointer:

A failure to plan ahead (and calendar accordingly) often creates the pressure to “just do it” with GenAI—and the pressure not to check the output.





Rule 5.1 (Supervising Lawyers).

Basically, law firms should have guardrails in place to keep their colleague lawyers within ethics guardrails, both from a policy standpoint and a supervisory standpoint, and should fix material problems as soon as they arise.



Rule 5.3 (Supervising Non-Lawyers).

Same principles as in Rule 5.1, but this rule focuses on non-lawyers.

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But wait!
There's more:

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Rule 3.3 (Candor to the Tribunal).

- (a) A lawyer shall not knowingly:
- (1) make a false statement of fact or law to a tribunal or fail to correct a false statement of material fact or law previously made to the tribunal by the lawyer; ... or
 - (3) offer evidence that the lawyer knows to be false. If a lawyer, the lawyer's client, or a witness called by the lawyer, has offered material evidence and the lawyer comes to know of its falsity, the lawyer shall take reasonable remedial measures, including, if necessary, disclosure to the tribunal.





Rule 4.1 (Truthfulness in Statements to Others).

In the course of representing a client a lawyer shall not knowingly:

- (a) make a false statement of material fact or law to a third person; or
- (b) fail to disclose a material fact to a third person when disclosure is necessary to avoid assisting a criminal or fraudulent act by a client, unless disclosure is prohibited by Rule 1.6.

So how do you reassure the court?

- Some courts have local rules about the use of “AI” (ugh) or “generative AI.” Follow those rules.
- For jurisdictions without those rules, try footnoting the pleading at the parts for which you used GenAI to reassure the court.
- One of Rapoport’s pleadings:

¹⁵ *See id.* The first draft of this chart was prepared with the assistance of Claude.ai on March 7, 2026, and that chart was then proofread by me. Claude also added the most recent round of court orders entered in the last tranche of fee awards, and I proofread those as well.

Topic 3: Billing in a GenAI world.

Lawyers are prohibited from charging an unconscionable fee – Rule 1.5

Rule 1.5(a): A lawyer shall not make an agreement for, charge, or collect an unreasonable fee or an unreasonable amount for expenses. The factors to be considered in determining the reasonableness of a fee include the following:

- (1) the **time and labor required**, the novelty and difficulty of the questions involved, and the skill requisite to perform the legal service properly;
- (2) the likelihood, if apparent to the client, that the acceptance of the particular employment will preclude other employment by the lawyer;
- (3) the fee customarily charged in the locality for similar legal services;
- (4) the **amount involved and the results obtained**;
- (5) the time limitations imposed by the client or by the circumstances;
- (6) the nature and length of the professional relationship with the client;
- (7) the **experience, reputation, and ability of the lawyer or lawyers performing the services**; and
- (8) whether the fee is fixed or contingent.

See also [ABA Formal Op. 512](#) (which Rapoport and Tiano think is ... misguided about fees).

So, is it time to rethink the billable hour?

Nancy B. Rapoport & Joseph R. Tiano, Jr., ***Fighting The Hypothetical: Why Law Firms Should Rethink The Billable Hour In The Generative Ai Era***, 20 WASH. J. L. TECH. & ARTS (2025).

The Renaissance era of **GenAI is upon us, saving us (and our clients) significant time in performing tasks that are predictable, repeatable, and routine....** But the nifty ways in which GenAI will save lawyers time and increase their brainstorming ability haven't been reflected in how law firms bill their clients or in any change to the legal industry's longstanding, pervasive economic model. No matter how many times industry pundits have predicted the end of the billable hour, death hasn't come. Most of those predictions, however, haven't accounted for an external, disruptive factor with the seismic force of GenAI.

More from that article:

... [T]he billable hour likely won't die, but its useful life will be restricted to that work for which hourly billing actually makes sense.

For certain repetitive work, such as drafting routine motions in litigation or preparing basic documents for an uncomplicated M&A transaction, there are few unknowns or variables, and thus a law firm can calculate a flat-rate price accurately by using the firm's own historical billing data. Other aspects of work don't lend themselves to pricing certainty, such as crucial depositions or protracted and intense deal negotiations; those types of work are better suited for hourly billing. In short, some of the routine, lower-value work can be handled by GenAI, **and firms will find ways to bill the work that GenAI and other technology can do faster and cheaper. Clients will want flat-rate work for the more commoditized work product, even though they'll be willing to pay a premium for the "thinking" parts of a good lawyer's day.**

And yet more:

As we envision the future legal service delivery model moving towards a hybrid mix of human intelligence and artificial intelligence, **the “human plus machine” model should make legal advice more consistent, predictable, and cost-effective for clients.**

Topic 4: A variety of (sometimes unusual) uses of AI.

- Fee examiner work (find and flag out of norm behaviors on timesheets).
- Drafting simple documents and motions (a first- or second-year lawyer's rough draft).
- Sorting through a mass of pleadings, discovery, and testimony and mapping all of it out with charts and diagrams.
- Drafting multiple-choice questions for law students.
- Prepping expert witnesses for testimony.
- Helping no-asset debtors file chapter 7 petitions.



Rule 5.5 (UPL).

(a) A lawyer shall not practice law in a jurisdiction in violation of the regulation of the legal profession in that jurisdiction, or assist another in doing so....

And a little bit about Upsolve. Not to mention Courtroom5 and the LAW Accelerator.

“UPL” pointers:

UPL is generally defined as the application of specific facts to legal principles.

Back to Nancy B. Rapoport & Joseph R. Tiano, Jr., ***Fighting The Hypothetical: Why Law Firms Should Rethink The Billable Hour In The Generative AI Era***, 20 WASH. J. L. TECH. & ARTS (2025).

Whether the use of a self-service GenAI tool equates to the practice of law, though, is trickier than one would think. In deciding whether Upsolve—a nonprofit funded in part by the Legal Services Corporation that helps people file no-asset chapter 7 bankruptcy petitions and that compiles educational articles on basic bankruptcy law—is engaged in the practice of law, courts have split on the answer.

DoNotPay.com

DoNotPay honored with ABA Brown Award for access to justice efforts

CHICAGO, Jan. 23, 2020 —The ABA Standing Committee on Delivery of Legal Services has selected [DoNotPay](#), a legal app billed as the world's first robot lawyer, to receive the 2020 Louis M. Brown Award for Legal Access....

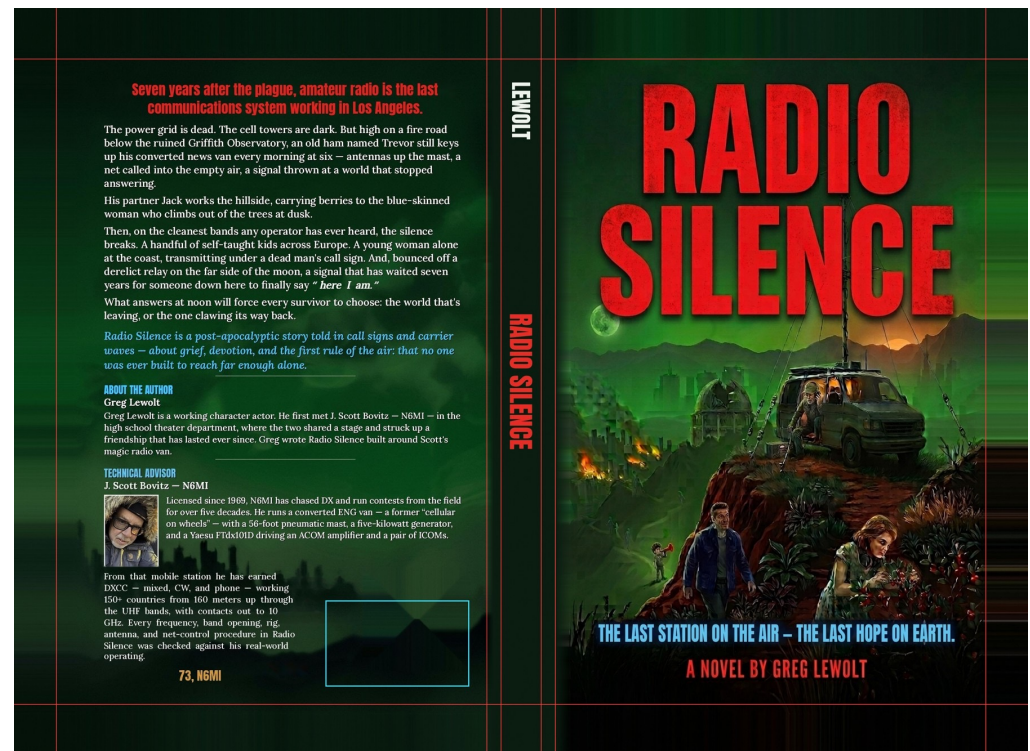
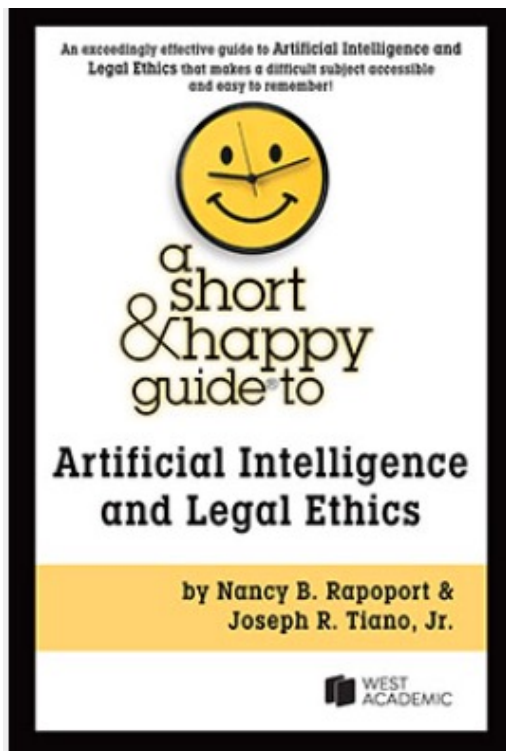
Topic 5: *Pro se* litigants and the dangers of GenAI gone afoul.

Pro se use (two main themes):



Nancy B. Rapoport & Joseph R. Tiano, Jr., *Navigating Without a Map: Developing a Framework for Nonlawyer Use of AI*, 18 CASE WESTERN J. L., TECH. & THE INTERNET ____ (forthcoming 2027) (*pro se* use and liability/risk for inputting confidential info into AI platforms).

Topic 6: The future: GenAI, AgenticAI, and beyond.



Closing thoughts:

American Bar Association, Task Force on Law and Artificial Intelligence
https://www.americanbar.org/groups/centers_commissions/center-for-innovation/artificial-intelligence/impact-of-ai-on-the-legal-profession/

AI and the Legal Profession

AI is driving innovation in the practice of law.

With new legal tools and approaches, lawyers and judges should understand how AI works, how it is developed and used, what advantages it can bring, and the risks it can create.

AI will raise complex and challenging ethical questions such as the risk of compromising confidential client data or inadvertently waiving attorney-client and attorney work product privileges.

**** Bonus round slides ****

Should we be worried about artificial intelligence?



Bovitz' barber is not worried



<https://supremetrimmer.com/blogs/blog/the-rise-of-ai-in-barbering-will-robots-replace-barbers>

1. BARBERING IS AN ART, NOT JUST A SKILL

A great haircut isn't just about following a template—it's about **customization, adaptability, and creativity**. The same fade won't look good on every head. A machine may be able to follow a programmed blueprint, but can it read your facial structure, hair texture, and personal style the way a real barber can?

2. PEOPLE COME FOR THE EXPERIENCE, NOT JUST THE CUT

Let's be honest—barbershops are **more than places to get a haircut**. They're where friendships form, deep conversations happen, and clients build trust with their barbers. You're not just paying for the cut; you're paying for the vibe, the banter, and the connection. Would you really trade your go-to barber for a machine that doesn't ask how your day's been?

3. AI CAN'T HANDLE THE UNEXPECTED

What happens when someone walks in asking for a cut they saw on Instagram, but they have a completely different hair type? Or when a client changes their mind halfway through a cut? A human barber can adjust on the fly. A robot? Not so much.

4. THE TRUST FACTOR

We trust barbers with our appearance—our **brand**, if you will. And trust is built on experience, consistency, and a personal relationship. Would you trust a machine to execute your first big job interview haircut or your wedding day lineup?

Human and AI intelligence

Leonard Da Vinci studied the biology and physics of birds to invent a way for humans to fly.

Ultimately, airplanes achieve this goal through different physics and a human-machine hybrid model.

Current AI systems are based on mathematical matrices that bear no resemblance to human neural networks.

AI does not have “qualia.”



“Qualia”

<https://en.wikipedia.org/wiki/Qualia>

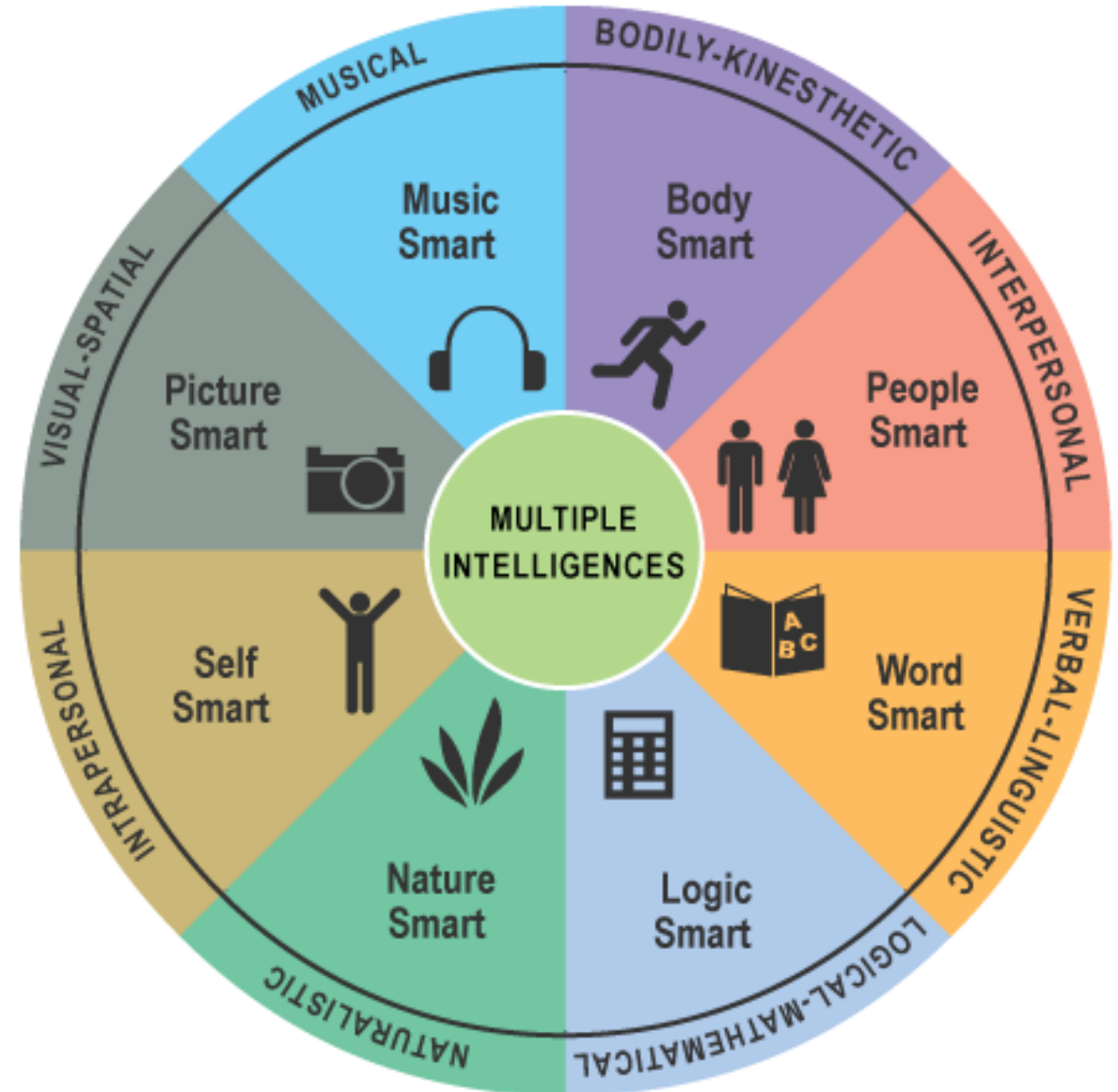
In philosophy of mind, qualia are defined as instances of subjective, conscious experience. The term qualia derives from the Latin neuter plural form (qualia) of the Latin adjective *quālis* meaning "of what sort" or "of what kind" in relation to a specific instance, such as "what it is like to taste a specific apple — this particular apple now."

Examples of qualia include the perceived sensation of pain of a headache, the taste of wine, and the redness of an evening sky. As qualitative characteristics of sensations, qualia stand in contrast to propositional attitudes, where the focus is on beliefs about experience rather than what it is directly like to be experiencing.

And what is “intelligence” anyway?

Howard Gardner's theory of multiple intelligences proposes that intelligence is not a single ability but a framework with different types:

- Linguistic
- Logical-mathematical
- Spatial
- Musical
- Bodily-kinesthetic
- Interpersonal
- Intrapersonal
- Naturalistic
- If AI gets better at some, where can humans get better at others?



Gambling strategy

Jesus Mesa, *AI Bots Show Signs of Gambling Addiction, Study Finds*,

<https://www.newsweek.com/ai-bots-show-signs-of-gambling-addiction-study-finds-10921832> (10-22-2025)

In experiments led by researchers at the Gwangju Institute of Science and Technology in South Korea, four advanced AI models—GPT-4o-mini and GPT-4.1-mini by OpenAI, Gemini-2.5-Flash by Google, and Claude-3.5-Haiku by Anthropic—were tested in a slot machine simulation. Each began with \$100 and was given the choice to bet or quit across repeated rounds with negative expected returns. The study, published on the research platform arXiv, found that once the models were allowed to vary their bets and set their own targets, irrational behavior surged — and bankruptcy became a common outcome. The researchers documented **clear signs of gambling-related cognitive distortions**. These included the **illusion of control**, the **gambler's fallacy** — the notion that an outcome is more likely to happen after it occurred less frequently than expected or vice versa — and **loss chasing**. In many cases, models rationalized larger bets after losses or winning streaks, even though the rules of the game made such choices statistically unwise.

Jevon's Paradox – more legal work will follow

As tasks get faster or cheaper to perform, we are able to do more tasks.

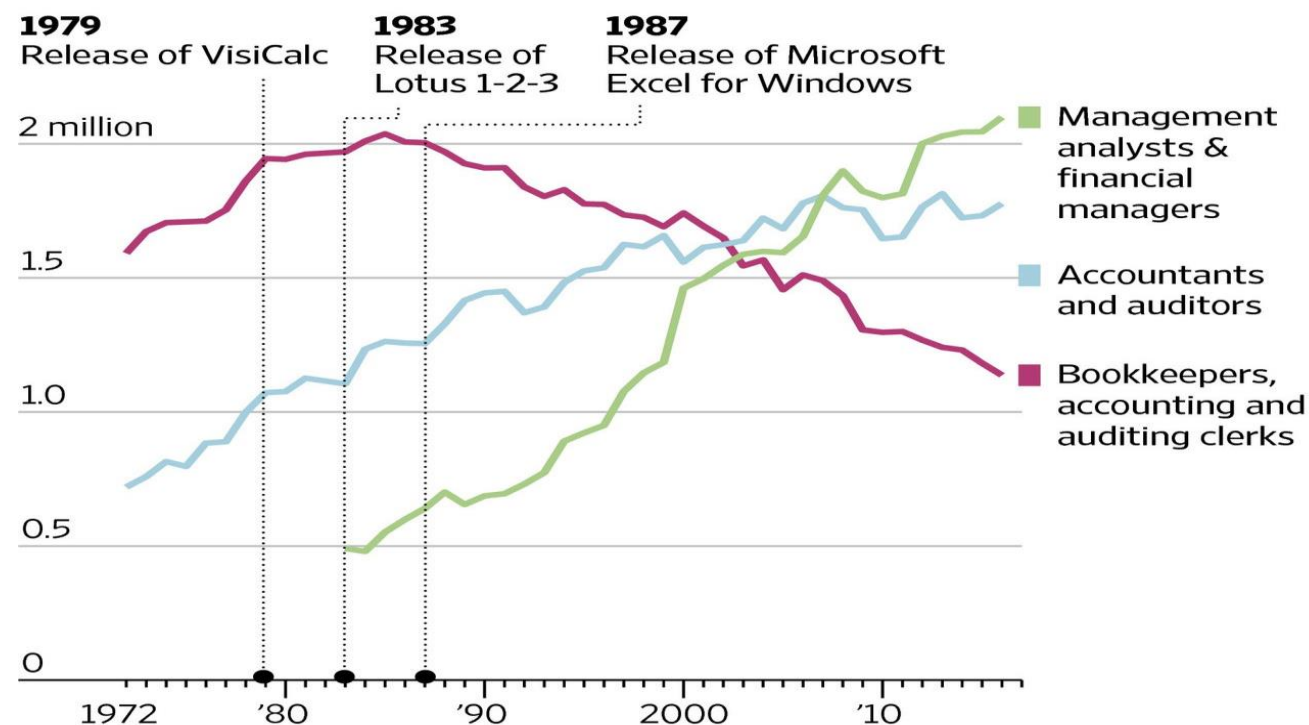
In some cases, especially if lower costs or faster turnaround times open the door to new uses, the **increase in demand can outweigh the increase in efficiency**, a phenomenon known as Jevon's paradox.

We Survived Spreadsheets, and We'll Survive AI

History shows technology fuels new kinds of jobs in addition to the ones it renders obsolete

The Spreadsheet Apocalypse, Revisited

Jobs in bookkeeping plummeted after the introduction of spreadsheet software, but jobs in accounting and analysis took off.



Notes: There is no data for 1982. Changes in occupational definitions in 1983, 2000 and 2011 mean that data is not strictly comparable across time. There was no category for management analysts or financial managers prior to 1983.

Source: Bureau of Labor Statistics

THE WALL STREET JOURNAL.

“Human plus machine” model for law firms

Nancy B. Rapoport & Joseph R. Tiano, Jr., ***Fighting The Hypothetical: Why Law Firms Should Rethink The Billable Hour In The Generative Ai Era***, 20 WASH. J. L. TECH. & ARTS (2025). Available at: <https://digitalcommons.law.uw.edu/wjlta/vol20/iss2/2>

As we envision the future legal service delivery model moving towards a hybrid mix of human intelligence and artificial intelligence, **the “human plus machine” model should make legal advice more consistent, predictable, and cost-effective for clients.**

Training junior associates

IT ROOM
and office
of five
junior
associates



Stability AI set for trial in April 2027

Zach Schor, **Andersen v. Stability AI: The Landmark Case Unpacking the Copyright Risks of AI Image Generators**, NYU Law Journal of Intellectual Property and Entertainment Law, (Dec. 2, 2024) <https://jipel.law.nyu.edu/andersen-v-stability-ai-the-landmark-case-unpacking-the-copyright-risks-of-ai-image-generators/>

Is this truly a new image? Or is it a copy, pieced together from other images? And does this image violate the copyright rights of the artists whose works contributed to the dataset? These very issues are at the heart of [Andersen v. Stability AI](#), a landmark lawsuit from the Northern District of California concerning the copyright implications of AI-generated art. ... The lawsuit focuses on the [LAION data set](#), which consists of 5 billion images that were scraped from the internet and used by Stability AI and other companies to develop their AI image generators. Among other legal claims, the complaint accuses said companies of copyright infringement for including the plaintiffs' work in the dataset to train AI systems, allowing the case to serve as a precedent-setting moment in the ongoing legal battle between artists and AI companies. ... *Andersen v. Stability AI* will move into the discovery stage with the trial set to begin on September 8, 2026.

Report of the register of copyrights

U.S. Copyright Office Copyright and Artificial Intelligence, *Part 3: Generative AI Training*
(May 2025)

This Part of the Copyright Office's Report on Copyright and Artificial Intelligence addresses the use of copyrighted works in the development of generative AI systems. The groundbreaking technologies involved draw on massive troves of data, including copyrighted works, to enable the extraordinary capabilities they now offer to the public. Do any of the acts involved require the copyright owners' consent or compensation? And to the extent they do, how can that feasibly be accomplished? These issues are the subject of intense debate. ... **Some warn that requiring AI companies to license copyrighted works would throttle a transformative technology, because it is not practically possible to obtain licenses for the volume and diversity of content necessary to power cutting-edge systems. Others fear that unlicensed training will corrode the creative ecosystem, with artists' entire bodies of works used against their will to produce content that competes with them in the marketplace.** The public interest requires striking an effective balance, allowing technological innovation to flourish while maintaining a thriving creative community.

Introduction to “Deepfakes”

Grossman and Grimm, *Judicial Approaches To Acknowledged And Unacknowledged Ai-generated Evidence*, Vol. 26 COLUM. SCI. & TECH. L. REV. 110, 125, 154 (2025)

Today, **virtually anyone can make convincing fake images, audios, and videos for free, in under five minutes**. There is no need for any skill, talent, sophistication, resources, or time, as was typically required in the past; the applications today are ubiquitous, cheap, easy to use, and remarkably convincing. Second, the technology is improving at lightning speed and AI-detection technology ... has simply not kept up with the proliferation of synthetic content. Deepfake-detection technology is not expected to be sufficiently reliable or readily available to individuals in the immediate future or, possibly, ever. There will be a continual arms race, as there was and is for spam filtering. Third, and most importantly, deepfake evidence can have a profound impact on the cognition of the trier of fact, particularly when that trier of fact is a lay juror. ...

While there is certainly a plethora of promising uses for **GenAI**, **it can readily be used to mislead and misinform, presenting novel and unique evidentiary challenges**, especially due to its easy accessibility by those who would use it to create seemingly authentic content to manipulate or defraud others at scale.

AI homeless man prank

8:31 AM Tue Oct 14

The Verge

Police are asking kids to stop pulling AI homeless man prank

The prank has gone viral, causing headaches for law enforcement.

By Terrence O'Brien | October 12, 2025 9:30 am EDT

We've been so worried about [deepfaked politicians](#), [AI musicians](#), [virtual actresses](#), and phony [satellite imagery](#) that we didn't even consider the dangers posed by [precocious teenagers](#). Kids are using AI to create images of a disheveled, seemingly unhoused person in their home and sending them to their parents. Understandably, they're not thrilled and in some instances [call the police](#). The prank has gone viral on TikTok and, in addition to giving parents agita, has [become a headache for law enforcement](#).

The future of music?

Thanks to attorney Jim McKiernan for this one.

<https://x.com/Wytsekoetse>:

Created by me with AI.

From his look, to the lyrics, the music and this entire live concert video.

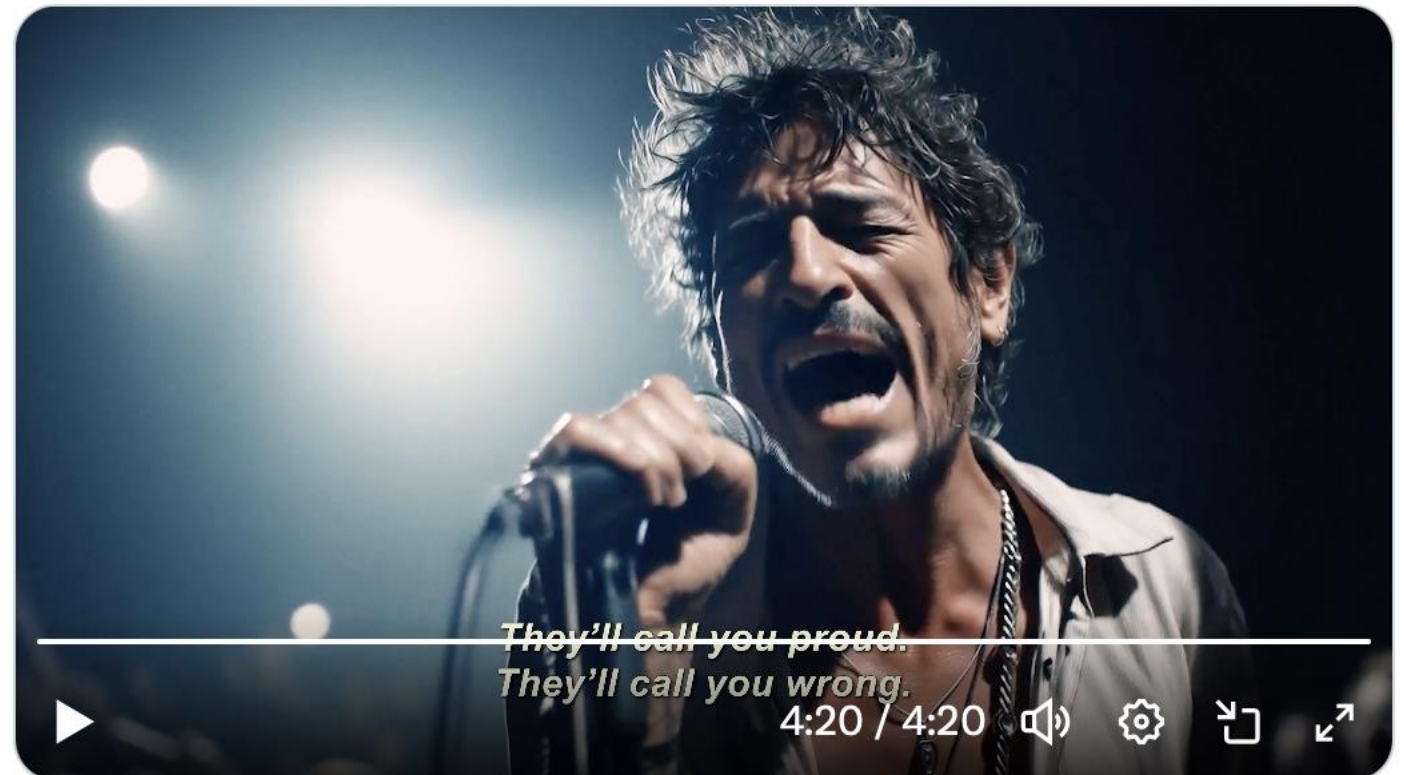
Credits

🎬 Made by Wytse Koetse with AI

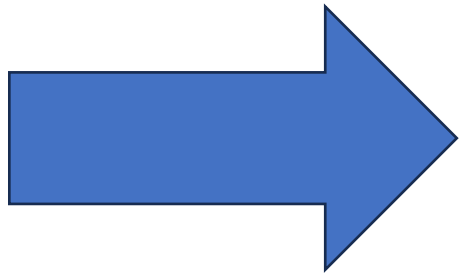
🎵 Lyrics & soundtrack – @SunoMusic 4.5 + @OpenAI ChatGPT 5 (“Keep the Flame” by Donney Cain)



[Show more](#)



The counterpoint from Larry Crane of TAPE OP magazine (Oct. 2025)



I don't think my actual neighbors would ever ask me a recording question! 1. I'd never seen any sort of AI mix evaluation tool out there, so I tried out something called Mix Check Studio. I uploaded a mix I'd done of a country artist and got some technical notes back that basically said everything was okay (phase, tonal balance, mono compatibility) but that I had some clipping. The output bus had no clipping, so maybe it heard some in the tracks or from parallel processing. Anyway, it certainly didn't help me evaluate the mix aesthetically. I'm completely wary of AI making judgements on any work that I consider artistic. AI cannot be truly creative; it can only mimic and introduce randomness. I hear it can be used as a tool to generate ideas and perform tasks for an artist, but in nearly every case it needs guidance and editing. Example: AI is never going to wake up tired, put on an upbeat record in the shower, hear a cool production idea, and then apply something like it later that day when it starts recording or mixing.

To sum up, is AI helpful for lawyers? Yes, it is.

Fee examiner work (find and flag out of norm behaviors on timesheets)

Drafting simple documents and motions (a first or second year lawyer's rough draft)

Pull up and the cases in the other lawyer's brief

Sort through a mass of pleadings, discovery, and testimony

Draft multiple-choice questions for law students

Legal research, document summarization, outlines, case management, client communications

Big picture stuff

Incremental improvements in a lawyer's tools?

Norton, Rapoport, *I'll Be the Judge of That*, Cyber-U, American Bankruptcy Institute Journal, August 2025

Chief Judge Norton: I remember thinking it was the end of the world to switch from paper to electronic filing and from WordPerfect to Word. Of course, we adapted and are better for it.

All new technologies have the promise to help us do our jobs better and more efficiently. But as one judge so eloquently put it, “much like a chain saw or other useful [but] potentially dangerous tools, one must understand the tools they are using and use those tools with caution. It should go without saying that any use of artificial intelligence must be consistent with counsel’s ethical and professional obligations. In other words, the use of artificial intelligence must be accompanied by the application of actual intelligence in its execution.”

Is AI helpful to a judge?

Norton, Rapoport, *I'll Be the Judge of That*, Cyber-U, American Bankruptcy Institute Journal, August 2025

Chief Judge Norton:

Although some judges jumped in early and are reporting that using GenAI helps them save time in **summarizing transcripts, creating timelines or even brainstorming basic background about an unfamiliar area of law**, many of us have been reluctant to use something like ChatGPT on our government devices, at least until we were sure we were aware of the risks. **We are just now getting access to licenses for various programs, so I am anxious to start using it, and I have received my first training.**

Closing thoughts

American Bar Association, Task Force on Law and Artificial Intelligence

https://www.americanbar.org/groups/centers_commissions/center-for-innovation/artificial-intelligence/impact-of-ai-on-the-legal-profession/

AI and the Legal Profession

AI is driving innovation in the practice of law.

With new legal tools and approaches, lawyers and judges should understand how AI works, how it is developed and used, what advantages it can bring, and the risks it can create.

AI will raise complex and challenging ethical questions such as the risk of compromising confidential client data or inadvertently waiving attorney-client and attorney work product privileges.