

SOVEREIGN LEGAL INTELLIGENCE

CounselCore Partner Briefing Memo

A partner-level decision memo for evaluating in-house legal AI against privilege, discovery, ethics, and operational-risk requirements.

Decision Premise

Law firms are not deciding whether lawyers will use AI. They are deciding whether that use will happen inside a governed system or through fragmented, public, and hard-to-defend workflows.

CounselCore is built for the first path: controlled deployment, matter-aware retrieval, permissioned access, and evidence-ready logging.

Recommended Governance Position

Treat AI like a high-risk legal system rather than a productivity toy. Define approved use cases, restrict matter access, log activity, require verification of legal authorities, and avoid public systems for privileged or client-sensitive material.

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| PRIVILEGE | Keep confidential material inside the firm's own environment and document the boundary. |
| DISCOVERY | Avoid creating vendor-controlled repositories, logs, or unknown retention surfaces. |
| VERIFICATION | Require source-linked outputs and attorney review before legal conclusions are used. |
| PRESERVATION | Retain usage records where they may later be needed to explain or defend the work. |

What the Case Law Is Signaling

The court examples cited below show a widening legal-risk surface around public AI: privilege disputes, fake case citations, sanctions, deleted AI records, appellate discipline referrals, and expert credibility failures.

Briefing Questions for Firm Leadership

- Where can attorneys safely use AI today, and where is public AI prohibited?
- Can the firm prove what source material supported an AI-assisted answer?
- Can the firm preserve AI usage records if a court later asks for them?
- Does the firm's AI system respect ethical walls, matter permissions, and client restrictions?

Sources Cited

United States v. Heppner

Public generative AI use raised privilege and work-product concerns when prompts and outputs were sought in discovery.

<https://harvardlawreview.org/blog/2026/03/united-states-v-heppner/>

Miller v. Regions Bank

The court treated AI-generated fake citations and deleted ChatGPT records as a sanctions and preservation issue.

https://websitesdc.s3.amazonaws.com/documents/Miller_v_Regions_Bank_USA_21_May_2026.pdf

Mata v. Avianca

The court sanctioned lawyers who submitted non-existent judicial opinions generated by ChatGPT.

<https://law.justia.com/cases/federal/district-courts/new-york/nysdce/1%3A2022cv01461/575368/54/>

Park v. Kim

The Second Circuit referred counsel to its grievance panel after a brief cited a non-existent ChatGPT-generated case.

<https://law.justia.com/cases/federal/appellate-courts/ca2/22-2057/22-2057-2024-01-30.html>

Kruse v. Karlen

The Missouri Court of Appeals dismissed an appeal and awarded damages after fictitious AI-generated cases appeared in briefing.

<https://www.courts.mo.gov/file.jsp?id=205457>

Kohls v. Ellison

A federal court rejected reliance on an expert declaration after GPT-4o generated fake academic citations.

<https://www.law.berkeley.edu/wp-content/uploads/archive/2025/12/Kohls-v-Ellison.pdf>