

UTAH SUPREME COURT AD HOC COMMITTEE



REGULATORY REFORM

Nick Stiles, Co-Chair
Maryt Fredrickson, Co-Chair

Joint Workgroup Meeting:
Rule 5.4 and AI/Legal Technology
October 17, 2025

12:00 – 1:00

Virtual & In-person Meeting
In person: Education Room, Matheson

[Meeting LINK](#)

1. Welcome and Review of Meeting Minutes (Tab 1)
2. Discussion: The intersection of 5.4 and AI
 - a. Does the 5.4 prohibition on fee sharing prevent AI startups and funding, deter recruitment, other impacts? How has the rule 5.4 waiver worked, or not worked, so far? Other thoughts or concerns?
 - b. If 5.4 were changed, what happens to the risks 5.4 was designed to guard against, i.e., reducing conflicts of interest between financial shareholders and an attorney's duties to clients; reducing aggressive client marketing tactics; etc. Other thoughts or concerns?
3. Logistics for splitting the two groups (Tab 2 - the charges for both groups)
 - a. The Rule 5.4 workgroup was originally set to meet on the *first* Friday of each month at noon. Does that date still work?
 - b. The AI/Legal Technology workgroup will continue to meet on the *third* Friday of each month at noon.

Tab 1

Meeting Minutes
Utah Supreme Court's Ad Hoc Committee on Regulatory Reform
Legal Tech/AI and Rule 5.4 Meeting Minutes
Friday, September 19, 2025
12:00 – 1:00
Hybrid and In-person

The Committee accepted the minutes from the previous meeting.

Reintroduction of Connor Dela-Cruz

- Connor reintroduced himself
- Each member introduced themselves to Connor

Andrea Donahue gave a report on common hurdles for AI programs pursuing the Utah Sandbox.

- Andrea gave her report on the progress and challenges the Utah Sandbox has faced. The sandbox wasn't originally intended to be focused on AI, so the sandbox has had to adjust its scope. The sandbox has also had to include a Utah Innovation Requirement to ensure that entities would be focused on improving legal services to Utah consumers.
- A discussion followed surrounding the purpose and goals of the ad hoc committee
- Context regarding the evolution of the sandbox, where it is currently, and some of the aims and lessons learned.
- The sandbox has also faced challenges in granting waivers for entities seeking to enter the sandbox. There are jurisdictional limits where Utah represents only 1% of the national population, and that may not be enough to assess the sandboxes impact for larger jurisdictions or markets. There are also time limitations. Even though the sandbox is unusually long, seven years is still too short to gather data and to develop an alternative legal market.

Connor Dela-Cruz gave a report and led a discussion about the IAALS Publication

- Dean Perlman's previous comments and the NCSC publication will be discussed in the next meeting.
- The committee held a discussion on the issues of UPL and the lack of uniformity among jurisdictions. This makes it difficult for companies to scale beyond the Utah market, which disincentivizes alternative business solutions.
- The group also discussed one potential solution being safe harbor regulations that offer certain protections to companies for consumer harm.

Discussion – Current Public Amendments to Rule 5.4 (Ty Brown).

- Ty Brown led a brief discussion on the current public amendments to Rule 5.4.

The Rule 5.4 and AI workgroups agreed to meet together at least until the next meeting and will then decide what to do.

No Action items.

Tab 2

Current AI & Legal Technology Scope

Suggestion: Should the charge for the AI/Legal Technology Workgroup be expanded to include explicit direction to analyze the impact that the regulatory framework governing AI and legal technology will have on the broader access-to-justice mission of the Utah Supreme Court.

Artificial Intelligence and Legal Technology	
• Identify current and emerging trends in legal technology. • Research recommendations from legal regulatory reform experts on how to adapt to advancing technology. • Examine other states' approaches to regulating or carving out legal technology, including how they define the practice of law and deal with multijurisdictional issues. • Draft proposed rule changes, if any.	• Develop a recommendation: 1. delineating between legal technology that should and should not be regulated as the practice of law, 2. identifying any additional rules or enforcement mechanisms needed to properly regulate technology-aided legal practice. • Identify whether collaboration with other branches of government or other stakeholders will be needed to implement recommendations.

Current 5.4 Scope

Rule 5.4 Workgroup

• Research pros and cons of allowing lawyers to partner or share fees with nonlawyers, including any multijurisdictional implications. • Analyze lesson learned from Sandbox ABS entities as well as Arizona's ABS program. • Consider recommendations from experts on legal regulation.	• Examine rule 5.4 language from other states. • Develop a recommendation on whether rule 5.4 should be amended. • Draft proposed rule changes, if any.
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