

Tab 2

Meeting Minutes
Utah Supreme Court's Ad Hoc Committee on Regulatory Reform
Legal Tech/AI and Rule 5.4 Meeting Minutes
Friday, October 17, 2025
12:00 – 1:00
Hybrid and In-person

The Committee accepted the minutes from the previous meeting with minor revisions.

The workgroups will begin meeting separately. They discussed logistics and exchanged policy considerations to keep in mind moving forward.

- Market Response vs. Regulation
 - Should the Utah Supreme Court relax Rule 5.4 and let the market sort out good entities from harmful ones?
 - The general consensus is that the market is insufficient to prevent consumer harm. Some regulation is necessary.
 - Additional guardrails should be tailored to address potential concerns with nonlawyer entities (e.g., same standards of professional conduct as lawyers).
 - There is a growing market for technology-based legal services.
 - One of the concerns with Rule 5.4 is that it may limit lawyer participation in this market where lawyer involvement is crucial for this enterprise.
 - One of the reasons for Rule 5.4 is to protect the independence of lawyers from profit-motivated nonlawyers. However, lawyers are just as motivated by profit as nonlawyers.
- Rule 5.4 in other jurisdictions
 - Utah compared to other jurisdictions like Puerto Rico, D.C., and Arizona.
 - Puerto Rico – the only example we have to go off of where they have relaxed 5.4 only for *free legal services*
 - D.C. – relaxed 5.4 restrictions as long as purpose of the entity is primarily to provide is legal services

- Arizona
 - Arizona has a carveout for Alternative Business Structures (ABS). Arizona has a licensure requirement similar to what lawyers already have. There must also be a compliance lawyer.
 - Arizona's removal of 5.4 is permanent.
- Broader implications of the Utah Sandbox
 - The Supreme Court has expressed that the focus of the Sandbox is to increase access to legal services in Utah
 - There are many implications of regulatory reform – one of the biggest being that it may influence how other states approach Rule 5.4.
 - While this isn't our primary focus, this is a relevant issue that we need to keep in mind.
 - One thing to consider is developing a regulatory scheme that can be emulated by other jurisdictions – this opens up opportunities for reciprocity similar to attorney licensure among jurisdictions.
 - There is some skepticism about whether other states will follow. Following a speaking tour on the Utah Sandbox, no other jurisdictions caught on in the same way.

The workgroups agreed that the Rule 5.4 workgroup will meet on the first Friday of each month and the Legal Tech/ AI workgroup will meet on the third Friday of each month.