

Meeting Minutes
Utah Supreme Court's Ad Hoc Committee on Regulatory Reform
Rule 5.4 Meeting Minutes
Friday, December 5, 2025
12:00 – 1:00
Virtual

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

Follow-Up on November Action Items

- The group reviewed key takeaways from Arizona's ABS program:
 - While Arizona eliminated Rule 5.4, Utah will maintain it.
 - The committee noted various challenges faced by eliminating Rule 5.4, including resource allocation, enforcement capacity, and oversight demands.

Workshop on Proposed Rule Draft

- Purpose and Guardrails
 - Profit incentives are not inherently problematic, but reforms intended to expand access to justice should not be exploited.
 - Common themes across reference materials included non-lawyer compliance with professional rules, investor involvement and consequences for non-compliance.
- Governance and Regulatory Authority
 - Discussion focused on the distinction between regulating lawyers versus regulating business entities.
 - Persons engaged in the practice of law fall under the Court's authority, while non-lawyer participation may require alternative regulatory structures.
 - The group acknowledged ongoing tension between the Court's constitutional authority over the practice of law and legislative interest in defining and enforcing the scope.
- Entity Regulation and Licensing
 - The group discussed whether regulations should apply at the entity level rather than the individual level.
 - Concerns were raised about entity-based regulation, particularly around investor transparency and ownership structures.
- AI, Fee-Sharing, and Safeguards
 - The group mentioned whether AI tools providing legal advice may constitute the practice of law.
 - The group also emphasized the importance of guardrails for fee-sharing arrangements.

- Safeguards from other Puerto Rico were identified as useful reference points, including attorney-client privilege protections, required disclosures, and 49% ownership limits.
- Deliverables and Timeline
 - The group discussed actionable goals over the next two months to prepare a preliminary report.
 - Additional brainstorming and refinement of the proposed rule are anticipated.
 - The goal is to advance access to justice while incorporating meaningful enforcement mechanisms and safeguards beyond those used in the Sandbox.