DecoverAI

Continuing legal education · In-house legal teams

Simplifying eDiscovery and investigations for in-house teams

How in-house teams supervise AI-assisted discovery and investigations.

By the end of this session, participants will be able to:

01 Translate the request

- Turn a subpoena, mandate, or discovery request into matter-specific instructions
- Identify the factual and organisational information the system needs

02 Draw the legal lines

- Draft separate definitions for responsiveness, privilege, and work product
- Distinguish legal from ordinary business communications involving in-house counsel
- Evaluate when consultants and vendors fall inside a protected relationship

03 Test and escalate

- Distinguish litigation-driven investigation materials from ordinary compliance records
- Establish escalation criteria for significant documents
- Test and revise protocols using representative documents

04 Coordinate and document

- Divide review responsibilities across in-house counsel, outside counsel, IT, and providers
- Document a reasonable and defensible AI-assisted review process

The modern in-house discovery and investigations challenge

ARRIVES WITHOUT NOTICE

- Subpoena or regulatory inquiry
- Whistleblower complaint
- Litigation hold or internal investigation
- Pressure for early risk assessment before the facts are known

DATA IS EVERYWHERE

- Microsoft 365, Google Workspace
- Slack and Teams
- Employee devices and shared drives
- HR systems and third-party platforms

COORDINATION BURDEN

- Business stakeholders who do not understand preservation
- Limited internal review capacity
- Outside counsel, forensic vendors, review providers, IT
- Unpredictable review costs

Why corporate data review is expensive and difficult

40¢

per document under traditional review

97%

of data produced in discovery is noise

COST DRIVERS

- Volume scales faster than budget
- Linear, manual, per-document review
- Fragmented tools with no shared record
- Spend is hard to forecast at intake

JUDGMENT PROBLEMS

- Business communications and legal advice look alike
- In-house counsel wear two hats at once
- Risk signals are buried in ordinary traffic
- The process must be explainable afterwards

THE REFRAME

AI is not merely a cheaper review tool. It is a mechanism for converting the legal department’s knowledge of the company into a repeatable review protocol.

The role of in-house counsel in supervising AI

COUNSEL DEFINES

- The investigation or discovery objective
- Relevant systems, custodians, entities, and terminology
- Where legal issues end and ordinary business begins
- Potentially privileged relationships
- Escalation rules

COUNSEL VALIDATES

- Tests the protocol against known documents
- Reviews false positives and false negatives
- Coordinates review decisions with outside counsel
- Documents every change to the protocol
- Approves the final production posture

SAY IT THIS WAY

Designing and validating a matter-specific review protocol. The legal department defines the framework, validates the results, and determines which issues require human escalation.

Cascade Timber: a corporate investigation, start to finish

WHAT ARRIVES AT ONCE

- A government subpoena concerning a tax-credit programme
- A whistleblower allegation that supporting information was inaccurate
- A board and audit committee request for an internal investigation
- A preservation notice across Legal, Finance, Compliance, Operations, and an outside consultant

WHAT THE TEAM MUST DECIDE

- What data to preserve and collect
- Which documents respond to each subpoena request
- Which communications are potentially privileged
- Which investigation materials are work product
- Which documents carry financial, regulatory, employment, or reputational risk
- What goes to the general counsel or the board immediately

Synthetic dataset

IRS Examination Division matter styled as a subpoena duces tecum in *United States v. Cascade Timber Holdings, Inc.*, Case No. EX-2023-04471 — issued 23 May 2023, response due 13 June 2023. Not a lawsuit on the merits, indictment, or adjudicated tax case.

From subpoena language to a review protocol

1

Read the request

Take the precise subpoena language, request by request. Note express exclusions and the date range.

2

Map the entities

Entities, subsidiaries, business units, current and former employees, aliases, vendors, code names, systems.

3

Write the instruction

Include, exclude, and escalate criteria stated in the company's own vocabulary tied to a request number.

4

Test and revise

Run against known documents, examine the errors, revise, and record what changed and why.

What an effective review instruction contains

THE FIVE PARTS

- **Objective** — the legal question being answered
- **Matter context** — the programme, transactions, and submissions at issue
- **Include** — subject matter that makes a document responsive
- **Exclude** — categories expressly outside the request
- **Escalate** — what an attorney must see immediately

REQUIRED OUTPUT — WHAT MAKES IT AUDITABLE

a) **Verdict**
Responsive, Not Responsive, or Needs Attorney Review — one of three, never a hedge.

b) **Basis**
The audit trail: the request it answers, the supporting text quoted from the document, and how the model reached the call.

c) **Confidence score**
A stated confidence on every call, so counsel can sample the low-confidence band first.

Entities, issues, requests, and exclusions

INCLUDE

- Communications concerning programme eligibility
- Data used to prepare or support an application
- Discussions of discrepancies or corrections
- Communications with government agencies
- Internal approvals of submissions
- Payment calculations and supporting spreadsheets

EXCLUDE

- Generic programme announcements
- Unrelated projects or properties
- Routine administrative scheduling
- Mentions of the programme without company participation
- Duplicative routing with no substantive content

ESCALATE

- Evidence of knowingly inaccurate submissions
- Instructions to alter or omit information
- Destruction or concealment concerns
- Senior executive or board involvement
- Indications of retaliation against a complainant

TEACHING POINT

Relevance turns on **subject matter** — not custodian, sender, date, or an internal tag. The same protocol then serves production, early case assessment, and internal risk management.

Is this responsive to the IRS subpoena?

Land parcel eligibility — need a second look
EMAIL-003 · synthetic
Tom Reyes → Priya Shah, Alder Point Partners · 2 March 2022

Priya,

I pulled the conservation easement filings on the last batch of parcels and **a few of these don't look like they'd hold up** if anyone checked closely.

The **acreage doesn't match the county filings**.

Can we get someone to re-verify **before we submit the credit applications**?

Tom

Classification: Responsive

Escalation: Attorney review

Privilege: None apparent

Production posture: Presumptively producible

THE REQUEST IT ANSWERS

- Documents concerning eligibility, preparation, review, or submission of Coastal Solar Credit Program applications

WHY

- Discusses eligibility and the supporting data
- Discusses preparation of the credit applications
- Predates submission but concerns the records later submitted

TEACHING POINT Responsiveness is determined by the subject matter — not by whether wrongdoing actually occurred.

Who is inside the circle, and what question decides it

PARTICIPANT	POTENTIAL TREATMENT	REQUIRED ANALYSIS
General counsel and legal department	Potentially privileged	Were they acting as legal advisers?
Business employees	Potentially privileged	Was the communication needed to request or provide legal advice?
Senior executives	Potentially privileged	Was the discussion legal or predominantly commercial?
Board or audit committee	Potentially privileged	Was counsel giving legal advice or reporting a legal investigation?
Outside counsel	Potentially privileged	Was the communication confidential and legal in purpose?
Forensic or discovery vendor	Potentially privileged	Was it retained by counsel to assist legal advice or litigation?
Compliance consultant	Context dependent	Ordinary compliance work, or assisting counsel?
Public-relations adviser	Context dependent	Necessary for legal advice, or primarily reputational?
Accountant	Context dependent	Facilitating legal advice, or routine accounting?
Unrelated third party	Generally not privileged	Consider waiver or another recognised protection.

Distinguishing legal advice from business advice

THE ELEMENTS

- A communication
- Between counsel, the client, or a qualifying agent
- Intended to remain confidential
- For the purpose of requesting, obtaining, or providing legal advice

NEVER SUFFICIENT ON ITS OWN

- An attorney in the To or CC field
- A “privileged” label applied by an employee
- The presence of legal terminology
- A discussion of regulatory requirements
- A document later being sent to counsel
- A sensitive subject matter

IN-HOUSE RISK

Escalate mixed legal and business communications, broad internal distribution lists, board materials combining legal advice with commercial reporting, and consultants whose legal role is unclear.

KEY DOCTRINE *Upjohn Co. v. United States*, 449 U.S. 383 (1981) — rejects the control-group test; privilege turns on legal-advice purpose, not seniority. Crime-fraud exception: *United States v. Zolin*, 491 U.S. 554 (1989).

Same firm, opposite answers

POTENTIALLY PROTECTED

Outside counsel retains a forensic accountant to analyse transaction data so counsel can assess potential fraud and advise the audit committee.

POTENTIALLY UNPROTECTED

Finance retains the same accounting firm for routine regulatory filings, and the reports are later forwarded to Legal.

DOCUMENT AT ENGAGEMENT, NOT AT REVIEW

- Who retained the vendor
- Whether counsel directed the engagement, and for what purpose
- Whether the vendor was needed to help counsel understand technical or financial information
- Whether the vendor already performed ordinary business services, and whether the same work would have occurred without the legal investigation
- Who received the vendor's work, and whether confidentiality restrictions were imposed

TEACHING POINT

A consultant does not become a privileged legal agent simply because the legal department communicates with the consultant.

KEY DOCTRINE *United States v. Kovel*, 296 F.2d 918 (2d Cir. 1961) — privilege extends to a non-lawyer necessary to help counsel give legal advice. Limit: *United States v. Ackert*, 169 F.3d 136 (2d Cir. 1999).

Is this communication privileged?

RE: Compliance question re: Coastal Solar eligibility

EMAIL-005 · synthetic

John Ellery, Head of Legal → Sarah Nguyen, Compliance · 15 June 2022

Sarah,

Thank you for raising these compliance concerns.

This email and my response are **intended as legal advice** regarding Coastal Solar program compliance.

Before anyone follows up with Alder Point Partners, let's discuss the **legal implications** together first.

Please treat this communication as **confidential**.

Classification	Escalation
Potentially privileged	Attorney review
Work product	**Withholding posture**
Not asserted	Confirm facts first

WHY

- Employee to in-house counsel
- Purpose is obtaining and providing legal advice
- Advice concerns legal compliance
- Confidentiality expressly maintained

STILL VERIFY

- Predominantly legal, or business?
- Was it widely distributed?
- Was it later forwarded outside the circle?

TEACHING POINT An email is privileged because of its legal purpose — not because a lawyer appears in the To or CC field.

Work product in internal investigations

INCLUDE — CREATED BECAUSE OF THE PROCEEDING

- Counsel-directed investigation plans
- Witness interview outlines and memoranda
- Legal chronologies and risk analyses
- Counsel's selection or prioritisation of documents
- Reports prepared specifically to assist counsel

EXCLUDE — ORDINARY COURSE

- Routine compliance audits
- Standard incident reports
- Ordinary-course HR investigations
- Pre-existing financial records
- Reports required regardless of litigation
- Business documents merely forwarded to counsel

OPINION WORK PRODUCT

- Mental impressions
- Legal theories
- Litigation strategy
- Witness assessment
- Investigation priorities
- Selection or organisation of evidence

FIX THESE FIRST The triggering event, the date litigation became reasonably anticipated, who directed the investigation, and whether the company had a pre-existing duty to investigate.

KEY DOCTRINE *Hickman v. Taylor*, 329 U.S. 495 (1947); Fed. R. Civ. P. 26(b)(3) — fact work product on substantial need, opinion work product near-absolute. Agents: *United States v. Nobles*, 422 U.S. 225 (1975).

Was this created because litigation was anticipated?

Engagement — Coastal Solar internal review
EMAIL-021 · synthetic
John Ellery, Cascade Timber → Grace Lin, L&L Associates · 22 February 2023

Grace,

Following our call, we are **formally engaging L&L Associates** to assist with our internal review **following the whistleblower complaint**.

Please begin reviewing communications concerning Coastal Solar eligibility, Bellhaven Advisory, Alder Point Partners, and tax credit submissions.

Please prepare an initial assessment of our **potential legal exposure**.

We'll discuss next steps before interviews begin.

Classification	Escalation
Potential work product	Attorney review

Privilege	Production posture
Also likely ACP	Withhold pending review

WHY

- Prepared after the whistleblower complaint
- Outside counsel retained and directing the review
- Purpose is evaluating anticipated legal exposure

COUNSEL MUST STILL ANSWER

- Had litigation become reasonably anticipated?
- Was it created because of that anticipation?
- Would ordinary compliance have done the same work?

TEACHING POINT Work product protects litigation-driven investigation materials — not every internal investigation document.

One document, several answers

THE BARE FORWARD

- A business employee forwards a pre-existing spreadsheet to the GC with “FYI”
- The forwarding email and the attachment are analysed separately
- Sending a business record to counsel does not protect the record

THE MIXED COMMUNICATION

- Legal and commercial advice in the same email
- Legal advice copied into an operational chain
- Ask what the primary purpose of the communication was
- Escalate rather than guess

THE BOARD PRESENTATION

- Business performance results
- Investigation findings
- Counsel’s legal assessment
- Different sections may require different privilege and production treatment

RULE Every family member is evaluated on its own content. No document inherits protection from its neighbours.

One email family, three different answers

Fwd: Coastal Solar Credit Program — supporting spreadsheet

EMAIL-044 · synthetic

Sarah Nguyen → John Ellery, General Counsel · 25 May 2023

John, FYI.

Can you advise whether this creates any issues in responding to the IRS subpoena?

Thanks, Sarah

FORWARDED MESSAGE

David Cooper, Finance · 12 August 2022 · no legal recipients

Attached is the updated Coastal Solar eligibility spreadsheet used for the Q3 filing.

- Coastal_Solar_Eligibility_Summary.xlsx

THREE SEPARATE ANALYSES

01 Finance email, Aug 2022 — Not privileged

Ordinary business communication, no legal recipients.

02 The spreadsheet — Not privileged

Ordinary business record, prepared for the Q3 filing.

03 Nguyen → General Counsel — Potentially privileged

Requests legal advice on responding to the subpoena.

PRODUCTION DECISION

Spreadsheet: responsive and producible. Covering message: review for privilege. Counsel's reply: withhold.

TEACHING POINT Each document in a family is analysed independently. Forwarding a business record to Legal does not retroactively make the attachment privileged — privilege does not flow backwards.

Testing the protocol on representative documents

A

Clear positive

A document counsel would unquestionably produce. Confirms the instruction reaches what it should.

B

Clear negative

A document plainly outside the request. Confirms the exclusions actually exclude.

C

Genuine ambiguity

The mixed-purpose email, the bare forward, the consultant thread. This is where the protocol earns its keep.

When a call is wrong, the fix is a clearer instruction — not a better model

01

Examine the error

Read the model's supporting text and explanation. Was the document misread, or was the instruction ambiguous?

→

02

Locate the cause

A missing entity, an undefined internal term, an exclusion that swept too broadly, or a genuine legal judgment call.

→

03

Revise the definition

Change the instruction — not the model. Add the entity, define the term, narrow the exclusion.

→

04

Re-test the set

Re-run the representative documents to confirm the fix did not break a call that was previously correct.

→

05

Record the change

Version the prompt with the date, the reason, and the approver. This is the defensibility record.

THEN REPEAT

The loop runs until the error rate on the test set satisfies counsel — and the versioned trail of what changed, when, and why is what answers a challenge two years later.

The defensibility record, stage by stage

01 Intake

- The original subpoena, complaint, or investigation mandate

02 Legal hold

- Legal-hold instructions
- Data-source and custodian decisions

03 Collection

- Collection decisions
- Systems and platforms in scope

04 Protocol

- The review protocol
- Privileged-person and vendor-role matrices
- Prompt versions
- Changes to responsiveness or privilege definitions

05 Validation

- Test documents
- Attorney validation decisions
- False-positive and false-negative analyses
- Escalation criteria and quality-control samples

06 Production

- Outside-counsel approvals
- Final production and withholding decisions

Coordinating in-house counsel, outside counsel, IT, and vendors

IN-HOUSE TEAM

- Explain the organisational structure
- Identify systems and custodians
- Define internal terminology
- Identify ordinary business processes
- Identify relevant consultants and vendors
- Set business-risk escalation rules
- Coordinate preservation and collection

OUTSIDE COUNSEL

- Define the governing legal standards
- Interpret the subpoena or discovery requests
- Advise on privilege and work-product law
- Identify jurisdiction-specific issues
- Review difficult or high-risk documents
- Advise on production, redaction, and logging
- Defend the process if challenged

SHARED

- Drafting the review protocol
- Testing the protocol
- Reviewing false positives and negatives
- Approving material changes
- Documenting validation
- Monitoring results throughout the review

Live Cascade Timber workflow

01 Receive the legal request
Show the subpoena or investigation mandate.

02 Identify the corporate context
Entities, employees, consultants, systems, date ranges.

03 Build the responsiveness definition
Connect each instruction to a specific request.

04 Build the privilege matrix
Legal, business employees, M2 Discovery, M2 Compliance.

05 Define the litigation trigger
Explain when work-product analysis begins.

06 Test representative documents
A clear positive, a clear negative, an ambiguous one.

07 Identify an error
Show a false positive or false negative.

08 Revise the protocol
Demonstrate how attorney feedback changes the instruction.

09 Run classification
Apply the approved protocol to the population.

10 Escalate critical evidence
Surface risk, knowledge, and inconsistencies.

11 Prepare production outputs
Responsive sets, redactions, privilege-log information.

12 Run evidentiary analysis
Gaps, inconsistent accounts, missing documents, witnesses.

Themis — a document review model built in-house, not licensed

20×

cost improvement over manual review

85%+

recall on responsiveness

WHY RECALL IS THE NUMBER TO ASK ABOUT

- Recall measures what the review **missed**
- A missed responsive document is a defensibility problem, not a cost problem
- Precision without recall produces a clean-looking, incomplete production
- Ask any vendor for both figures, measured on a known set

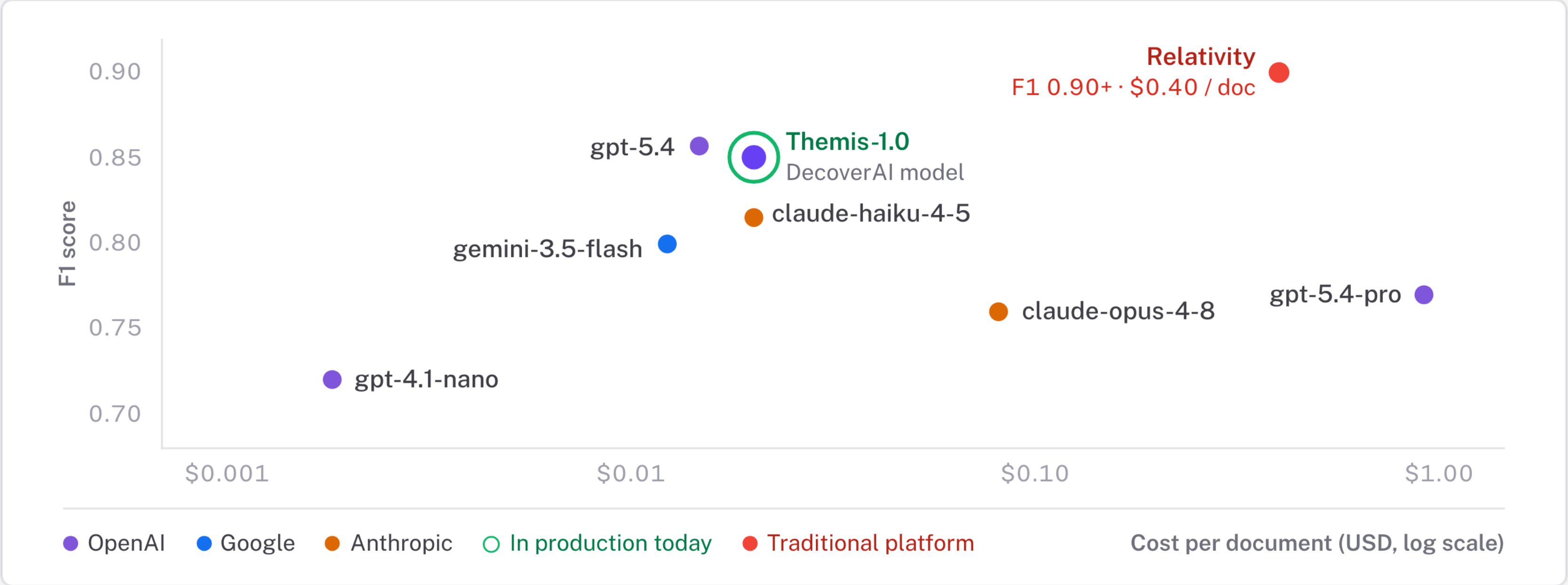
WHAT THEMIS DOES NOT DO

- It does not learn from one client's matter and carry that into another
- It does not reach legal conclusions — it applies counsel's protocol
- It does not replace attorney review of escalated documents
- Every call carries supporting text and an explanation for validation

Built in-house Owning the model is what makes the cost basis on the following slides possible — and it means the review protocol, not a third-party licence, sets the behaviour.

We have built a cheap, and a reliable document review model

Responsiveness benchmark, 500-document set. Relativity bills $0.40 per document: 24× the model cost of the system we run in production.



Source: Decover Technical Reference (internal). Cost figures are metered; some values are approximate from public model cards, April–June 2026. Relativity is shown at published per-document platform pricing.

Priced on data volume, not per document

THE TRADITIONAL BASIS

30–40¢ per document

Cost scales with the population, so the budget is unknown until the data is processed — the single hardest number for an in-house team to forecast at intake.

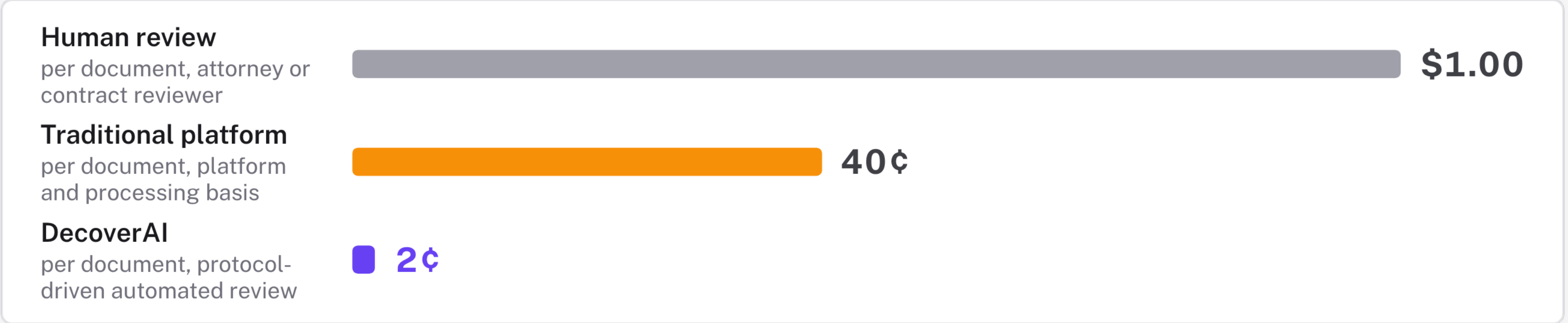
$60 per GB, per month — every feature included

No per-seat fees, processing surcharges, or hosting minimums.

For an in-house team the practical difference is **forecastability** — the matter can be priced from data volume before review starts.

Three cost bases for the same review

20× under traditional basis



MATTER, SIX MONTHS LIVE	DECOVERAI ALL-IN	SAVING
Small 100 docs · 0.01 GB	$350	76%
Medium 1,000 docs · 0.1 GB	$380	75%
Large 100,000 docs · 10 GB	$5,600	63%

Illustrative estimates for teaching purposes, not a quote. Human review at $1.00 per document, traditional platform basis at $0.40, DecoverAI at $0.02. Saving is measured against a traditional vendor at $250 per GB per month (services plus AI tokens) over six months. DecoverAI all-in is review at $0.02 per document plus hosting at $60 per GB per month, 10,000 documents per GB, 1 GB minimum.

What in-house legal departments should take away

Define, don’t delegate

The department defines the decision framework and validates results. Legal judgment stays with counsel.

Protocol over prompt

A matter-specific protocol — entities, terminology, exclusions, escalation — is the deliverable, not a clever prompt.

Document the process

Prompt versions, test documents, validation decisions, and approvals are what make the process defensible.

Effective AI-assisted review starts with the legal department’s understanding of the company. The technology applies instructions at scale — counsel gives them meaning.

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