

**Proposed Regulatory Scope for
Task Force on Regulatory Reform and Sandbox**

December 2019

Disclaimer: This document is subject to change.

This pilot is focused on allowing and encouraging new ways of practicing law while protecting consumers. The Utah Supreme Court’s Task Force on Regulatory Reform (“Task Force”) seeks to make a careful assessment of innovative business models, products, or services, whether proposed by lawyers or others, to ensure that overall consumer risk is not increased.¹ The regulatory sandbox allows us to do this in a relatively controlled environment. The principles and examples below, outline our approach to what kinds of models, products, and services will be within the scope of the sandbox and thus required to register with the sandbox. This is not a rigid or technical approach. Objectives-based regulation is meant to be flexible and responsive to evidence of risk. Thus, the initial requirement is a minimal one—simply notifying the Task Force about what the provider is proposing to do in general terms. What happens after notification will depend on the Task Force’s determination of relative risk to the consumer. If you, as a provider, are unsure, then you should notify the Task Force.

Working Principles:

ONE: If you could not do it under the current Rules of Professional Conduct (a few exceptions described below), then you need to notify the Task Force. Depending on what you are proposing, you may be required to register as part of the sandbox.²

TWO: Lawyers or firms partnering with, contracting with, or employed by Task Force approved entities do not have to separately take any action, including notification. Those who partner with non-approved entities need to notify the Task Force of the arrangement. Notification is how we keep track of what is happening under the new system.

Details:

- I. OUTSIDE THE REGULATORY REGIME
(these individuals/entities do not need to do anything)
 - A. Conventional 100% lawyer-owned, managed, and financed law partnerships, professional law corporations, and individual lawyers with an active Utah license using new advertising or solicitation approaches as contemplated by the revised Rules of Professional Conduct.

¹ For purposes of this document, the term “lawyer” includes Licensed Paralegal Practitioners (“LPPs”).

² Those services currently authorized under Rule 5.3 such as legal support services and legal practice outsourcing offered to lawyers are outside the scope of the Task Force.

B. Conventional 100% lawyer-owned, managed, and financed law partnerships, professional law corporations, and individual lawyers with an active Utah license:

- I. Offering traditional legal services as permitted under the old Rules of Professional Conduct.
2. Entering into employment, contract for services, joint-venture, or other partnership (fee-sharing) with a **Task Force-approved** non-lawyer owned entity to offer legal services.
 - Example: Lawyer Larry is hired by LawSwoosh, an online legal platform offering services to the public. Larry is hired to be a staff attorney, providing legal services to LawSwoosh customers. LawSwoosh has been approved to offer legal services in Utah by the Task Force. Larry does not need to notify.
 - Example: Amy Attorney is hired by SavMart, a big box store chain, to offer flat fee legal services to customers of the store via a small office or kiosk. SavMart has been approved to offer legal services in Utah by the Task Force. Amy does not need to notify.
 - Example: Lawyer Larry is hired by BigAccountingFirm to provide mergers and acquisitions legal advice and strategy to its clients. BigAccountingFirm has been approved to offer legal services in Utah by the Task Force. Larry does not need to notify.
 - Example: Attorneys at Law LLP enters into a joint venture with LawSwoosh, an online legal platform offering services to the public, through which its attorneys offer legal assistance and advice to LawSwoosh customers. LawSwoosh has been approved to offer legal services in Utah by the Task Force. Attorneys at Law LLP does not need to notify.

II. REQUIRED TO NOTIFY TASK FORCE

A. Conventional 100% lawyer-owned, managed, and financed law partnerships, professional law corporations, legal services non-profits, or individual lawyers with an active UT law license:

- I. Offering legal service options not previously authorized, whether directly or via a joint-venture, subsidiary, or other corporate structure.
 - Example: Attorneys-at-Law LLP, an old Salt Lake firm, offers an online tool providing information and guidance, including legal advice via chat-bot or similar technology, around corporate formation.
 - Example: Attorneys-at-Law LLP decides to launch the online corporate formation tool as a subsidiary technology company.

- Example: LawNetwork, an online legal network connecting consumers to lawyers and offering flat fee legal services.
 - Example: BigConsulting purchases Attorneys at Law LLP to operate the firm as its legal service arm in Utah.
 - Example: BigConsulting hires Amy Attorney to provide legal advice on Utah incorporation law to its clients.
 - Example: Women's Shelter, a domestic violence non-profit, offers legal assistance to its clients through its non-lawyer staff, including assistance completing protection orders, divorce, and custody proceedings.
2. Practicing law through business partnership or contract with individual lawyers or firms in which the services are advertised as part of the provider's brand and in which the contract for services is between the entity (not the lawyer or the firm) and the consumer.
- Example: Bank enters into business partnership with Attorneys-at-Law LLP or individual lawyer in which Bank advertises legal help as part of its services/products. Fees are earned through a contract for services between Bank and customer.
 - Example: SavMart enters into a joint-venture with Attorneys-at-Law, LLP through which the firm's attorneys offer legal services to SavMart's customers, either in their stores or via online platforms. The services are advertised under SavMart's brand and fees are earned through a contract for services between SavMart and the consumer.