

AI and the Future of Legal Practice: Perspectives from In-House and Outside Counsel

Thursday February 20, 2025 | 12:00 Noon – 1:15 p.m.



Welcome and Introductions

Hon. Yvonne E. Campos '88 (judicial and moderator)

Wendy Pizarro '96 (in-house counsel)

Martin Sabarsky '95 (outside corporate counsel)

Elizabeth Balfour '99 (outside litigation counsel)





Hon. Yvonne E. Campos '88

San Diego Superior Court Judge

Judge Yvonne E. Campos is a general jurisdiction trial court judge serving San Diego County since 2003. Before becoming a judge, she served as an Assistant United States Attorney in the Southern District of California with both a trial and appellate practice. She worked on the staff of Attorney General Janet Reno at Main Justice (USDOJ). Judge Campos is a graduate of Harvard Law School and Stanford University. She's the mother of two young adults, and she loves dogs. After her first year on the bench she hiked Mount Whitney, the highest mountain in the continental United States, with some colleagues.





Wendy Pizarro '96

Calidi Biotherapeutics, Chief Corporate Development Officer, Chief Legal Officer, and Chief Diversity Officer

Wendy joined the executive leadership team of Calidi in 2021 because she is passionate about the finding an innovative cure for cancer. In her combined role at Calidi, she is responsible for the Company's global legal strategy and implementation, which includes overseeing all legal matters across corporate governance, securities and compliance; regulatory issues; licensing and intellectual property strategy; patent portfolio protection; employment; corporate transactions; and litigation.

Wendy has over 20+ years of experience in corporate and business law, and since 2010, she founded and has led California Law Partners, a boutique law firm primarily serving as outside general counsel. Previously, she worked with leading Silicon Valley law firms, including DLA Piper in Palo Alto. Wendy is also an active tech investor in start-ups or early-stage funds related to digital health, preventative medicine, life sciences, and digital media. Most recently, as a co-founder and investor of Never Train Alone, she designed the software user interface for an Apple iOS app related to mobile fitness, corporate wellness and preventative health.

Wendy holds a J.D. from the Harvard Law School, M.ST. from the University of Oxford, and M.A. and B.A. from Yale University graduating *magna cum laude* with honors in distinction. She is proficient in Spanish, Italian and Tagalog. Wendy is a member of the State Bar of California and U.S. District Court, Southern District of California.





Martin Sabarsky '95

Partner, Kirkpatrick & Sabarsky
LLP and CEO of Cellana

Martin Sabarsky is a seasoned transactional attorney with extensive experience in corporate law, investment banking, and executive management within the biotechnology and cleantech sectors. He earned his Juris Doctor, magna cum laude, from Harvard Law School in 1995, and his Bachelor of Arts, magna cum laude, in Biology and Political Science from Brown University in 1992. Mr. Sabarsky obtained an M.B.A. from the Rady School of Management at the University of California, San Diego, in 2006.

Mr. Sabarsky began his legal career as an associate at Latham & Watkins LLP, where he represented public and private companies in financings, mergers and acquisitions, real estate transactions, and tax planning. Transitioning to finance, he served as an investment banker with Bear, Stearns & Co. Inc., focusing on financings and mergers and acquisitions within the life sciences industry. Notably, he was a lead banker on Diversa Corporation's \$200 million IPO in 2000.

In 2008, Mr. Sabarsky joined Cellana, a leading developer of algae-based bioproducts, as Chief Financial Officer and Chief Operating Officer. He was appointed Chief Executive Officer in April 2011, a position he continues to hold. Under his leadership, Cellana has advanced its mission to develop sustainable products for a range of industries.

In addition to his role at Cellana, Mr. Sabarsky is a partner at Kirkpatrick & Sabarsky LLP, a law firm based in Encinitas, California. The firm offers exceptional contract and transactional services to business owners nationwide and has completed over \$600 million of mergers & acquisitions and financing transactions since 2018.





Elizabeth Balfour '99

Partner, Sheppard Mullin LLP

Elizabeth received a B.A. in History from Yale University, magna cum laude, in 1996 and a J.D. from Harvard Law School, cum laude, in 1999. She clerked for United States District Court Judge Marilyn Huff. Elizabeth has practiced law at Sheppard Mullin since 2000, and her areas of practice include:

Franchise and Securities Litigation: Elizabeth advises her clients in relation to franchise disputes involving breach of contract, indemnification, and territorial rights. Her securities litigation practice includes shareholder derivative claims, class actions, SEC enforcement actions, and internal investigations.

Healthcare: Elizabeth's healthcare practice includes representing providers in proceedings initiated by the Office of the Inspector General, the Department of Health and Human Services Office for Civil Rights and other federal and state regulatory agencies. She advises hospitals and medical groups, in relation to HIPAA, the Stark Law, anti-fraud and abuse compliance, and mandates arising out of the Affordable Care Act.

Information Governance: Elizabeth assists clients with designing and implementing document retention programs. She leads Information Governance initiatives for clients with an interdisciplinary team that addresses privacy and data minimization, data placement strategy, data analytics, use cases for structured and unstructured data, access controls, and paper records reduction, among other considerations.

When Elizabeth is not practicing law, she is attending a local Bar Association event or spending time with her husband and teenage daughter and son.



The Promise of AI in Legal Practice

A. Efficiency and Productivity Gains:

- How are in-house counsel leveraging AI to draft contracts, analyze risks, and streamline routine legal work.
- How do in-house counsel use AI in everyday work?
- What are the tools that in-house counsel use?
- Challenges?



B. Implications for Billing Models:

- Transition from time-based billing to value-based or flat-fee structures.
- The tension between increased productivity from AI and the traditional hourly billing model.



Evaluating the Path Forward

- How should outside counsel adapt their billing models to reflect productivity gains from AI without undermining perceived value?



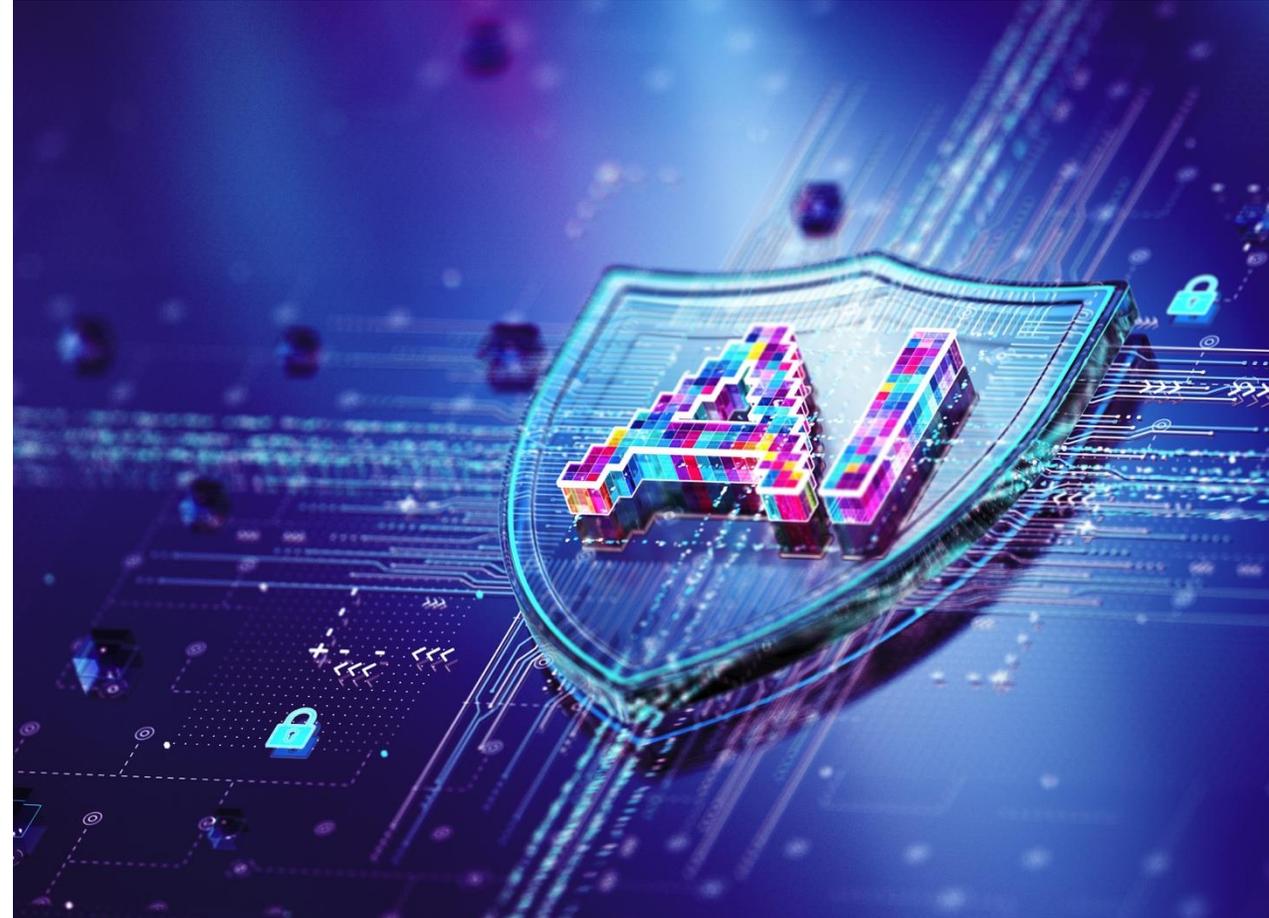
Client Expectations in the Age of AI:

- What risk management concerns do in-house counsel have when using AI?
- In-house counsel's evolving expectations of outside counsel to use AI tools effectively while preserving high-quality legal judgment.
- Risk of perceived over-reliance on AI:
- Clients running documents through “AI filters” to detect AI-generated content.



Outside Counsel Managing Expectations

- What best practices should outside counsel adopt to transparently integrate AI while retaining client confidence?



Risks and Ethical Challenges of AI in Legal Practice

A. AI Hallucinations and Professional Responsibility:

- Real-world examples of litigation attorneys sanctioned for citing non-existent case law generated by AI.
- The critical importance of verifying all AI-generated research and citations.
- Ethical obligations under ABA Model Rules and California Rules of Professional Conduct.

B. Data Privacy and Confidentiality Risks:

- Risk of inadvertently exposing privileged or confidential information by using AI tools.
- Considerations for safeguarding client information when working with AI platforms.



Strategies for Mitigating Ethical Risks

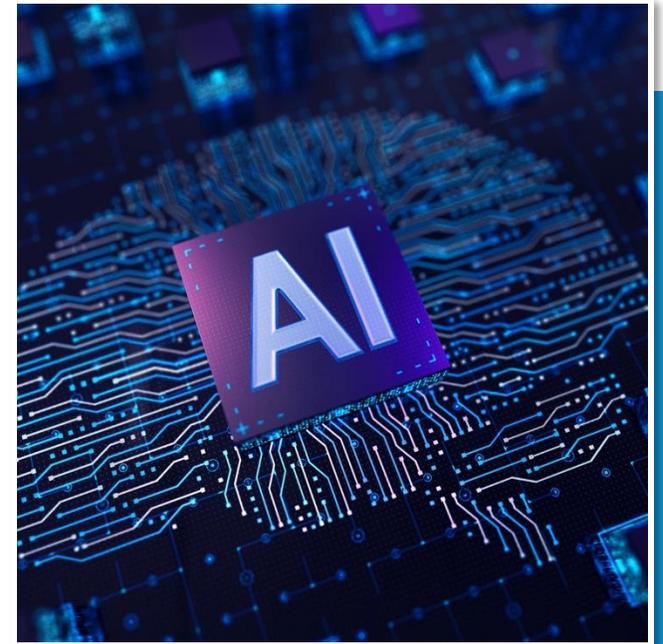
- What are the most significant ethical pitfalls of AI in legal practice, and how can they be mitigated?



Looking Ahead: The Future of AI in Legal Practice

A. In-House Counsel Perspectives:

- What technological capabilities are in-house legal departments prioritizing over the next 5-10 years?
- How do in-house counsel envision the role of outside counsel evolving in response to AI?
- Do in-house counsel anticipate that the adoption of new AI technology will replace or augment existing head count?



Key takeaways for outside counsel aiming to stay competitive in an AI-driven landscape.

- Efficiency and quality are the drivers of success.
- Ensuring oversight of AI work product and exercise of attorney judgment.
- Continuing engagement as new AI tools are rolled out, balanced with careful vetting.



Questions?

- Relevant links:
- [ABA issues first ethics guidance on a lawyer's use of AI tools](#) – Discussion of ABA Model Rules that implicate the use of AI
- [Practical Artificial Intelligence in the Practice of Law](#) – The State Bar of California Standing Committee on Professional Responsibility and Conduct Guidance on the use of AI

