

Moonlight 365 Technologies, Inc.

A Microsoft 365 Technology Solutions Company



A White Paper by Moonlight 365 Technologies, Inc.

What is AI and its Usefulness to the Legal Profession?

This white paper is an attempt to help legal professionals and other interested parties better understand what AI is and how it can be useful to their professional lives. One of the biggest hurdles to get over is the need to fully understand the utility of AI at this stage of the game. Asking the big question how or what is the purpose of AI is akin to asking the question in the late 1800s: how can I use this thing called electricity?

When Henry Heinz first began the design of his electric factory to produce ketchup, his designs were simple and revolutionary. Today, just like in the late 1800s we are faced with challenges as well as opportunities in how we utilize artificial intelligence. As many of you already know, artificial intelligence is a general-purpose technology. A general-purpose technology is not like a tool as much as it is like a set of capabilities.

This white paper will not be able to cover all the concerns, issues, thoughts that may arise as we walk through the big picture of artificial intelligence: what it is, how it works, who provides it, and how is it useful to the legal professional.

What is AI & How Does it Work?

Last month I got into a debate with one of my colleagues who is a legal professional. In the debate my colleague stated that AI is nothing more than an algorithm. Let's start here. An algorithm at its core is a set of instructions to solve a problem or perform a task sort of like a dinner recipe. Dinner recipes are clear, predictable and usually narrow in scope. AI is more than an algorithm.

AI encompasses systems designed to simulate cognitive functions like learning, reasoning, perception and decision making. AI is made of multiple layers which include algorithms, models, architectures and systems. In this case the algorithm is not just one but many and they underpin its ability to detect patterns and make predictions. Models, in this case, are a concept from something called machine learning, where the computer is processing a model which is trained on massive data sets to adapt and generalize things from the massive data sets.

For example, if you have a massive data set of credit card payments from 40M credit card holders, and you also have that payment history over 15 years, and you have personal data about these people that can be correlated with the data (think: Age, Income, Zip Code, and Number of Children), it is possible to make inferences from the data that are useful. An example may be that people who are in Zip Code XXXXX with 3 children, who were paying more than the minimum payment but are now making the minimum payment, have 87% chance of defaulting.

Architectures are like neural networks that mirror aspects of human brain function. And finally, Systems. Systems like memory management attention mechanisms and language understanding are all integrated into the entire soup of algorithms, models and architectures.

Why AI isn't an Algorithm or Simply Machine Learning!

Saying AI is an algorithm ignores that AI systems learn from data whereas traditional algorithms do not. AI can generate novel outputs adapt to new contexts and even revise its understanding over time. Algorithms are merely equations that perform specific and direct tasks. AI often includes probabilistic and fuzzy logic which breaks from the crisp prediction of classical algorithms

AI is a system composed of many algorithms working together within a trained model to simulate intelligent behavior. It's the difference between a calculator and something like Copilot which can engage and learn from context and synthesize new insights across disciplines.

Using the example above where machine learning was provided a large data set so that human users could make inferences about the data. The Machine must first determine that the large data sets have been checked for relationships in the data so that the human inferences could be verified. In that example, we were using the concept of credit card holders. AI goes further than machine learning because not only does it verify the data relationships it also makes the inferences itself (or for you). As of today, AI is very efficient at utilizing large data sets and finding connections, relationships and inferring potential associations from the big data that then can be articulated to a human user.

Should You be concerned about AI?

The idea of machines "thinking" or making decisions can feel unsettling especially when they're used in areas that deeply affect human life like medicine, finance or justice. But the fear isn't always about what AI is, it's more often about what AI might do. This is especially true if AI is misunderstood or misused.

The first concern that most people bring up is loss of privacy. Some worry AI systems collect too much personal data or monitor people's behavior. This type of data collection can be misused by corporations or governments. Of course, this is a valid concern, and it demands accountability and transparency by the users of artificial intelligence.

Job displacement is another fear that is brought up by artificial intelligence. Lost jobs are a reality that every new technology has brought to the workforce, and AI's potential for large job displacement is immense. Automation powered by AI can replace repetitive jobs which may lead to economic shifts that can end many current jobs that have existed for years. For example, what would you prefer in this situation: A radiologist who has only seen X number of scans versus, a radiologist who has AI assisted scan review, where the AI has seen billions of scans? How will this affect the job market? Maybe AI could create new jobs in this scenario. However, as we've seen in the past with new technologies these transitions aren't always smooth or equitable.

Another fear of AI is that it would become conscious or too smart and out of control. Current AI lacks emotions, desires, or self-awareness. It's powerful but not sentient. In short today's version of AI cannot think in the way we perceive what thinking is.

Additional fears about AI include AI systems having inherent biases that may reinforce unequal or unfair perspectives.

And lastly the old fear of the unknown. Fear of the unknown comes from the concept that people may not trust the new, the odd or what might even feel like the magical - AI.

Who Provides AI?

It is important for users of artificial intelligence to understand what AI or better said AI agent they are using and more importantly whose core AI is under the hood. In the United States there are approximately 6 core (going on 9) AI platforms. The following named platforms are those six platforms: Microsoft Copilot, OpenAI's GPT models, Anthropic's Claude, Googles Deepmind, xAI's Grok and DeepSeek. Recent Additions to this list should include Meta's LLaMA Series, and Amazon's Bedrock and AgentCore.

If there are only roughly 9 AI platforms, how can it be that nearly every software solution, fast food restaurant and auto phone dialer seems to have their own AI? This is because within an AI core platform an AI agent can be created. What's important to understand is that creating AI requires an enormous amount of electricity, computing power and delivery throughput (Internet connectivity). The costs for this are in the 10s to 100's of billions a year. As such when you use an AI agent you are renting or paying for a service that is being provided to you after it was originally sourced from the core AI providers. This is why there are 10's of 1000's of AI agents and only 6 to 9 core AI platforms.

Depending on who you ask, core AI platforms are built for specific use cases. Copilot and Claude are mainly used for office productivity. Creative writing is the focus of GPT, Claude and DeepSeek. Scientific research is best provided by DeepSeek, Claude, and Gemini. Real-time search, where you are searching for content on the Internet is best provided by Copilot, Gemini and Grok. For open-source software development you should turn to DeepSeek or LLaMA. Agentic AI is best provided by AgentCore, Claude and GPT.

The main point to understand is that when you are working with an AI agent you are buying or paying for someone else's work on the AI core platforms. In short you are renting an apartment (AI agent) instead of buying the house (using Copilot or ChatGPT directly). In many cases renting or accessing an AI agent is more efficient than direct use of a core platform. However, for most businesses, law firms, corporate legal departments and professionals, utilization of the core AI is more cost effective and can be simpler than working through a third party agent.

How is AI Useful to a Legal Professional?

If you were to spend your entire day reading legal technology posts on LinkedIn you would think that using AI in the legal profession is a must (based on fear) and that it is complicated, risky, and dangerous if not done correctly. Not only that, if you read the legal journals such as the ABA or the ALA you will find stories of an attorney who submitted court documents that had false or misleading information in the documents which were provided by an AI. Of course, the solution to avoiding the mistake of providing fake information in any professional setting is to check the work of the AI or AI agent. This leads one to the immediate conclusion that if I must check all the work why not just do it myself? Or it leads to the alternative question, specifically: "Tell me how I can use AI in my legal practice?"

Using AI is basically like having an assistant that is significantly faster at several tasks that can be used efficiently. Anyone that has had actual people as assistants understands that each person has different strengths and weaknesses. Once you understand your assistant's strengths and weaknesses, as the manager you will play to the assistant's strengths. AI is no different.

What separates AI from an assistant is an assistant knows when he is lying to you. An assistant can also admit they don't know something. Lastly, assistants know what to look for or where to look to get the correct information. Artificial Intelligence can be your AI Assistant to do specific tasks, as well or better than a human assistant. You need to understand, however, that since an AI cannot understand that it is lying, or that it doesn't know something, you will need to be careful on how you use it.

Artificial intelligence, like Copilot, can do several tasks that require your help if you want it to get better at that task. For example, you have a meeting on Microsoft Teams, and you have taken notes in Microsoft Word about that meeting (or in OneNote). Now you want a summary of the meeting, which includes who is responsible for specific tasks that were assigned in that meeting. Copilot can do this without risking a terrible judgment in a courtroom. Copilot can do this even better, when you enable the transcribe feature in Microsoft Teams.

AI is also useful for document creation and document review in the legal profession. There are some risks to this if you are:

- Using an AI that is not meant for document creation.
- Using an AI that is not constrained to a specific data set for document understanding:
 - This means that the AI should only be looking at "your" [your firm, your department, your company] documents & emails to gather its learning.
 - This means that the AI should NOT be scanning or studying data from the Internet.
- Using an AI which is properly configured so will only look at your "Protected" data but not "Confidential Data" within your organization to make inferences and decisions.
 - Using AI is always more efficient if your documents and data are well organized and properly categorized.
- This means that your data should be partitioned with tags (metadata) and folders (named), and placed into discrete locations separated by understood terms, which are of reasonable sizing. (Not one big folder with 1000's of subfolders)
 - The AI should be restricted to your data environment and not a "public" AI.

Another use for AI in your "controlled" environment, is to research past content, cases, and other historical data within your firm, business, practice. Again, if you are not controlling the AI in terms of "what" it consumes for its processes, you can expect that the external data will sneak into the inferences (responses).

AI can do redlining for you with a high degree of accuracy and low requirement for proper AI setup and configuration in your practice. This is because the AI is comparing two specific documents and is not "looking in the wrong place" or "not understanding that it is telling you something untrue."

As I mentioned in the very beginning of this white paper, asking "what" AI can do for you is close to the same question of "what" can electricity do for me, back in the late 1800's. It's too early to tell all the things it will do, but we can imagine or use many of its capabilities already.

Conclusion

AI is ready for your legal practice. But you will need to get it designed, configured and deployed correctly. If have Microsoft 365, you already have a Core AIs. All that remains is moving forward with a well-designed and organized set of data, and the properly configured AI.

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Bio of Keith Valley, President of Moonlight 365 Technologies, Inc. You can find him on LinkedIn by [clicking here](#). Keith has worked in the Legal Technology Vertical and the Technology Sector for over 30 years. Keith is a graduate of the University of Chicago, having held numerous Sales Leadership positions early in his career, including being the youngest Vice President of Sales for one of the largest distributors of Computer Supplies and Accessories in the United States. In the early 2000's as Vice President of DocAuto, Inc., the leader for the last 20 years in legal Document Management Solutions for iManage, Keith gained experience in the document management sector. Later as Vice President of Epona USA, Inc., he expanded his experience with over 14 years of experience working with Microsoft Solutions including: Microsoft 365, SharePoint, and Document Management for the Legal, Corporate, Real Estate, Financial and other sectors. Keith has wide and deep first-hand experience in designing, deploying and consulting on the Microsoft 365. Keith can be contacted by email at: keith.valley@moonlight365.com.