



**Legal Professionalism Committee Meeting Minutes
February 2, 2016, 10:30 am, Raleigh, NC**

Commissioners attending: Catharine Arrowood, Chair
Luke Bierman
Richard Boyette
Jay Conison
Phylliss Craig-Taylor
Representative Leo Daughtry
Drew Erteschik
Judge Robby Hassell
Rick Minor
Justice Bob Orr
Matt Sawchak
Lisa Sheppard

Commission staff attending: Will Robinson
Jon Williams
Emily Portner

Issues discussed:

1. Presentations by officers of Axiom Global Inc.

The committee heard presentations by Paul Carr, the president of Axiom, and Kelly Zitzmann, the company's general counsel.

Axiom provides technology-enabled legal and compliance services for legal departments of large corporations. Axiom does not serve clients that lack a substantial in-house legal department. Axiom employs hundreds of lawyers.

Mr. Carr described the company's services, including "insourcing" of lawyers and technology-enabled contract administration.

Ms. Zitzmann then described the company's extensive efforts to comply with state-by-state regulation of the practice of law. These efforts include

- ensuring that only a client's in-house lawyers – not Axiom – review and supervise the substantive work of Axiom lawyers,
- limiting the lines of service that Axiom offers in certain jurisdictions,
- ensuring that each Axiom lawyer is admitted in the states on which she opines, and
- structuring the charges for services so that 100% of the designated legal fees on a matter (as opposed to Axiom's service charge) flows to the Axiom lawyer.

Ms. Zitzmann noted that Axiom has conferred about its business model with the Authorized Practice Committee of the North Carolina State Bar.

Ms. Zitzmann was asked to identify regulatory changes, if any, that Axiom would suggest.

- She advocated for rules that would lower the barriers to multi-jurisdictional practice of law.
- She also suggested extending, to companies like Axiom, the relaxed restrictions on the practice of law that North Carolina applies to in-house lawyers.
- Ms. Zitzmann also commented that chapter 84A of the North Carolina General Statutes, governing foreign legal consultants, might offer a good model to extend.

2. Presentation by Jim Leipold from the National Association for Law Placement

Mr. Leipold gave a presentation on trends in the supply of and demand for newly minted lawyers.

He noted that total demand for new lawyers is still down about 50,000 lawyers per year from the pre-recession peak. The contributing factors include globalization and the use of technology to replace legal services (or reduce the total quantity of legal services needed).

Law school class sizes have dropped significantly, contributing to a rise in the observed "offer rate."

Mr. Leipold noted that “J.D. advantage” jobs (jobs that benefit from a J.D. but do not invariably require one) are the fastest-growing segment of the job market for law graduates.

He noted that 60% of private law practice in North Carolina is currently done in small firms.

Finally, Mr. Leipold noted the current bimodal distribution of salaries for law graduates (with peaks around \$50,000 per year and around \$160,000 per year).

3. Discussion with law deans on our committee

Deans Bierman (Elon), Conison (Charlotte), and Craig-Taylor (NCCU) shared their observations on trends presented by their student bodies.

In general, these trends reflect shifts in the demand for lawyers, including the commoditization and segmentation of some legal services.

To respond to these trends, all of the law schools are offering innovative programs.

In light of the trends discussed by the deans, the committee discussed options for lowering barriers to entry into law-related services, including (1) recognizing multiple tiers of providers, (2) using compulsory insurance to reduce risks to clients, and (3) adopting a more nuanced approach to the requirement of a J.D. from an ABA-accredited law school.

The committee went on to discuss the history of ABA accreditation of law schools and its connection with bar admission.

4. Plans for March meeting

During the March 1 meeting, the committee will discuss the work of its three subcommittees and determine a path forward.

5. Adjournment

The meeting was adjourned by consensus at about 3 pm.

/s/ Matthew W. Sawchak
Reporter