

The Legal Strategist

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TEXAS ESOTERIC FACTS

Dallas' corner of Elm and Houston streets has a sordid history. The building completed there in November 1898 was struck by lightning and burned to the ground in May 1901. By the fall of 1901 it was rebuilt. In that same building 62 years later, Lee Harvey Oswald allegedly shot President Kennedy from the sixth floor.

In today's fast-paced business environment, artificial intelligence (AI) tools offer tempting shortcuts—quick document drafts, general legal info, and cost savings. But when it comes to protecting your Texas business, relying on AI alone can expose you to significant risks. Don't leave your company's legal foundation to chance. Scott Barrett is an experienced Texas business attorney who can ensure compliance, minimize risks, and position your business for success.

The Feature Topic is a cursory review. If you would like more information on this, or any other topic previously covered in my newsletter, which can be viewed on [The Legal Strategist](#) tab of my web site, please contact my office at 713.526.1883.

Scott Barrett

FEATURE TOPIC: AI VS. A TEXAS ATTORNEY FOR YOUR BUSINESS

THE LIMITATIONS OF AI IN LEGAL MATTERS

AI excels at processing data and generating generic content, but it has critical shortcomings for business law:

- **Lack of Texas-Specific Expertise:** Texas business laws (e.g., entity formation with the Secretary of State, unique contract rules, employment regulations, and dispute resolution) differ from other states. AI often provides generalized or outdated advice that doesn't account for these nuances.
- **No Personalized Strategy:** AI lacks context about your specific business goals, industry risks, operations, or long-term objectives. It can't craft tailored solutions.
- **Hallucinations and Inaccuracies:** Generative AI can produce convincing but incorrect information, including "hallucinated" case law or flawed contract terms. Texas ethics opinions emphasize that outputs must be independently verified.
- **Confidentiality and Privilege Risks:** Inputting sensitive data into consumer AI tools may not be protected like attorney-client communications and could lead to breaches or waiver of privileges.
- **No Accountability:** If AI-generated advice causes compliance issues, lawsuits, or financial losses, there's no licensed professional responsible—unlike with an attorney.

THE VALUE OF A TEXAS BUSINESS ATTORNEY

A qualified Texas business attorney delivers far more than documents:

- **Deep, Localized Knowledge:** Expertise in Texas-specific requirements for LLCs, partnerships, contracts, regulatory compliance, and litigation.
- **Strategic, Personalized Guidance:** Risk assessments, negotiation support, and proactive advice aligned with your unique situation.
- **Advocacy and Representation:** Skilled handling of negotiations, disputes, transactions, and court proceedings.
- **Ethical Protections:** Full confidentiality under attorney-client privilege, plus accountability and malpractice insurance.
- **Long-Term Partnership:** Ongoing support to help your business grow while avoiding costly mistakes.

AI is a powerful assistant—great for initial research or brainstorming—but it is **not a substitute** for professional judgment. Texas Bar opinions stress that lawyers (and businesses) must exercise independent verification and oversight when using AI.

If you would like more information on this or any other topic covered in *The Legal Strategist*, please contact [Scott Barrett](#) to set up a consultation.