

Law Guild Newsletter

Empowering minds in an evolving world

Emerging AI Liability
& Legal Ethics Watch

FROM THE EDITOR

AI risk is no longer a future compliance project. In the last two weeks, courts have imposed per-filing AI certifications, federal judges have escalated hallucination sanctions toward firm-wide referrals, plaintiffs have filed a wrongful-death claim against a frontier model, NHTSA has published its first weather-related robotaxi recall, and Colorado has rewritten its AI statute into a narrower ADMT disclosure regime. Five alerts below. Verify before you file. Preserve before you respond. Paper your ADMT obligations before the first adverse decision.

RISK RADAR

- AI filing sanctions
- Privilege & confidentiality
- Product liability (AI/health)
- Autonomous systems
- State AI compliance

Risk Alerts

Five developments shaping AI legal exposure for firms and operating businesses this week.

01

AI FILING SANCTIONS

Florida courts impose unified AI disclosure and verification duty

11th Judicial Circuit Admin. Order No. 26-15 | 17th Judicial Circuit Admin. Order 2026-03-Gen, Amendment 2 | Miami-Dade & Broward

Miami-Dade and Broward courts jointly issued AI-disclosure and verification orders requiring lawyers and self-represented litigants to certify when generative AI was used in court submissions.¹ The certification requires the signer to verify every citation, factual claim, quotation, paraphrase, and legal conclusion generated by AI and to accept full responsibility for the filing. Violations may lead to denial of relief, contempt, striking pleadings, dismissal, monetary sanctions, or referral to The Florida Bar.

LEGAL BLIND SPOT

Firms that let associates, contract lawyers, or paralegals use AI drafting tools without a required disclosure-and-verification workflow can trigger sanctions even when the legal argument is otherwise viable. Build a per-filing AI certification checklist, partner sign-off on citation validation, and a documented recordkeeping rule before the next motion goes out in either circuit.

02

ETHICS / HALLUCINATIONS

Maryland federal judges escalate scrutiny of AI-fabricated case law

U.S. District Court for Maryland | Judge Stephanie A. Gallagher; prior warning by Judge Rudolph Contreras | Quinn Patton (partners Donald Quinn & Katherine Patton)

Two Quinn Patton partners allegedly filed at least five briefs containing fake case-law quotes generated by an AI tool.² Judge Gallagher ordered explanations for hallucinations in multiple cases and stated that her concerns extended to the entire firm. Judge Contreras had previously warned Quinn that further violations could lead to sanctions or referral to a disciplinary committee.

LEGAL BLIND SPOT

Even closed or firm-controlled AI tools create ethics exposure without citation-by-citation validation, partner sign-off, and a documented stop-use protocol after the first hallucination incident. One repeat event — by any attorney — can convert a remediable mistake into a firm-wide bar referral.

03

AI PRODUCT LIABILITY

California wrongful-death suit targets ChatGPT medical advice

Turner-Scott v. OpenAI Foundation | California Superior Court | Complaint filed May 12, 2026

The family of Samuel Nelson filed a California state lawsuit alleging ChatGPT caused his fatal overdose by giving unsafe medical or drug-combination advice involving Xanax, Kratom, and Benadryl.³ The complaint asserts defective design, failure to warn, negligence, wrongful death, California Unfair Competition Law claims, and a claim under a state law provision prohibiting AI from representing itself as a licensed health practitioner. The family seeks damages and an injunction requiring OpenAI to pause healthcare-related products.

LEGAL BLIND SPOT

AI product-liability exposure is moving beyond bad advice into wrongful-death theories. Defense counsel must preserve prompts, logs, model-version records, safety-layer changes, and escalation policies immediately; plaintiff counsel should expect spoliation arguments tied to post-incident model rollbacks and content-filter changes.

04

AUTONOMOUS SYSTEMS

Waymo recalls 3,791 robotaxis after flooded-road incident

NHTSA recall file RCONL-26V208-8479 | Waymo recall RVXX2604 | San Antonio, Salado Creek

Waymo recalled 3,791 robotaxis after an unoccupied vehicle in San Antonio entered an untraversable flooded roadway, proceeded at reduced speed, and was swept into Salado Creek.^{4,5} The issue involved software that could slow but fail to stop when encountering flooded roads the autonomous system could not traverse. Waymo's interim remedy included weather-related operational constraints and map updates, while a final software remedy remained under development.

LEGAL BLIND SPOT

Autonomous-vehicle cases will turn on operational-design-domain (ODD) evidence, software-update history, map restrictions, sensor logs, and post-incident recall decisions — not traditional driver-negligence theories. Counsel for fleet operators, municipalities, and insurers should build preservation demands around ODD telemetry and OTA update chains before the recall window closes.

Colorado replaces AI Act with narrower ADMT disclosure framework

Colorado SB 189 | Signed May 14, 2026 | Effective January 1, 2027

Governor Jared Polis signed SB 189 on May 14, 2026, repealing and replacing the Colorado Artificial Intelligence Act with a narrower ADMT disclosure framework effective January 1, 2027.⁶ The law applies to automated decision-making technology used to make or materially influence consequential decisions and requires developer and deployer disclosures, adverse-outcome notices, human-review opportunities, and three-year recordkeeping. The Colorado Attorney General enforces violations through the Colorado Consumer Protection Act; violations are deemed deceptive trade practices, and there is no private right of action.

LEGAL BLIND SPOT

Businesses using AI in hiring, lending, housing, insurance, education, or healthcare need vendor-contract language, decision notices, records retention, and human-review procedures before the first adverse decision is challenged. Procurement and HR teams should be drafting ADMT clauses and notice templates in Q3 2026 rather than waiting for the effective date.

Practical Takeaway for Law Firms

1. Treat AI supervision the way you treat conflicts checking. Florida courts now require per-filing AI certifications while Maryland judges are sanctioning firms for repeat hallucinations. Adopt a written generative-AI policy that requires (a) disclosure on every filing in jurisdictions that mandate it, (b) citation-by-citation human verification, (c) partner sign-off, and (d) a mandatory stop-use protocol after any hallucination event.
2. Lock down preservation early in AI product cases. Turner-Scott and the Waymo recall both signal that AI litigation will turn on system-state evidence: prompts, model versions, safety-layer changes, map data, ODD restrictions, telemetry, and OTA update logs. Send preservation letters that name these artifacts specifically; generic ESI language will not hold.
3. Stand up an ADMT compliance track now. Colorado SB 189 takes effect January 1, 2027, but the vendor contracts, adverse-outcome notice templates, and three-year recordkeeping infrastructure must be in place before the first consequential decision. Treat Colorado as the template for the next wave of state AI-disclosure statutes.

Sources & Citations

#	ALERT	PUBLISHER	URL
1	Florida AI court-filing disclosure orders	The Florida Bar News	https://www.floridabar.org/the-florida-bar-news/miami-dade-broward-courts-issue-unified-ai-disclosure-rules/
2	Quinn Patton AI hallucination filings	The Daily Record	https://thedailyrecord.com/2026/05/19/ai-hallucinations-lawyers-maryland/
3	Turner-Scott v. OpenAI Foundation	Bloomberg Law	https://news.bloomberglaw.com/litigation/openai-hit-with-overdose-suit-centered-on-chatgpt-medical-advice
4	Waymo robotaxi flooded-road recall (overview)	JNY Law	https://jnylaw.com/blog/waymo-recalls-nearly-3800-robotaxis-after-one-drives-into-flooded-road/
5	NHTSA recall report RCONL-26V208-8479 (Waymo)	NHTSA	https://static.nhtsa.gov/odi/rcl/2026/RCONL-26V208-8479.pdf
6	Colorado SB 189 — repeal and replace of Colorado AI Act	JD Supra	https://www.jdsupra.com/legalnews/colorado-legislature-repeals-and-3890938/

Disclaimer. This newsletter is informational only and does not constitute legal advice. It does not create an attorney-client relationship. Readers should consult licensed counsel in the relevant jurisdiction before taking action on any matter discussed herein. Case captions, docket numbers, and statutory citations are summarized from the linked sources and may be superseded by subsequent court orders or legislative action.

IOLEBA LAW GUILD · Empowering minds in an evolving world · Editorial inquiries: editor@ioleba.example · © 2026 IOLEBA Law Guild. All rights reserved.