

SULLIVAN COUNTY BAR ASSOCIATION

MARCH 2025 NEWSLETTER

We touched on this development in an earlier newsletter, but the future is now as Arizona is the first state (not including the District of Columbia) to permit the first non-lawyer-owned law firm.

KPMG LLP, one of the Big Four accounting firms, has officially launched KPMG Law US, becoming the first of its kind to enter the U.S. legal market.

KPMG Law US is a newly formed law firm that will focus on legal managed services, legal operations consulting, and technology-driven legal solutions. This move, recently approved by the Arizona Supreme Court, marks a significant shift in how legal services may be delivered in the future - particularly through the integration of technology and alternative business structures.

Unlike traditional law firms, its business model prioritizes efficiency through artificial intelligence (AI) and digital tools, enabling clients to streamline their legal work. However, due to regulatory restrictions, KPMG Law US will not provide legal services to companies that KPMG LLP audits.

For attorneys practicing in Sullivan County and beyond, this development is worth noting because it represents, as we mentioned, a broader trend toward alternative legal service models. While KPMG Law US will initially focus on corporate clients and technology-driven legal solutions, the fact that a Big Four accounting firm has entered the legal field could signal future challenges for traditional firms.

The Arizona Supreme Court's approval of KPMG's law firm under its Alternative Business Structure (ABS) model reflects a growing shift toward allowing non-lawyers to have ownership stakes in legal service providers—something that is currently not permitted in New York. However, as more jurisdictions explore similar reforms, the legal profession as we know it could evolve.

For many solo practitioners and small firms, this development raises key questions:

- Will more law firms face competition from large, multidisciplinary service providers?
- How will technology-driven legal services impact traditional legal work?
- Could New York see similar regulatory shifts allowing non-lawyer ownership in law firms?

While KPMG Law US is unlikely to directly impact local general practice firms in the near term, it highlights a larger industry trend: clients, especially businesses, are looking for more efficient legal services, and firms that integrate technology effectively will have a competitive edge.

KPMG's move into the legal industry is a sign of things to come. While the traditional attorney-client model remains strong, alternative legal service providers and technology-driven solutions are changing the landscape. Attorneys in Sullivan County should remain aware of these changes and consider how technology and efficiency can enhance their own practices.

We welcome your thoughts on this development and its potential impact on the legal profession.

Let us know what you think!