"Black Box" Technology among Counsel's Top Predictive Coding Concerns in FTI Consulting Study

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Complementary Report and Webcast Series Provide Practical Advice on Defensible Predictive Discovery

WEST PALM BEACH, Fla., Aug. 7, 2012 /PRNewswire/ -- FTI Consulting, Inc. (NYSE: FCN), the global business advisory firm dedicated to helping organizations protect and enhance their enterprise value, today announced that its FTI Technology practice has published the results of a predictive coding study of 24 in-house and law firm counsel. The complementary report, *Advice from Counsel: Can Predictive Coding Deliver on Its Promise?*, provides the perspective of leading corporations and law firms on high-profile court rulings, cost savings estimates, adoption inhibitors, and a wide range of other predictive coding benefits and concerns. FTI Technology also will host a three-part webcast series, featuring leading e-discovery experts, to discuss the practical implications and application of predictive coding technologies.

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"The study illustrates where the legal industry is today with adoption of predictive coding technologies," said Joe Looby, co-author of the report and a Senior Managing Director in the FTI Technology practice. "Clearly, attorneys are excited about the potential to save time and money but are taking measured steps to ensure that the technologies are used in an effective and defensible manner."

While half the respondents reported use of predictive coding technologies, most of the usage is in small, pilot or "trial" projects. Other findings detailed in the report include:

- When asked to rank the reasons for using predictive coding, "replace costly human review with machine review" was not one of the top four reasons given by respondents. The respondents' top four ranked reasons for using predictive coding were:

  1. To prioritize documents for review: Respondents could put important documents at the front of the review queue.
  2. To eliminate irrelevant documents: Reviewers could focus on important materials while irrelevant materials were culled out.
  3. To test or validate human coding decisions: As a quality assurance (QA) method, predictive coding could act as another check to ensure correct coding decisions.
  4. To find more responsive documents: Legal teams could use predictive coding to supplement keyword searches and discover additional relevant materials.

- The respondents also ranked the following top four reasons for *not* using predictive coding technologies:

  1. It is a "black box" technology: Respondents expressed concern about understanding and explaining in court "what goes on underneath the hood" with predictive coding software.
  2. It is not well-suited for "needle in the haystack" investigations: In certain investigative matters, predictive coding may not be able to find all the "hot" documents.
  3. Fear of inadvertent production: There is concern that production of predicted coded documents without review or confirmation could lead to privilege waiver.
  4. Respondents do not want to be early adopters: Respondents are conducting pilot projects, selecting specific matters and talking with industry experts to learn more.

"I interviewed in-house counsel at Fortune 500 companies, as well as senior lawyers from Am Law 200 law firms for this study," said Ari Kaplan, principal of Ari Kaplan Advisors. "For those considering use of predictive coding, this report provides valuable information and useful insights from leading practitioners."

The complementary webcast series will discuss the study results and the practical application of predictive coding:

- **Aug. 21: What Does Counsel Really Think about Predictive Coding?**
  Panelists discuss the results of a recent study about the use and adoption of predictive coding technologies by Fortune 1000 companies and their law firms.
- **Oct. 2: Predictive Coding and the Meet and Confer: What Every Attorney Should Know**
  E-discovery experts discuss practical tips to help prepare for meet and confer discussions about predictive coding and other machine-learning technologies.
- **Oct. 24: Predictive Discovery: Taking Predictive Coding Out of the "Black Box"**
  The final webcast in the series helps attorneys better understand how to measure, test and defend predictive coding results.

For more information on the white paper, webcasts or FTI Technology, please visit www.ftitechnology.com.

About FTI Consulting

FTI Consulting, Inc. is a global business advisory firm dedicated to helping organizations protect and enhance enterprise value in an increasingly complex legal, regulatory and economic environment. With more than 3,800 employees located in 24 countries, FTI Consulting professionals work closely with clients to anticipate, illuminate and overcome complex business challenges in areas such as investigations, litigation, mergers and acquisitions, regulatory issues, reputation management, strategic communications and restructuring. The company generated $1.56 billion in revenues during fiscal year 2011. More information can be found at www.fticonsulting.com.

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