Global Energy Company Cuts Review Time by 60%

How Insight Predict Accelerated Case Strategy for a Shareholder Lawsuit

“In just 12 days, the law firm’s team completed the entire review. The team achieved 89% recall after reviewing just 10,000 documents using Insight Predict.”

Client Snapshot: Global Energy and Environmental Technology Company

- Internal investigation related to shareholder lawsuit
- 30-day deadline for law firm to present findings to client
- Use of continuous active learning accelerated early case assessment and guided case strategy
- Review time cut by 60%
In an internal investigation promulgated by shareholders related to allegations of fraudulent and misleading securities statements, the company and its law firm needed to quickly review a document collection that was growing by the day. The firm and its client had two primary goals. First, the company needed to assess potential liability and settlement strategies; second, it needed to prepare for upcoming interviews with custodians of interest, which were being identified by its law firm on a daily basis. Speed to review was of utmost importance.

This internal investigation illustrates the capabilities of technology assisted review (TAR) based on continuous active learning (CAL) that distinguishes it from earlier TAR tools. Importantly, use of CAL, such as Catalyst Insight Predict, allowed the client to accelerate the review and save on legal review fees:

- CAL, unlike earlier TAR systems, continuously ranks new documents as they are loaded to the system, eliminating the need for lawyers to review seed sets with each new document collection in order to “retrain” the TAR algorithm.
- The use of contextual diversity, unique to Insight Predict, enables legal teams to identify and narrow in on new topics of interest as additional custodian document collections were added to Insight Predict. The contextual diversity algorithm identifies documents based on how significant and how different they are from the ones already seen, and then selects exemplar documents that are the most representative of those unseen topics for human review.

The combination of CAL and contextual diversity saves both time and review costs, and ensures that important topics do not go unseen.

- Finally, CAL allows for multiple and simultaneous automated review tracks to streamline workflow and reduce costs.

The Challenge: Quickly Review Over Half a Million Documents with Nonstop Document Loads

Facing 540,000 documents to review, the client and its outside law firm conducting the internal investigation faced two major challenges. First, outside counsel was charged with investigating the company employees’ document and data collections to understand indicia of fraudulent behavior, and submitting a report to the company
within 30 days summarizing their findings. With just nine reviewers reviewing documents at a rate of approximately 30 documents per hour, they would not meet the client's tight timeline. Second, the law firm needed to prepare for interviews with key players, which necessitated incorporating new documents on an on-going basis into the review process. Furthermore, the review focus and scope changed each day based on the particular custodians’ interviews.

**Phase I: Using CAL to Prioritize Documents for Review**

In the first phase of the project, the client and its outside counsel worked with Catalyst to develop filters in Insight Predict to create simultaneous but separate review streams that accommodated rolling document collections into the process.

The filters enabled the prioritization of review for documents associated with specific topics of interest, and new ones that emerged on a daily basis based on that day's interviews with new custodians. Through date and custodian restrictions, the collection was narrowed to 112,000 documents for prioritized review.

The creation of separate review streams reduced the number of subject matter expert attorneys that needed to review the documents, along with associated legal fees.

In the first stream, which included documents containing accounting subject matters, a special tax attorney reviewed prioritized documents in the system to identify documents of interest. These findings then led to the identification of additional custodians of interest, subsequent interviews and rolling document collections that needed to be immediately loaded into the system.

A separate finance review track was also created that included prioritized documents related to more general corporate finance subject matter. Over 50% of the documents prioritized by Insight Predict were deemed relevant.

**Phase II: Identification of Hot Documents for Early Case Assessment**

In the second phase, outside counsel narrowed in on the two most important custodians involved in the allegations. Unlike the first
phase, this phase required estimation sampling and high recall since the client wanted to set eyes on all documents that might be damaging to their case, and did not want any “hot docs” to slip through the cracks. With a 30% estimated richness, the goal was to achieve greater than 80% recall.

Using Insight Predict, 10,000 out of 25,000 documents were ranked for review, and an additional 4,000 documents containing family members were reviewed outside of the Predict system, using Insight Discovery’s review workflow. More than 10,000 documents were eliminated from the review by prioritizing the relevant documents to the beginning of the review.

By the time the reviewers had reviewed about 10,000 documents, the Predict batch richness had dropped to levels suggesting that most of the relevant material had been depleted. After reviewers completed the full-family review of relevant documents and coded a validation sample, the estimated recall of the project was calculated to be 89%. With the vast majority of the relevant material found, the client made the decision to stop the review, thus eliminating over 10,000 documents from human review.

**Results: Review Completed in 12 Days**

In just 12 days, the law firm completed the entire review. With an 89% recall level after reviewing just 10,000 documents total using Insight Predict, the law firm was able to present findings to the company that guided its case strategy.