PLF *in*BRIEF

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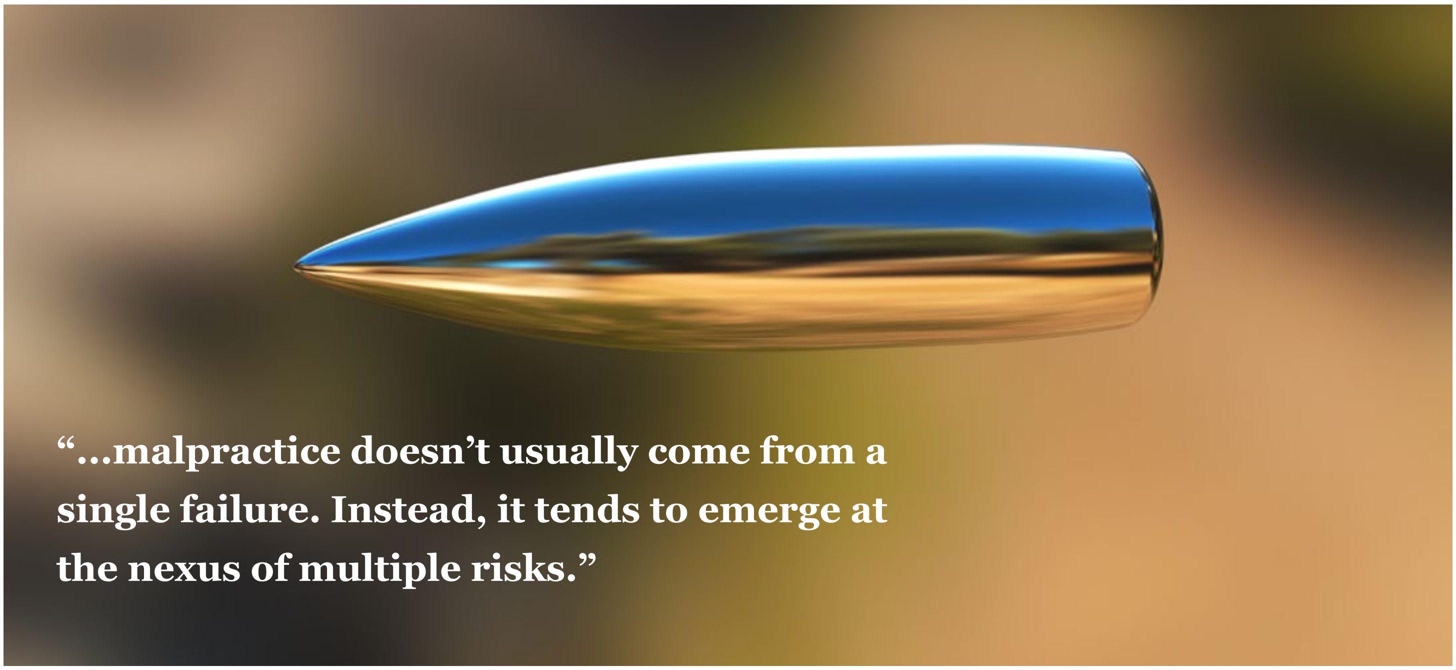
Malpractice Prevention Education for Oregon Legal Practitioners



Beyond the Silver Bullet: A Venn Diagram of Legal Malpractice

By Hong Dao

Lawyers often assume that malpractice is the result of a big mistake. If we follow that assumption, we might believe there is a "silver bullet" to prevent it. In reality, malpractice usually arises when multiple risk factors intersect.

Here's a simple analogy. When we're driving on a lonely road with no other cars, the chance of an accident is low. Sure, the risk increases if we're under the influence, speeding, or impaired. But the environment is relatively safe, and that one factor alone usually doesn't lead to a crash.

Now imagine a busy road with traffic, pedestrians, and construction zones. In that environment, the risk of an accident rises, and there is no single action—no "silver bullet"—that guarantees safety. Instead, preventing accidents requires attention to multiple factors at once: speed, focus, following rules, being aware of our surroundings, and accounting for the risks created by others.

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EDITOR

Tanya Hanson
PLF Director of Communications
tanyah@osbplf.org

phone: 503.639.6911
toll-free: 1.800.452.1639
osbplf.org

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“Understanding what is excluded from PLF coverage is just as important as knowing what is covered.”

Understanding PLF Coverage Exclusions: Attorney Fees and Sanctions

By Heather Bowman

Editor’s Note: This is part I of a multipart series on frequently encountered PLF exclusions.

Welcome to the first installment of our multipart series exploring common exclusions from coverage under the Professional Liability Fund (PLF) Primary Plan (the Plan). For Oregon lawyers and licensed paralegals in private practice, PLF coverage is a constant companion—one that’s designed to protect us from the financial consequences of professional mistakes. But as with any liability coverage, not every risk is covered. Understanding what is excluded and why is essential for managing your own risk, setting client expectations, and avoiding surprises if a claim arises.

This series will break down key exclusions in plain language, provide real-world examples, and clarify common misconceptions. In this first article, we’ll focus on two exclusions that frequently generate questions: (1) claims involving attorney fees and (2) claims involving sanctions.

Attorney Fee Exclusion: What Are “Damages” and When Are Fee Claims Excluded?

One of the most common misconceptions about PLF coverage is that it applies to any dispute with a client—including fee disputes. In reality, the Plan draws a clear line between claims for “damages” (which may be covered) and claims for the return or reduction of fees, costs, or disbursements (which are not).

PLAN LANGUAGE

The definition of “Damages” in the Plan expressly excepts claims for the return, forfeiture, disgorgement, restitution, reduction, or offset of any fees, costs, expenses, or disbursements paid to, charged by, or owed to a Covered Party or their law firm. Here's the relevant language found in Section I, A:

> "Damages means monetary compensation a Covered Party must pay for loss and does not include:
>
> c. The return, forfeiture, disgorgement, restitution, reduction, or offset of any fees, costs, expenses or disbursements paid to, charged by, or owed to any Covered Party or to any Law Entity with which any Covered Party was associated at the time any such fees, costs, expenses, or disbursements were paid, charged, or incurred, including but not limited to fees, costs, expenses, or disbursements alleged to be excessive, not earned, unnecessary, ill-advised, or caused, in whole or in part, by any alleged negligent advice;"

Section VI, Exclusion 10 reinforces this:

> "This Plan does not apply to any Claim:
>
> Arising from or relating to the negotiation, securing, or collection of fees, costs, or disbursements owed or claimed to be owed to any Covered Party, or any Law Entity with which any Covered Party is now associated, or was associated at the time of the conduct giving rise to the Claim."

PRACTICAL EXAMPLES

- If you sue a client for unpaid fees and the client counterclaims for the return of fees already paid (alleging they were excessive or unearned), that counterclaim is not covered because the damages sought are exclusively the waiver or return of fees.
- If a client sues you to recover fees paid for work they believe was unnecessary or ill-advised, that claim is not covered because the damages sought are exclusively the return of fees.
- If you are sued for failing to properly request attorney fees from an opposing party, and your client sues you for the amount they could have recovered, that claim may be covered—because it seeks compensation for a loss (an award of fees from the opposing side), not the return of your own fees.

COMMON MISCONCEPTIONS

- "If a client sues me for a refund, I'm covered." Not so. The Plan is not designed to protect against fee disputes or claims that you charged too much or didn't earn your fee.
- "If I'm sued for malpractice and the client also wants a fee refund, the whole claim is denied." Not necessarily. If the malpractice claim is otherwise covered by the Plan, the PLF will defend the claim in its entirety—both covered and uncovered claims—but the PLF will only indemnify the covered malpractice claim and not indemnify the fee refund portion.

WHY ARE ATTORNEY FEES EXCLUDED?

The rationale is straightforward: the PLF is not a fee collection or fee dispute guarantor. These disputes are fundamentally about the business relationship between practitioner and client, not about professional negligence. The exclusion ensures that PLF resources are focused on claims involving actual client harm, not on disputes over billing.

Sanctions Exclusion: Is There Coverage for Fines, Penalties, or Court-Imposed Sanctions?

Sanctions—whether imposed by a court or under a statute—can be significant, and lawyers often wonder if their PLF coverage will respond. The answer is generally no, with a narrow exception for certain client-only sanctions caused by mere negligence.

PLAN LANGUAGE

Section VI, Exclusion 4 states:

> "This Plan does not apply to:
>
> b. Any Claim for or arising out of the imposition of attorney fees, costs, fines, penalties, or remedies imposed as sanctions under any federal or state statute, administrative rule, court rule, or case law. However, with respect to any sanction awarded only against the client, this subsection (b) does not apply if: the Covered Party establishes that the

sanction was caused by mere negligence on the part of the Covered Party and on the part of anyone for whose conduct a Covered Party is legally liable; and the sanction was not based, in whole or in part, on a finding of bad faith, malicious conduct, dishonest conduct, or misrepresentation on the part of the Covered Party, or on the part of anyone for whose conduct a Covered Party is legally liable;"

PRACTICAL EXAMPLES

- If a court imposes monetary sanctions against you for discovery violations, those sanctions are not covered.
- If your client is sanctioned, but the sanction is based solely on your negligent oversight, and not bad faith or dishonesty, and the sanction is not based on a finding of bad faith or misrepresentation by you, coverage may be available for the client's sanction—but not for sanctions against you.

COMMON MISCONCEPTIONS

- "All sanctions are excluded." Not quite. There is a narrow exception for client-only sanctions caused by mere negligence, provided there is no finding of bad faith or dishonesty on your part.
- "If my client is sanctioned, I'm always covered." This is only the case if the sanction meets the specific criteria above (Section VI, Exclusion 4 (b)).

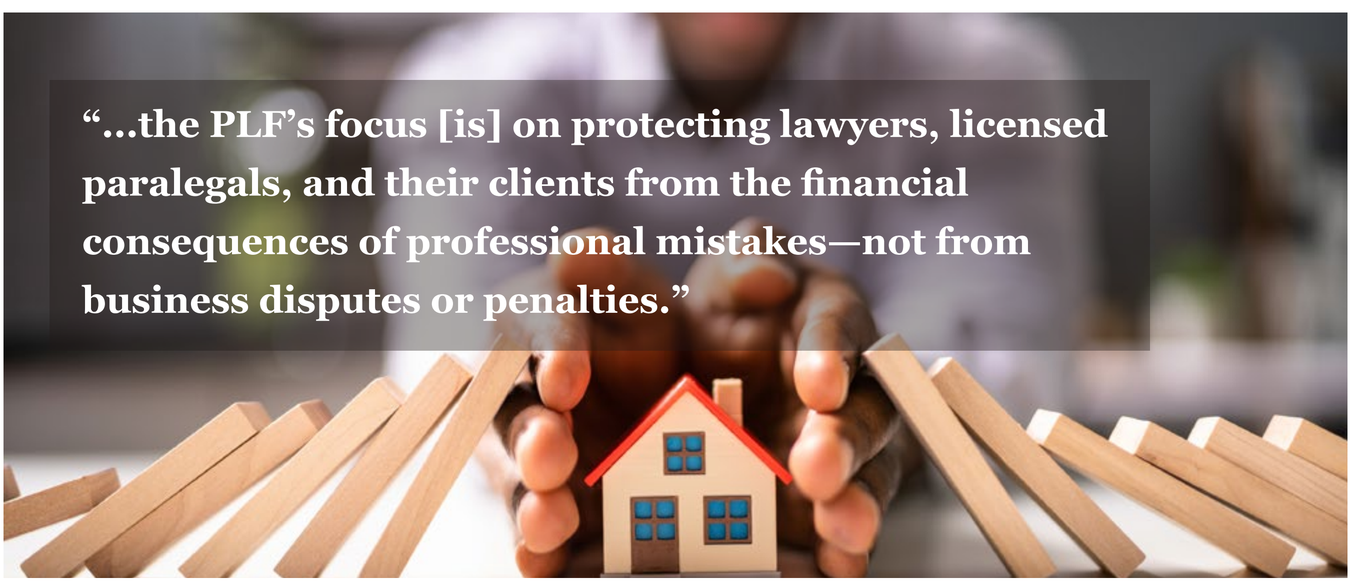
WHY ARE SANCTIONS EXCLUDED?

Sanctions are intended to punish or deter misconduct, not to compensate for client loss. Covering sanctions would undermine their deterrent effect and could create a moral hazard. The exception for client-only sanctions caused by mere negligence recognizes that honest mistakes can happen, and clients should not always bear the brunt of those errors.

Knowing the Boundaries—And What's Next

Understanding what is excluded from PLF coverage is just as important as knowing what is covered. Fee disputes and most sanctions fall outside the scope of the Plan, reflecting the PLF's focus on protecting lawyers, licensed paralegals, and their clients from the financial consequences of professional mistakes—not from business disputes or penalties. In our next installment, we'll explore additional exclusions, including claims involving business interests and family members. As always, if you have questions about coverage or want to learn more, visit *osbplf.org* or contact the PLF for guidance.

Stay tuned for more in this series as we continue to demystify PLF coverage and help you practice with confidence.

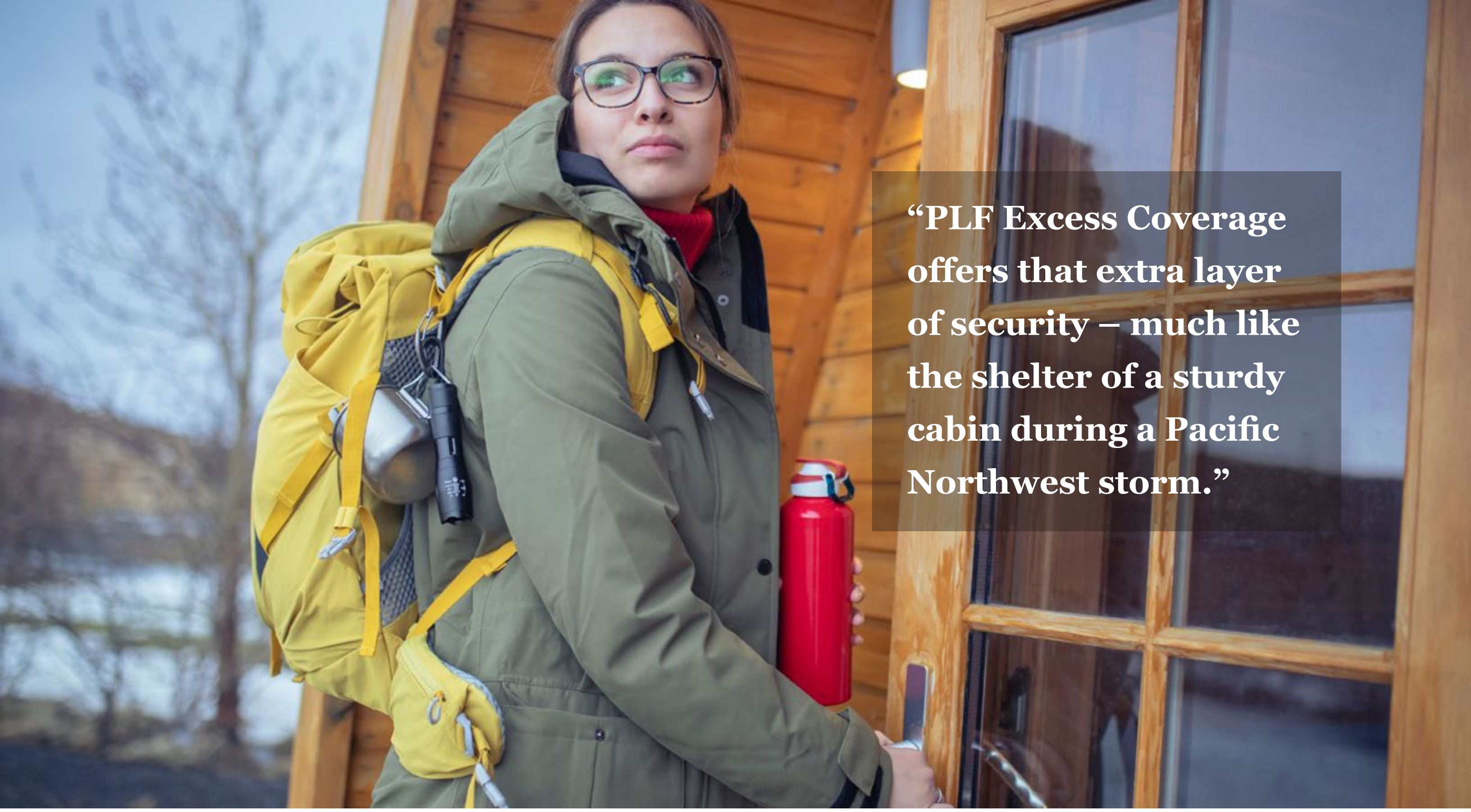


This article is part of an ongoing series on PLF coverage exclusions. For more resources, visit *osbplf.org* > Coverage > What Is My Coverage? > 2026 PLF Primary Coverage Plan. ∎

Heather Bowman is the PLF General Counsel.

OTHER WORKS BY HEATHER BOWMAN

- "Counsel Column: Important Changes Coming to Your 2026 PLF Primary Coverage," *in*Brief, Issue 148, November 2025
- "Claims Corner – Calling a PLF Claims Attorney," *in*Brief, Issue 147, August 2025
- "Counsel Column – Extended Reporting Coverage: Am I Covered Against Malpractice Claims After I Retire or Leave Private Practice?" *in*Brief, Issue 146, December 2024



Weathering Transitions: Understanding PLF Coverage When Attorneys Change Firms

By Melanie Hughes

When attorneys move between firms, one question often arises: how does PLF Excess Coverage apply during that change? Both departing attorneys and firm managers benefit from understanding the interaction between PLF Primary and PLF Excess Coverage to ensure that the desired level of protection is not lost in the transition.

Imagine a firm retreat in the Pacific Northwest where each attorney receives a weatherproof jacket to protect against the damp conditions. These jackets represent PLF Primary Coverage—the mandatory, indispensable layer of security that protects attorneys regardless of their firm affiliation. Like the jacket, PLF Primary belongs to the individual attorney and remains with them whether they stay with the firm or leave to pursue other opportunities.

This year, the retreat takes place in a cozy cabin in the woods. The cabin represents PLF Excess Coverage. While attorneys remain at the firm, the cabin provides an additional layer of protection beyond the jacket itself. However, when the attorney leaves the firm—whether to open a solo practice or join another organization—the supplemental shelter provided by that firm’s excess coverage does not follow them. In short, they leave the extra security of the cabin, but they still have their weatherproof jacket. This is because excess coverage is tied to the firm that purchases it, not the individual attorney.

For many attorneys, PLF Primary Coverage provides the foundational protection that Oregon lawyers and licensed paralegals rely upon every day. For firms or practitioners facing higher potential exposure, an additional layer of protection may be worth considering. PLF Excess Coverage offers that extra layer of security—much like the shelter of a sturdy cabin during a Pacific Northwest storm.

For additional information about PLF Excess Coverage, visit our website at *https://www.osbplf.org/excess/do-i-need-excess-coverage.html*.

Melanie Hughes is the PLF Professional Liability Underwriter.

OTHER WORKS BY MELANIE HUGHES

- "Excess Coverage: PLF Excess Portal Adds New Appointment Scheduling Feature," *in*Brief, Issue 148, November 2025
- "Target Practice: Five Reasons Your Firm Is the Ideal Mark for a Cyber Criminal," *in*Brief, Issue 147, August 2025
- "Don't Get Caught with Your Plans Down: What Is a Retroactive Date and Why Does It Matter?" *in*Brief, Issue 146, December 2024

BEYOND THE SILVER BULLET (CONTINUED FROM PAGE 1)

Malpractice works the same way. Risk accumulates in different areas, and strength in one alone isn't enough to limit exposure. This article lays out a framework for understanding legal malpractice that can help us manage or prevent risk by focusing our attention on areas we can control and seeking help early in areas we can't.

Venn Diagram of Legal Malpractice

There are many areas in law practice that can lead to malpractice. For this discussion, I'll focus on three essentials: practice management, substantive legal work, and personal issues. These areas are illustrated in the Venn Diagram to the right.

Each presents its own malpractice risks, and those risks often overlap. Let's look at each area in detail.

PRACTICE MANAGEMENT

Practice management is the first area in which malpractice risks often arise, and it's usually the quiet one. At first glance, nothing here looks like a dramatic legal error. Instead, these are the systems (or lack of systems) that shape how legal work actually gets done day by day.

At its core, practice management is about organization, communication, and follow-through. Calendaring deadlines, tracking statutes of limitation, managing files, documenting advice, and communicating clearly with clients all fall into this category. When these systems work well, they create a buffer against mistakes. When they don't, even strong legal work can unravel.

Most malpractice claims tied to practice management don't arise because a lawyer didn't know the law. They happened because a deadline was missed, a matter wasn't properly monitored, or a client didn't understand what was (or wasn't) being done. These are not failures of legal knowledge. They are failures of process.

Practice management risks also tend to compound. A missed deadline might start with a poor calendaring system, but it's often made worse by lack of redundancy, inadequate supervision, or unclear delegation. One weak point alone might be manageable. Several vulnerable points create conditions where malpractice becomes likely.

This is also where stress enters the picture. Disorganized practices increase cognitive load. When lawyers spend mental energy trying to remember deadlines, locate files, or reconstruct past communications, they have less capacity available for substantive legal analysis and judgment.

The good news is that practice management is one of the most controllable areas of malpractice risk. Systems can be improved. Checklists can be built. Technology can help. And when a system feels stretched or unreliable, that's often an early warning sign, not of incompetence, but of risk accumulation.

The Venn Diagram highlights this point: strong practice management systems won't eliminate malpractice risk on their own, but weak systems can magnify every problem that follows.

SUBSTANTIVE LEGAL WORK

The second area where risk can contribute to malpractice is substantive legal work—the actual application of law to client problems. This is the area most people instinctively think of when they hear the word "malpractice," and for good reason. Getting the law wrong can have serious consequences.

Substantive risk includes things like misunderstanding the law, failing to research adequately, misapplying legal standards, or overlooking critical facts. These are the traditional "legal errors" lawyers are trained to avoid through education, experience, and continuing legal education.

But even here, malpractice rarely results from a single mistake. Substantive errors often occur in environments already under strain. Poor practice management (e.g., missed deadlines, rushed work, inadequate review) can be a breeding ground for substantive legal mistakes. When time is short and files are disorganized, even skilled lawyers are more likely to miss nuances or make faulty assumptions.

It's also important to recognize that substantive competence is not static. The law constantly changes. Practice areas evolve. What was once familiar can quietly become unfamiliar. Without systems that prompt ongoing learning or encourage consultation, lawyers can drift into unfamiliar territory without even realizing it.

The Venn Diagram tells us that strong legal knowledge alone is not enough to prevent malpractice. The best legal analysis still depends on having the time, focus, and structure to apply it correctly. When those supports weaken, substantive risk increases, even for experienced practitioners.

PERSONAL ISSUES

The third area of malpractice risk is personal issues. This is often the most uncomfortable area to discuss, yet it plays a critical role in how the other two areas interact.

Personal issues include stress, burnout, depression, substance use, physical health problems, financial pressure, and major life events. These issues don't stay neatly outside the office. They affect concentration, judgment, memory, and motivation, all of which are essential to competent legal practice.

On their own, personal challenges do not automatically lead to malpractice. Many lawyers manage difficult personal circumstances while continuing to practice effectively. But personal issues tend to weaken safeguards. They make it harder to maintain practice management systems and more difficult to engage deeply with substantive legal work.

Acknowledging that personal issues contribute to malpractice risk isn't about blame. It's about awareness. Early recognition provides opportunities to seek support, adjust workloads, or intervene before small challenges grow into serious problems.

Bringing the Venn Diagram Together

It's tempting to look for a single fix for legal malpractice: a particular checklist, a software tool, a rule that, if followed perfectly, keeps our practice safe. That's the "silver bullet" way of thinking. But as the Venn Diagram shows, malpractice doesn't usually come from a single failure. Instead, it tends to emerge at the nexus of multiple risks.

The value of the Venn Diagram lies in guiding us toward proactive risk management. Instead of asking, "What's the one thing that will keep me from malpractice?" ask, "Where are risks accumulating, and how can I address them before they compound?"

Understanding malpractice this way shifts the focus from fault to foresight. It encourages us to pay attention to the systems we rely on and the limits of our expertise. It also reminds us to monitor our own capacity to practice effectively before these pressures overlap in ways that are difficult or impossible to undo.

How OAAP Can Help

The Oregon Attorney Assistance Program (OAAP) provides free, confidential support to Oregon lawyers, judges, licensed paralegals, and law students for stress, mental health, substance use, career transition, and well-being challenges, funded by the PLF. It offers counseling, referrals, support groups, workshops, and CLEs to help legal professionals function effectively.

For more information, or to make an appointment, go to *https://oaap.org* or call 503.226.1057 (toll-free: 800.321.6227) and ask to speak with an attorney counselor.

MATCHING RESOURCES TO THE RISK

The Venn Diagram also helps explain why different support resources focus on different areas of risk, and why no single resource addresses all three areas at once.

The Practice Management Assistance Program (PMAP) at the PLF focuses on practice management because that is the area most directly tied to systems, processes, and structure. Calendaring, file management, communication practices, and workflow are observable, adjustable, and can be improved without requiring a lawyer to change practice areas or disclose sensitive personal matters. For that reason, PMAP's role is deliberate and practical.

Other areas of malpractice risk can be addressed elsewhere. For example, substantive legal issues are best addressed through continuing legal education, bar sections, mentors, co-counsel, and consultation with colleagues who have experience in a given area of law. These resources strengthen legal judgment and technical competence rather than practice infrastructure.

Finally, personal issues such as stress, burnout, depression, or substance use are more appropriately supported through the Oregon Attorney Assistance Program (OAAP).

This division of resources ensures that lawyers receive targeted support in each area while maintaining appropriate confidentiality and professional boundaries.

Substantive Law Resources

- OSB BarBooks™ – barbooks.osbar.org/w/osb
- Oregon Statutory Time Limitations – osbplf.org/services/resources/#plf_books
- OSB Sections – osbar.org/sections
- OSB CLEs – osbar.org/cle/
- *in*Practice blog post – "Beyond 'Find a Mentor': How Legal Professionals Can Build Mentoring Relationships That Actually Work" – *osbplf.org/blog/inpractice*/

FOCUSING ON WHAT YOU CAN CONTROL

Knowing where and when to ask for help is only part of the equation. Just as important is taking deliberate action in areas where you have the greatest influence.

One of the most effective ways to reduce malpractice risk is to focus on what's within your control. While you can't eliminate client complexity, personal stress, or unexpected events, you can strengthen the systems, habits, and practices that safeguard against risk.

Practice Management

This is where you can have maximum impact. Reliable systems make a difference every day: keeping an accurate calendar of deadlines, tracking client communications, using checklists for routine tasks, and clarifying delegation and supervision. Strong practice management frees mental bandwidth, reduces stress, and provides a buffer when other demands arise.

Substantive Legal Work

You can also control how you approach the law: stay current on changes, consult colleagues when entering unknown ground, and set aside time for careful analysis rather than rushing. These practices help ensure that legal judgment remains sound even under strain.

"Like safe driving, it's about creating layers of protection before risks collide."

Personal Issues

You may not be able to eliminate stress or life events, but you can manage their impact: notice early signs of burnout, seek support through resources like the OAAP or mentors, and maintain self-care routines that protect focus and judgment.

Focusing on these manageable areas creates a foundation that mitigates risk across the Venn Diagram. By acting deliberately in the areas you can influence, you reduce the likelihood that multiple pressures will converge to create malpractice risk. Like safe driving, it's about creating layers of protection before risks collide.

Conclusion

Legal malpractice is about convergence, and convergence can be interrupted. By staying alert to risks that are quietly building in your systems, your legal work, and your own capacity, you create the conditions to catch problems early, before they compound. The goal isn't perfection in any single area. It's the kind of ongoing, honest self-assessment that keeps the circles in the Venn Diagram from growing and overlapping in the worst possible way. ■

Hong Dao is the PLF Director of the Practice Management Assistance Program.

OTHER WORKS BY HONG DAO

- "Stop Managing Your Trust Account Like It's 1999: Why It's Time to Use Software," *in*Brief, Issue 148, November 2025
- "Tomorrow's Protective Shield: The Imperative of Planning Ahead," *in*Brief, Issue 145, May 2024

How PMAP Can Help

The Practice Management Assistance Program (PMAP) offers free, confidential practice management assistance to Oregon lawyers, paralegals, and staff, providing guidance on office systems, malpractice prevention, client relations, trust accounting, and opening/closing firms, plus CLEs, practice resources, and one-on-one consultations to improve efficiency and reduce malpractice risk.

For more information, to make an appointment, or ask a question, go to *https://osbplf.org/pmap* or call us at 503.639.6911 (toll-free: 800.452.1639) and ask to speak with a practice management attorney.

Appellate Case Update

By Hon. Jack L. Landau

Oregon Supreme Court

Crandall v. State, 374 Or 699 (2026)

The provision in the Oregon Tort Claims Act that eliminates the right to recover damages for injury caused by the negligence of a public employee who is covered by workers' compensation is unconstitutional under the Remedy Clause of Article I, section 10, of the state constitution.

Stone v. Witt, 374 Or 524 (2025)

Medical professionals who prescribed and distributed opioids to a patient may be liable in negligence for allegedly foreseeable physical injuries that the patient later caused to third parties who were not patients of the medical professionals.

Bohr v. Tillamook Cnty. Creamery Ass'n, 373 Or 343 (2025)

Proof of reliance on false advertising is not required to establish a claim under the Unlawful Trade Practices Act, at least under "prohibited-transaction" and "premium-price" theories. Note that the court did not address whether such claims are actually cognizable. On remand, the Court of Appeals reversed and remanded for further proceedings consistent with the Supreme Court's opinion, 348 Or App 22 (2026).

Adelsperger v. Elkside Dev., LLC, 373 Or 621 (2025)

By failing to honor campground membership contracts with elderly parties, the campground owner "took" or "appropriated" property within the meaning of the elder abuse law. Modified and adhered to as modified, 374 Or 375 (2025).

Hathaway v. B&J Prop. Invs., Inc., 374 Or 212 (2025)

ORS 12.125 provides that any claim "arising under" a rental agreement must be brought within "one year." Within one year of what? Within one year of breach, without regard to when the breach was discovered.

Jared v. Harmon, 374 Or 381 (2025)

Although the landlord did have an obligation to provide a working sewage system under the statutory obligation to provide "habitable" premises, that did not relieve the tenant of the obligation to comply with the separate statutory obligation to keep the premises "clean, sanitary and free from . . . waste."

KKMH Props., LLC v. Shire, 373 Or 676 (2025)

A 30-day notice of termination of tenancy for violations of the rental agreement must include notice that the tenant can cure the violation if the tenant "can cure the violation." That means if the violation is capable of being cured, not whether the particular tenant is likely in an economic position to do so.

Bellshaw v. Farmers Ins. Co. of Or., 373 Or 307 (2025)

The Insurance Code provides that motor vehicle insurers must provide insureds with a notice in "language approved by the director" that includes specific information from a cross-referenced statute. What happens when the insurer's notice has been approved by the director, but it fails to include all the information required? The "approved by the director" condition is what counts.

Twigg v. Admiral Ins. Co., 373 Or 475 (2025)

What is an "occurrence" under a commercial general liability insurance policy, defined in the policy as an "accident"? Can it include property damage caused by a contractor who negligently provided repair work in breach of the contract? Whether damages arise from an "accident" does not depend on how a claim is pleaded (breach of contract vs. tort), but rather on whether the facts provide a basis for imposing tort liability.

Lowes v. Thompson, 374 Or 23 (2025)

A non-disparagement clause in a stipulated dissolution judgment does not, by itself, amount to a waiver of the right to later assert the protections of the state anti-SLAPP law.

Oregon Court of Appeals

Advocs. for Sch. Tr. Lands v. State, 346 Or App 668 (2026)

A declaratory judgment action against the state as to the validity of laws providing for school funding is not subject to legislative immunity; such immunity is personal to legislators only. Declaratory judgment claims as to the adequacy of the management of common school lands to fund schools likewise are not "torts" within the meaning of the Oregon Tort Claims Act; thus, OTCA notice requirements do not apply.

Ringo v. Colquhoun Design Studio, LLC, 345 Or App 301 (2025)

A lawyer who submitted a brief containing citations that were apparently fabricated by hallucinating AI resulted in the brief being stricken and counsel fined for every false citation.

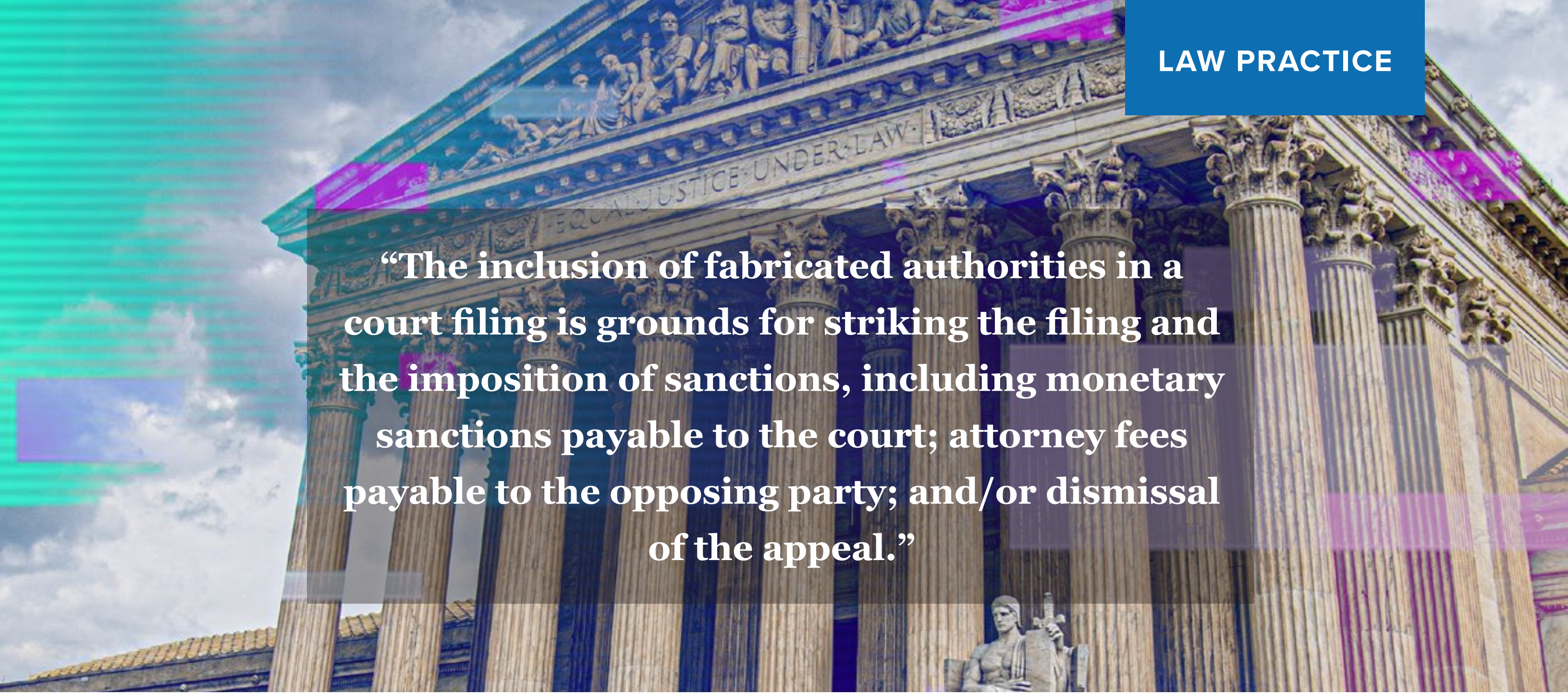
Freeby v. Hoodoo Ski Bowl Devs., Inc., 344 Or App 216 (2025)

Oregon's recreational use immunity statute applies when private landowners open their land for public recreational use if, among other things, a "charge" is not imposed "in return for permission to enter or go upon the owner's land." The statute does not apply to the owner of a ski area that charges a fee for using a chairlift.

Athena v. Pelican Brewing Co., 345 Or App 172 (2025)

BOLI administrative rules require that employers must provide a paid meal period of at least 30 minutes for employees who work at least six hours a day. If employees are not relieved of all duties for the entire 30-minute period, employers must pay the employee for the full period. Failing to do so amounts to failing to pay a "wage," which subjects the employer to a claim for unpaid "wages" and penalties under ORS 653.055. ■

This article was originally published as the written materials for a CLE presented by Former Oregon Supreme Court Justice Jack Landau for the Multnomah Bar Association on February 10, 2026. Reprinted with permission. The on-demand seminar is available on the MBA website at www.mbabar.org.



"The inclusion of fabricated authorities in a court filing is grounds for striking the filing and the imposition of sanctions, including monetary sanctions payable to the court; attorney fees payable to the opposing party; and/or dismissal of the appeal."

AI Fabrication in Oregon Courts: User Beware

On April 29, 2026, the Oregon Court of Appeals issued a message from Chief Judge Erin Lagesen, stating that the court is receiving a rapidly escalating number of filings with fabricated legal authority produced by generative AI. The court has posted a notice on its website regarding imposition of sanctions for submission of fabricated authority produced by AI, stating in part:

"The inclusion of fabricated authorities in a court filing is grounds for striking the filing and the imposition of sanctions, including monetary sanctions payable to the court; attorney fees payable to the opposing party; and/or dismissal of the appeal. To avoid sanctions, any person using a generative artificial intelligence program to prepare content for a court filing must verify that (1) all cases cited exist; (2) all quotations attributed to existing cases are, in fact, contained in the cases cited; and (3) all paraphrased propositions of law attributed to existing cases are objectively reasonable in light of what the case actually says."

The full notice is available at *https://www.courts.oregon.gov/courts/appellate/Pages/default.aspx* under Rules and Resources.

On May 26, 2026, Marion County issued a Presiding Judge Order requiring disclosure of the use of AI in court filings. The order also states that the court may require parties to produce copies of any cited authority, and that the court may strike filings containing fabricated authority or significant inaccuracies and may impose sanctions under ORCP 17(D).

On June 4, 2026, the Oregon Supreme Court issued its first two orders sanctioning litigants for filing documents with AI-fabricated case cites and quotations: (1) dismissing a mandamus proceeding; and (2) striking a response to a petition for review.

More such court-mandated disclosures and imposition of sanctions are likely to follow if AI misuse continues unchecked. Practioners would do well to use AI in court filings with extreme caution.

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16037 SW Upper Boones Ferry Road, Suite 300
Tigard, OR 97224

PO Box 231600 | Tigard, OR 97281-1600

Tips, Traps, and Resources

RESIDENTIAL REAL ESTATE REPORTING RULE SUSPENDED

FinCEN posted the following alert on its *fincen.gov/rre* web page: "On March 19, 2026, the U.S. District Court for the Eastern District of Texas issued an order vacating the Residential Real Estate Rule. The Financial Crimes Enforcement Network (FinCEN), in conjunction with the Department of Justice, has appealed the decision. While the court's order remains in force, reporting persons are not required to file Real Estate Reports with FinCEN and are not subject to liability if they fail to do so."

NEW SIMPLE ESTATE AFFIDAVIT

In June 2026, the Oregon Judicial Department posted a new, statewide form of Simple Estate Affidavit and corresponding instructions. You can download the form and instructions here: *https://www.courts.oregon.gov/forms/Documents/ProbateSimpleEstate.pdf*.

APPROVED CHANGES TO THE UTCR:

Chief Justice Flynn signed Chief Justice Order 26-021, which approved changes to the Uniform Trial Court Rules, effective August 1, 2026. Changes of special note include: clarify numbering requirements for the Supplementary Local Rules; remove the requirement to prepare pleadings, motions, and requested instructions with numbered lines; require parties to specify the rule or statutory basis for claiming that a submitted document is exempt from the advance service requirement in UTCR 5.100; and establish new UTCR 18.010 to 18.040 to define "eviction action" and establish standardized requirements for captions, complaint format, and proposed orders in such actions. The approved changes are available at *www.courts.oregon.gov/utcr*. The Preface to the 2026 UTCR includes detailed explanations of the changes.