

By Amy Kolz

## Cracking the Code

**O**UTSIDE COUNSEL AND support staff never want to admit to clients that they're overwhelmed. But that's what Judy Ercolini felt in mid-May. A senior paralegal at Boston's Mintz, Levin, Cohn, Ferris, Glovsky and Popeo, she received 64 banker boxes filled with discovery documents that needed to be coded before an anticipated bankruptcy filing at the end of the month.

**Document coding without human error or tech glitches? A handful of companies make the case.**

Coding is the process of creating a database that organizes discovery documents by author, creation date, subject, and other fields.

Hiring temps or outsourcing to other U.S. companies that code documents by hand would have been prohibitively expensive given the rushed deadline. Mintz, Levin attorneys, citing confidentiality concerns, were also uncomfortable sending images of the documents to an overseas facility. "Attorneys don't like sending [their case information] out of town, let alone offshore," Ercolini says. In stepped Valora Technologies, Inc., an automated document coding service that was able to scan, sort, and code the 64 boxes in less than two weeks, allowing the Mintz, Levin team to make its deadline. The coding was nearly 100 percent accurate. "I was pleasantly surprised," Ercolini says.

Automated encoding has been a Holy Grail for legal technologists frustrated with the long delays and cost of manual coding. In theory, intelligent software can sort scanned paper documents at a rate

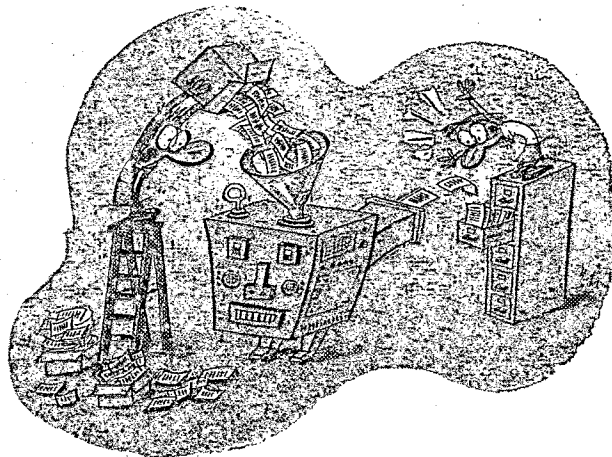
of thousands of documents per hour.

But some skeptics say the initial time savings aren't worth the imperfect results. Plus, many lawyers are distrustful of automating any part of their work.

Valora supplements its automated technology with human reviews of each document. Valora's software codes 10,000 documents an hour, handling the bulk of the work, says Sandy Serkes, Valora's chief executive. The staff just has to review its results for inconsistencies and glitches, often caused by hard-to-read fonts or poor copies. For example, a manual review will catch when the software can't distinguish between "Jane Smith" and "Janet Smith."

Valora's pitch appears to be attracting attention at firms and in-house legal departments. The Waltham, Massachusetts-based business was established in 2000 and has only 41 employees, but it already has several impressive clients. The company won a three-year contract with the U.S. Department of Justice, a government agency notorious among vendors for its strict accuracy requirements. Aspen Systems Corporation, the prime contractor of the Department of Justice contract, says that it spent over 60 days testing Valora. The company turned around documents with a 98-100 percent accuracy rate, says Allan Kalkstein, vice president and general manager of Aspen.

Valora has its share of competitors, each with a slightly different technology and strategy. For example, A.L.Coder LLC, based in Falls Church, Virginia, offers clients a stand-alone software



application instead of an outsourced service. Docuity, Inc., headquartered in Westport, Connecticut, offers a service, but has an optional manual quality control, which is outsourced to offshore shops, a negative for some lawyers. Docuity, however, advertises a cheaper rate of 10-13 cents per page with a manual review, compared with Valora's 85 cents per document (an average document is four to five pages). Both companies undercut domestic and offshore coders who typically charge between 90 cents and \$2.50 per document.

Automated coding competitors may ultimately be the least of Valora's worries. Search technologies from companies like Dallas-based Syngence LLC could allow lawyers to forgo coding altogether someday. But attorneys who are suspicious of automation may be even more reluctant to trust the blind results of a search engine. "There's never going to be a replacement for someone going through and reading a document and making sure that they don't have a smoking gun on their hands," concedes Serkes. "All we're trying to do is organize it for them."

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