

# AI LEGAL RISK SCORECARD

Is Your Company Exposed to Million-Dollar Legal Liability?

■ ■ If you answer **NO** to any question below, your company has exploitable legal exposure

Complete this 2-minute assessment to identify critical gaps in your AI legal compliance. Each "NO" answer represents a potential six-figure liability during due diligence, regulatory audit, or litigation. Companies raising Series A+ funding are increasingly being asked to prove AI compliance before term sheets are signed.

## INTELLECTUAL PROPERTY & OWNERSHIP

- YES  NO      1. Do you have written IP assignment agreements from every person who contributed to your AI training data or model development?
- YES  NO      2. Can you document the full provenance of all training data used in your AI systems, including licenses and permissions?
- YES  NO      3. Have you conducted IP clearance on all third-party code, libraries, or datasets integrated into your AI products?

## DATA PRIVACY & COMPLIANCE

- YES  NO      4. Can you prove GDPR compliance for any EU users or customers, including right-to-deletion for AI training data?
- YES  NO      5. Do you have compliant data processing agreements (DPAs) with every vendor that touches personal data in your AI pipeline?
- YES  NO      6. Have you mapped all PII/PHI data flows through your AI systems and documented lawful basis for processing?
- YES  NO      7. Can you demonstrate CCPA/state privacy law compliance, including disclosures about automated decision-making?

## RISK MANAGEMENT & GOVERNANCE

- YES  NO      8. Do you have documented AI risk assessments covering bias, discrimination, and harmful outputs?
- YES  NO      9. Have you implemented monitoring systems to detect and log AI failures, errors, or unexpected behaviors?
- YES  NO      10. Do your Terms of Service and Privacy Policy accurately disclose AI usage, data collection, and automated decisions?

## REGULATORY & CONTRACTUAL

- YES  NO      11. Are you monitoring AI regulatory developments (EU AI Act, state laws, industry-specific rules) that affect your business?

- YES  NO      **12.** Do your customer contracts include proper AI warranties, indemnification, and limitation of liability clauses?
- YES  NO      **13.** Have you secured appropriate E&O; and cyber insurance that covers AI-related claims?
- YES  NO      **14.** Can you produce audit trails showing compliance with contractual commitments about AI usage to customers and partners?

## SCORING YOUR RISK

<b>13-15 YES</b>	<b>Low Risk</b>	You're well-positioned for diligence and regulatory scrutiny
<b>10-12 YES</b>	<b>Moderate Risk</b>	Addressable gaps that could delay funding or create liability
<b>7-9 YES</b>	<b>High Risk</b>	Serious exposure that will be flagged in any serious diligence process
<b>0-6 YES</b>	<b>Critical Risk</b>	Company-threatening legal exposure requiring immediate remediation

## NEXT STEPS

If you scored below 13, you need a comprehensive AI legal compliance audit. I'm offering free 30-minute risk consultations to 5 companies this month to walk through your specific gaps and exposure.

### ■ Schedule Your Confidential Risk Consultation

<https://www.digitale665.com/schedule-a-consultation>

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