Luminance

REAL ESTATE DUE DILIGENCE CASE STUDY

JAP

Innovative boutique Spanish law firm, JAP, recently used Luminance to undertake a high-profile due diligence review. JAP's client, a leading European provider of logistics and semi-industrial real estate, was looking to acquire land for industrial use. A team of three lawyers were instructed to analyse nearly 150 documents to identify potential red flags, ensuring their client would be fully appraised of all information before entering into the transaction.

Luminance's pioneering core intelligence, the Legal Inference Transformation Engine (LITE), uses a combination of cutting edge supervised and unsupervised machine learning algorithms to instantly read and form an understanding of documents. By employing a flexible machine learning approach, legal teams do not have to spend months creating rules and search terms, or invest time training the machine on what they want to find. Instead, Luminance can be rapidly deployed via the cloud, requires no pre-training or configuration, and most lawyers are beginning their first review in Luminance within hours of installation. Indeed, whilst previously, JAP had spent at least 3-4 hours manually structuring the data room, within seconds, Luminance provided JAP with an unparalleled oversight of the entire document set. Luminance's document visualisation technology highlighted real-time information about tax receipts, zoning requirements and existing charges over the properties.

Luminance also instantly flagged to the team what was missing in the dataset, such as missing pages in documents or clauses that were in one contract but not another. Luminance was the stand-out choice for JAP due diligence review for a number of reasons. Firstly, Luminance is a language and jurisdiction-agnostic platform; necessary for JAP as they needed to work with predominantly Spanish documents throughout the review

KEY FINDINGS

- JAP estimate that using traditional methods, the review would have taken around 50 hours to complete. Using Luminance, the entire due diligence was conducted in just 15 hours, representing an impressive 70% time saving.
- "Luminance is incomparable to any other technology vendor. Not only were we able to save a significant amount of time, but we were also able to rapidly identify hidden risks within the documents"

Furthermore, Luminance's unsupervised machine learning was also of critical importance for JAP, as it allowed them to uncover the 'unknown unknowns'- the hidden risks in the documents which the lawyer did not predict or pre-programme. Luminance was able to instantly identify discrepancies between the property descriptions, the various registries and the realty through its advanced anomaly detection capabilities. This allowed JAP to rapidly identify risk for their client. Luminance's powerful supervised machine learning algorithms accelerated the review even further, learning from the lawyers' interaction with the platform to generate additional insights. For instance, once a lawyer had tagged just one example of a concept, such as

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'charges', Luminance could then identify and apply this tag to all other similar clauses across the entire project. This allowed JAP to read huge quantities of documents "at a glance".

Luminance's project management and workflow tools such as the automatic task allocation and progress-tracking dashboards, allowed JAP to conduct a more coordinated, seamless review with significant time savings. JAP also reported that they greatly benefitted from Luminance's notes and reporting features, which enabled them to immediately share findings with the team and their client.

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The legal team felt well-supported by Luminance's Product Specialist and Technical Support teams, who provided the firm with orientation and training sessions and a 24/7 support service throughout the review. JAP are now looking to use Luminance on all of their future due diligence reviews.

"As a forward-looking firm, it is clear to us that Luminance is incomparable to any other technology vendor. Not only were we able to save a significant amount of time, but we were also able to rapidly identify hidden risk within the documents. Tasks that are automatable must be automated, allowing lawyers to devote more time on the tasks that matter."

JOSÉ ANTONIO PÉREZ BREVA,
FOUNDER OF JAP