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# Legal AI Startup August Closes $7M to Cut Costs for Midsize Firms


Legal-tech startup **August**, founded by Columbia University graduates **Rutvik Rau, Thomas Bueler-Faudree, and Joseph Parker**, has closed a **$7 million seed round** led by **NEA** and **Pear VC**. The company builds AI tools to automate document-heavy legal work for **midsize law firms**, aiming to boost productivity and reduce costs. Angel backers include **Gokul Rajaram**, **Geoff Charles (Ramp)**, **David Azose (OpenAI)**, and **Kevin Zhang (Bain Capital Ventures)**. August is **based in New York**, has **~12 employees**, and plans to scale to **25–30** this year; competitors include OpenAI-backed **Harvey**. Reuters

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## Why This Matters for Midsize Firms

Midsize firms often lack the internal R&D budgets of BigLaw but face the same volume of contracts, diligence, and filings. Workflow-specific AI—like August's—promises to **shorten review cycles**, **standardize quality**, and **free attorneys for higher-value client work** (business development, strategy, and counseling).

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## Funding Round at a Glance

- **Round:** Seed, **$7M**
- **Leads: NEA**, **Pear VC**
- **Angels:** Gokul Rajaram; Geoff Charles (Ramp); David Azose (OpenAI); Kevin Zhang (Bain Capital Ventures)
- **Founders: Rau, Bueler-Faudree, Parker** (Columbia alumni)
- **HQ & Team: New York**; ~12 employees now, targeting **25–30** by year-end
- **Focus:** AI to automate **document-intensive tasks** for **midsize** firms
- **Competitive Landscape:** Includes **Harvey** serving elite firms and pro services. Reuters

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## What August Says It Will Do

Co-founder **Rutvik Rau** frames the mission as partnering lawyers with AI so they **spend less time on routine work and more time with clients**—positioning the product as an efficiency layer rather than a lawyer replacement. Reuters

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## Strategic Takeaways for Firm Leaders

- **Near-term ROI:** Start with repeatable, high-volume work (engagement letters, NDAs, playbooked clauses, diligence tables).
- **Data governance first:** Map client-data flows and retention before piloting any AI vendor.
- **Change management:** Pair tools with training, sample libraries, and measurable SLAs to realize gains.
- **Client messaging:** Market faster turnarounds and transparent fixed-fee options enabled by AI.

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## Bottom Line

With fresh capital and a midsize-first strategy, **August** joins a fast-moving segment of legal AI aimed at **practical, document-centric automation**. For midsize firms, 2025 is shaping up as a pivotal year to pilot—and productize—AI that improves margins without BigLaw budgets. Reuters

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