

IN-HOUSE COUNSEL

How To Go In-House, And How To Excel Once You're There: An Interview With David Stiepleman

After graduating from Columbia Law and spending five years at Cleary, David worked as an in-house lawyer at Goldman Sachs and Fortress Investment Group, before becoming COO of a multibillion-dollar business.

By DAVID LAT

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For many young (and not-so-young) lawyers, working as in-house counsel is a professional promised land. And even if this view might be somewhat idealized, one can understand the attractions of life as corporate counsel: no billable hours, the ability to focus on serving a single client, the opportunity to learn more about the business world, and (generally) more reasonable hours than Biglaw.

Because the demand for good in-house legal jobs among a certain sector of the legal profession exceeds the supply, these jobs can be very hard to get. I have previously offered my [three tips for the in-house job search](#), but they're just general pointers; there's so much more to the process.

So how can you land a great in-house gig? And how can you do a great job once you're there?

To get answers to those questions from an expert, I recently spoke by phone with [David Stiepleman](#), a cofounding partner of [Sixth Street Partners](#). After graduating from Columbia Law School and working at Cleary Gottlieb, David worked as an in-house lawyer at Goldman Sachs and Fortress Investment Group, en route to his current role as co-president and COO of a global investment business with approximately \$34 billion in assets under management.

Here's a (lightly edited and condensed) write-up of our conversation.

DL: You've had an accomplished career, starting off in Biglaw and winding up as a business builder. Many lawyers would love a professional path like yours, including stints

at a top law firm, top investment bank, and top fund manager, culminating in helping start a multibillion-dollar business as its COO. Can you begin by telling us a bit about your journey.

DS: When I started out as a summer associate at Cleary Gottlieb, I didn't know what I wanted to do. In the summer of 1996, the firm sent me to Ireland for two weeks, where I tried to follow along watching a senior lawyer do a deal. It was a great experience — figuring out what the parties wanted, how to reconcile their divergent interests, and how to get a deal done. I saw that and thought: I can do this. And it was a relief, finding something that I really wanted to do.

DL: So you spent five years at Cleary as an M&A generalist, learning about different industries and working on different deals, and you were doing well. How — and why — did you make the jump in-house?

DS: I got the opportunity to spend time at Goldman Sachs through a secondment, and after a few months, the Goldman folks said to me, “Why don't you stay?”

I had expected to return to Cleary, but at that point I had an “a-ha” moment. I thought to myself: this job is so much fun, I deal with 16 different topics in a day, there are so many smart people here, and it's busy and crazy and intense. But at the end of the day, I can go home and have dinner with my family, while great outside lawyers do the work that I used to do. So I stayed.

I became the lead counsel of the Americas Special Situations Group, which is where I first worked with my partner Alan Waxman, who led the business and who would later get our core group back together at Sixth Street. This is when I really started getting into building a business, helping grow the Special Situations Group within Goldman.

DL: And then you continued to move toward the business side of things.

DS: Yes. In 2007 I went to Fortress, where among other things one of my mandates was going to Japan to help a new team build a real estate business. I had no prior experience working in Japan or building a real estate business, but we figured things out. And it was really fun.

Then in 2010, I got a call from Alan, who said he wanted to get the band back together to rebuild the Special Situations group as part of TPG. I said to him that I'm a New Yorker, I can't move to California. But my wife said take the meeting.

I took the meeting, and then the job, and that was over 10 years ago. We founded Sixth Street, which fortunately thrived — and which now after our [recent deal with TPG](#) is a completely independent business.

DL: Over the course of your career, as both a lawyer and a business executive, you have hired many in-house lawyers. What do you look for when building a legal department?

DS: For in-house roles, you need nimble lawyers who can migrate from one field to the next and who are comfortable with change. As investors, if we find an opportunity, it will only last for a certain period of time — so we need to be nimble to take advantage of it.

At Sixth Street, we have a predilection for M&A generalists. We find that they have the nimbleness and the skill set we need, which is all about managing risk. Over the years, we have brought in some very talented senior M&A associates from firms who have grown with Sixth Street. One lawyer who came out of a New York firm and has been with us for five-plus years became our general counsel earlier this year.

That's our model: take people who are good lawyers with good skill sets, and get them to become cross-disciplinary and comfortable with things they may not have done before.

DL: When do you think you went from being a “lawyer” to being a “businessperson”?

DS: It was an evolution, not a specific moment in time. I realized that I was clinging to certain aspects of my identity — for example, “I’m a lawyer,” or “I’m a New Yorker” — that I didn’t necessarily need to cling to.

By the time we were starting Sixth Street, not only was I fine with not being a lawyer, but having and using those business-building skills was an imperative. As a small team starting a new business, everyone had to go outside their comfort zone and be OK taking the lead on new things, and that's something we've focused on keeping as we've grown.

DL: As a former in-house lawyer and a business executive who works with many in-house lawyers, what advice would you give to in-house lawyers? And what mistakes get made?

DS: First, work for a company and for people you can really get behind. Knowing that your internal clients care about the right things is crucial. Since we had all worked together before, I knew that our partner group would do our best not only to invest well but also explicitly to want to make the right decisions, the ethical decisions.

In investing, there are ways to make money that aren't super-great. We don't want to be in a situation where we are underwriting to some misunderstanding or some “gotcha” point hidden in a deal.

Second, get your reps. Know how to conduct yourself as a professional and as a lawyer. Don't go in-house too early and think you can just wing it. Reach a point where you can be useful and commercial.

What's valuable is someone who can perform pattern recognition. If you've only seen six deals, and they've all been bond offerings, that's not a good fit, at least not for us. Try to get broad experience, so even if you come across a type of deal you've not done before, you can figure it out by comparing it to something you have done.

Third, learn how to manage your time. Law firms and law schools don't teach this. There's too much to do, and if you try to do everything, you'll do none of it well. Figure out what's important and what outside resources you need, and get them to do those things.

[For more advice from David Stiepleman to corporate counsel, see this excellent memo, [Who the Best In-House Lawyers Are.](#)]

DL: So that brings up the subject of outside counsel. What advice do you have for external counsel? And are there any "pet peeves" of yours when it comes to your outside law firms?

DS: First, if you're representing us, we want you to care about this deal or project like it's your own business. We want you, at least to some degree, driving yourself a little bit nuts thinking about the risks, looking around corners — not just pumping out documents, but thinking about substantive issues. We want to partner with law firms that are helping us manage risk.

Second, we want firms that understand the importance of teamwork. You're colleagues; talk about and think through things together. Don't just tell me to go talk to so-and-so at your firm. Talk to so-and-so yourself and work on our issues collaboratively.

A pet peeve of mine: law firm partners who always say, no matter what, "We definitely do that." Really? Have you done it before? How many times have you done it before? With what results?

There's nothing wrong with tackling a unique or novel legal problem, but you need to be honest about your expertise and whether you're the right firm or lawyer for the job. We really appreciate hearing, "We aren't the best at this, but we can introduce you to the experts." That's the spirit of partnership we value.

DL: Let's turn to current events. Today's environment, in which so many people are working remotely, presents challenges in terms of running a business. Can you talk about how you're navigating this?

DS: Our priorities have been safety — of our own people, as well as the whole community — and making sure our business continues to run seamlessly.

With everyone scattered, our focus turned to doubling down on relentless, nonstop communication, as we tried to spot risks and opportunities across our business. We went from standing meetings to more frequent communication, in quicker bursts. We also have a proprietary platform for communicating that everyone feeds information into, which has been an advantage in this environment.

DL: Also regarding recent events, I saw the very [thoughtful and heartfelt note](#) you sent within Sixth Street in the wake of the horrific killing of George Floyd, which itself came after the killings of Ahmaud Arbery and Breonna Taylor. What was your thinking in making this communication and sharing it beyond Sixth Street?

DS: Because it was the right thing to do. As a group of partners, we have diverse views on many things, but there was no disagreement on this. We've been sickened by what we've been seeing, and we wanted to make sure our people knew that — not just our black professionals or professionals of color, but everyone who is a part of our diverse workforce of almost 300 professionals around the world.

We wanted to stand up and be counted and for our ecosystem — including our external lawyers and everyone else — to know about our culture, our values, and what we stand for.

We've been exploring ways to address the problem of underrepresentation in our industry for some time. Two years ago, a number of us across Sixth Street started working with Sean Mendy and his team at Concrete Rose, which is an early-stage investing business focused on underrepresented founders and talent. They're building a great platform, and we're confident you'll be hearing a lot more about them over the next decade.

At Sixth Street, our culture is the most important thing to us. It's the hardest thing to maintain, it's what makes us a great place to work, and it also helps us hopefully invest and manage risk well. We are focused on maintaining an open, collaborative, respectful culture, where people think like owners and act with integrity. That's what we are all about.

DL: Well stated. Congratulations on your success and the success of Sixth Street, David, and thank you for taking the time!

Earlier: [3 Tips For The In-House Job Search](#)



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