

Stephen Diamond

Associate Professor of Law, Santa Clara University School of Law

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When you talk to Steve Diamond, currently an associate professor of law at Santa Clara University School of Law, you immediately feel he could speak intelligently on just about any subject. In a single phone call, he covered topics ranging from the Sandinista-era struggle over human rights in Nicaragua to the big-bang theory to the New York Stock Exchange's recent IPO.



Already having completed a Ph.D. in political science, Steve describes his entrée into law school as occurring "a bit later in life." He attended Yale Law School and concentrated on the study of law and economics, as well as working on the Haitian "boat people" case that went to the Supreme Court. He graduated in 1994, which he saw, in retrospect, as a pivotal moment.

"*Barbarians at the Gate* offers a terrific account of the financial climate of that period," says Steve. "The economy was changing. It was becoming energized by leveraged buyouts that created a huge explosion in business for the legal market." In the wake of that boom, Steve accepted an associate position at Latham & Watkins' New York City office, concentrating on Wall Street deals but also working on a major pro bono project representing political refugees from China. However, he missed the wide open spaces of California and, after a year, he decided to make a big switch—to the West Coast, perhaps to join a smaller firm in San Francisco, such as Farella Braun & Martell, where he had once worked as a paralegal after graduating from UC Berkeley. "After being used to 70-hour workweeks in New York, I thought maybe I could work 40 to 50 hours per week and then have the time to write a law journal article or two and eventually enter the teaching market," he says.

As fate would have it, in the summer of 1995, Steve walked into the Palo Alto headquarters of Wilson Sonsini Goodrich & Rosati for the first time. It was a moment he's never forgotten. "The firm had just completed the Netscape IPO. People were literally running around. I almost thought they were doing it on purpose, there was so much activity, just to impress job candidates!" he recalls. "My immediate thought was, 'Now this is interesting.'" He joined the firm in short order, finding the intense activity in the corporate practice, the culture, and the people a heady mixture. "When I started, I was working with people like Tor Braham, Alan Austin, John Fore, and Marty Korman," he states. "These guys were pretty impressive. They'd done so many deals with so many exciting companies. And I loved that the firm encouraged involvement at the operational level with clients' businesses."

He also remembers a visit to his office early on from Wilson Sonsini Goodrich & Rosati founder John Wilson, a fellow Yale Law School alum, that helped sum up the firm's commitment to solving legal problems in new ways. "John told me how critical it was to have technology expertise," he says, "but, more important, how I needed to know how to add value as an attorney. John said, 'Business people just aren't trained the way lawyers are, and they are implicitly skeptical of lawyers. So, as an attorney, you need to be able to shape legal solutions to business problems. Being a lawyer who can add that kind of value makes a huge difference.'"

Steve also recalls a chat by [Alan Austin](#) to first-year associates. "Alan told us, 'As soon as you can demonstrate that you can take on greater responsibility, you'll be given greater responsibility.'" Steve discovered the veracity of this statement shortly afterward, when one of his friends contacted him to see if he could provide her husband, a prominent physicist at UC Berkeley, with some legal advice. Her husband had been studying the big-bang theory when he and a colleague, a German computer scientist, inadvertently developed a means to connect high-speed servers that they wanted to turn into

a product and business. As a second-year attorney, Steve not only was given front-line responsibility for the client, but ended up serving on the board of directors of the new enterprise as well.

"It was a fascinating exercise for me. I worked for six months on the project—which, unfortunately, never made a dime," he says. "In fact, tens of thousands of dollars of legal time were spent on that one experience. But I learned so much and became deeply appreciative of the firm's approach—its flexibility and willingness to support young companies, as well as young attorneys. That little start-up had no cash, but the firm was willing defer legal bills for a small equity stake down the road. That formula has been the elixir for Silicon Valley entrepreneurial start-ups."

Over the course of his four years at Wilson Sonsini Goodrich & Rosati, business continued to ramp up—until Steve realized he had a decision to make. His desire to one day teach at a law school had never wavered, and he felt it had come down to now or never. After some thorough soul-searching, Steve decided to leave the firm in 1999. He interviewed with more than a dozen different law schools and was thrilled to accept an offer from Santa Clara—one that also allowed him to stay in the Valley.

Currently, Steve is teaching courses on securities regulation, corporate finance, and international finance, and leads a seminar on globalization and the rule of law. Many of his former students are now at work in Valley law firms, including Wilson Sonsini Goodrich & Rosati. He's very interested in problems of third-world countries related to globalization and is exploring the spread of modern capitalism after the end of the Cold War. This past spring, Steve spent a sabbatical working on two papers, one on innovations in bankruptcy and corporate finance in the troubled auto parts industry and a second, written with Stanford economist Jennifer Kuan, called "Ring the Bell on the New York Stock Exchange," which explores how a shift in the governance structure of the NYSE from non-profit to for-profit status might undermine the quality of the institution. He continues to work with start-ups from time to time, including some WSGR clients like the recently founded NComputing, Inc., which is developing a computer solution for developing countries and the rural U.S. education market.

"My four years of practice at Wilson Sonsini Goodrich & Rosati were and remain invaluable," says Steve, "because I know first-hand what I'm teaching. Students frequently comment on how helpful this perspective is to their ability to grasp the complexities of business law."

Biography

Stephen Diamond joined the faculty of the Santa Clara University School of Law in the fall of 1999. He teaches securities law, corporate finance, and international finance, and leads a seminar on globalization and the rule of law. Stephen received his J.D. from Yale Law School, his Ph.D. in political science from the University of London, and his B.A. from UC Berkeley.

Prior to joining the Santa Clara faculty, he was an associate for four years at Wilson Sonsini Goodrich & Rosati in Palo Alto and for one year at Latham & Watkins in New York. His practice centered on business law, including a wide range of securities offerings for private and public companies, particularly in the high-technology sector, as well as mergers and acquisitions, venture capital, and intellectual property. Before attending law school, he had extensive experience in the labor movement as a union staff member, officer, and labor educator.

Stephen's research centers on the impact of globalization, new technology, and financial innovation on social and political institutions. He is particularly interested in global capital markets and the labor movement. He continues to advise labor unions and institutional investors on issues related to corporate finance and governance. Stephen also serves on the board of directors of a small publicly traded technology company located in Silicon Valley.