

Robert Daines
Stanford Law School Commencement
June 16th, 2012

Dean Kramer, faculty, staff, alums . . . friends and relatives... and especially...the class of 2012.

Congratulations! You made it. Mostly. In truth, it turns you still have a few briefs to write, patents to prosecute, clients to land (and a few to fire) before you declare victory, accept your Nobel Prize or Article III tenure, and waltz off into the Cardinal sunset. And -- before you're done --- and there is that little matter of that debt you incurred for all this Kramer-approved, clinic-enriched, quarter-based interdisciplinary glory you've enjoyed the past three years, but for now – enjoy it.

Go on! You've earned it.

To be honest, much of it was actually a gift from parents, mentors and friends who helped you gain the skills to come here and do well. And as for the means, most of that was actually the gift of generous alums and a growing economy. And you also bask here today in the reflected glory, good looks, genius, and witty charm of your fellow classmates – they also make you look good -- but still, you did your part.

And it was a huge part. You did it wonderfully. Enjoy it, celebrate and say thanks to the people who helped you get here.

Since we gather here today dressed in robes and hats originally modeled on an ancient clergy, it is only appropriate that I begin with a confession.

Here it is: I am very fond of you and will really miss you. Teaching you and getting to know you has been the most important part of my professional life at Stanford these past 3 years (and I know it has been for many of my colleagues). I am sad to see you leave these halls and these lawns.

Stanford is a wonderful place – a world-class university at the heart of Silicon Valley, outstanding and ambitious faculty and staff (how many Nobel Prize winners and Macarthur winners do we have now on campus? I forget). We have the Thai food lady, the redwoods, the weather, the best facilities in the country, wonderful alums, the weather... all gorgeous -- but the real jewel of this university and this school is you.

You're a wonderful group of men and women; a few of you are actually a pain in the neck and if you don't know who you are, your classmates do. Ask around. But as a group, you are the best our country and this world has to offer.

But enough about you - let's talk about me.

I sing your praise in part because I admitted you – you were my first class as chair of admissions and so naturally you are all brilliant and, let's be honest, a cut above the others. I read your

essays and the stories of how you jumped out of planes, volunteered at shelters, saved small countries and large classrooms. Faye and I fell for you and you got in.

So it is only fair that you voted for me and gave me this award; it was part of the implicit contract we made. I'm glad you understood that. Thank you.

However, I didn't think it was part of the bargain that you would make me talk at graduation. That is unfortunate ... for all of us.... because, as Billy Collins and others have noted...the commencement address is a tricky genre. It's an honor to be asked, sure, but it puts me in the awkward position of having to dispense sage advice to you and a group relative strangers, not to mention your stranger relatives.

For a while, I thought about doing a kind of commencement karaoke – where you all take turns coming up here to offer your own talk. That would have been memorable.

In the end, I listened to George Fisher, the Andrew Luck of these teaching awards. He said I should talk about something I have learned studying corporate law and raising 5 kids. He thought these twin trials of corporate law and my family would give me a unique perspective. So here goes.

First, let me say that you start your career with enormous assets– a Stanford legal education, the good will and support of your classmates, your own talents, and perhaps especially—your drive to succeed and to good.

I recently reread many of your admission essays and was genuinely moved away by your idealism and desire to matter and to be a part of something valuable. One of you wrote, probably for most of us, of “that big fear: the fear of being inconsequential.”

Today, I want to talk to you about this desire to succeed and to matter. It is noble and worthy and one of your great assets. It will lead you to do good in the world.

But I want to warn you that there are a few risks that come with it. The desire, to be on the inside of important firms and causes, can lead you to make predictable mistakes that can bring unhappiness to you and to people you love and care about.

I hope it is not bad form to talk about happiness. We have spent 3 years and countless hours preparing you for professional success and giving you tools to change the world; and we've charged you plenty for it. So before you leave, perhaps we can talk briefly about how to be happy as you do it.

First, a little law.

Takeovers and Yahoo

Several years ago, just as you were polishing off your law school applications, Microsoft approached the Board of Directors of Yahoo with a remarkable offer. They offered to pay Yahoo shareholders almost 50 billion dollars – roughly 50% more than the shares were worth at the time.

Yahoo's board of directors needed only to sign the merger agreement. Since most of the directors would not actually be needed after the merger, they would also effectively resign their positions, hand over the keys to the boardroom, and the shareholders would get \$50 billion.

They didn't. The board refused, stuck to their guns and their jobs, and resisted the offer. Microsoft withdrew and Yahoo shareholders lost billions as a result; its now worth less than a third of what Microsoft once offered.

Why did the board of directors refuse such a good offer?

I don't know. It is easy to spin a story of self-interest: directors and senior managers were more concerned about their own salaries and stock options and so they ignored the valuable offer and their duties to shareholders.

But I don't believe that the managers and directors of Yahoo made this decision because it lined their own pockets. I think the board members were likely honorable, careful, upright people who were generally scrupulous about their duties, even when it cost them money.

But I do think they probably made an expensive mistake though. And its an error that, unless I am very mistaken, some of you (some of us) are likely to make in the future.

That Big Fear, Relationships and Success

I think the mistake they made is not that they put their own wealth over duty. You've been warned of that and I'm not going to give you the "Beware of Focusing on Money" talk.

I think it's more likely that they rejected the offer because they liked being involved in something important (like running the company) and because they wanted to make a difference, to be consequential, in charge, and in the inner ring. Perhaps they rejected Microsoft's valuable offer because they wanted to matter personally and to make a contribution.

Obviously, this desire to matter and make a difference is laudable and noble.

But just as boards do real harm to shareholders when they focus on their own role and job satisfaction (and not the welfare of shareholders), you may find, along the way, that your desire to contribute and be consequential can lead you to neglect valuable (but less immediately urgent) goals, relationships, partners, family and friends and this will leave you and your loved ones unhappy in the long run.

And all of you, even those who will devote your life to non profits and public interest, are subject to these same risks and potential biases. Its not only about wealth.

I leave it to you to decide whether someone can be truly happy if they reform prisons and right a string of wrong precedent, but make a mess of their relationships with friends and family; if they argue brilliantly and frequently in court, but too often with their loved ones; if politicians and reporters return their calls, but their children won't talk to them.

As for me, I believe that no other success will compensate for my failure with these most important relationships.

But it is not always easy to remember this.

I remember my first years of teaching and trying to get tenure. They were a blur of anxiety, antacid, and bleary-eyed, late-night fights with data and drafts. I had left a demanding job on Wall Street working for the investment bank Goldman Sachs (in its pre-vampire squid days), but I enjoyed research and soon found that the desire to succeed, to be "in the game" drove me to work much harder as a new professor than I had at Goldman.

I became totally absorbed by my work. I was often physically present with family and friends, but my mind was far away, fretting about my research. If my wife or a colleague stopped by to talk, instead of being glad to see them, I'd get a pit in my stomach and my leg would begin to bounce up and down, in my anxiety to get back to work.

Luckily for me, others helped correct my errors. Larry Kramer pulled me aside and told me I was working too hard.

I didn't change much. So one day, while I was working at home, my wife came into my office to talk about some concern. I don't remember the issue, maybe I didn't know it then, but I remember feeling in a hurry to get back to work and I know that I glanced away from her and back to at the computer screen once too often.

Exasperated, she told me that if I was so focused on my work, she would make sure nothing disturbed me. She promptly left, found a lock and locked me in inside my home office. I couldn't get out. Seriously. She wouldn't open it. Luckily for me I had just gone to the bathroom and I had some girl scout cookies hidden in the room (some things in life are too important to trust to the kitchen), so I spent the better part of the afternoon there -- locked in my office -- much to the delight of neighbors who happened by.

Now I tell you this little story because here, surrounded by partners, friends and family, you would probably say that you value and cherish your relationships and you'd say that they are important to your happiness and a meaningful life. You'd pass a written test -- that's what you do. But being true to the relationships and people in your life will not be easy -- in part because you are all so driven to succeed, to do something important, and to avoid seeming, if only to yourself, inconsequential.

You may, like me, end up locked in your office, metaphorically if not literally.

Four Challenges

Four things make it especially difficult for you.

Opportunity Cost

First, you will have a lot of interesting opportunities in life. Though you may harbor private doubts about it -- in time you will be offered exciting clerkships, professorships, partnerships, judgeships – all manner of ships will be yours. The allure of these opportunities will make it more difficult to spend time with friends and family.

Incentives

Second, you are walking into institutions bristling with high powered incentives and monitoring mechanisms primed to issue immediate feedback to help you stay focused on the success of the organization. To get more out of you, the firms and government institutions you work for will offer potent encouragement – partnership, praise, promotion and prestige. Some offer the assurance that you are doing righteous work.

This can be exciting.

It can also be a problem because usually the most important commitments and relationships and people in your life do NOT have a comparable built in incentive and monitoring mechanism to tell you how you're doing.

You will probably NOT get annual reviews from your loved ones and friends. Unless I miss my guess, your children, family, girlfriends, and boyfriends will not send you monthly reports on how many hours you have spent with them year to date and whether you are meeting, exceeding or falling below expectations.

In fact, not only will they not monitor and give you immediate correction, but because they love you and want you to succeed, they will sacrifice for and support you and encourage your efforts to make a difference.

And so, if you are not very careful –you will go too long neglecting and damaging important relationships. And it can happen without you noticing it.

Years ago, liberated from my home office prison, I went to a movie and left my oldest son in charge for the first time. He had finally gotten old enough to babysit, so my wife and I happily went out and left him to watch the sleeping children. It was great. But when I returned home, I was horrified by the awful smoke and unmistakable scent of an electrical fire. I thought of my sleeping children and I panicked and raced around looking for the fire.

I found my son *lounging* on the couch, reading the Economist (we didn't have a TV obviously). "Hey!" I yelled "What's going on? Don't you smell that?" "Sure", he languidly replied, "I do... I looked around and didn't see anything. And you know, it was kind of irritating at first, but you get used to it."

Well, everything turned out OK– we found the problem. Our 2 year old had turned on an air conditioning wall unit in the middle of winter and it had burned out. Things were fine, but we didn't go out again to a movie for a long time.

I have learned that, in things that really matter, my son was right. If you only look a little, you won't see anything wrong in your personal relationships. You will miss the disappointments, the shared experiences and chances to build trust... and after while, you will get used to it. Even when the stakes are high, you can get used to signs of deadly trouble. And you may not notice the problem until it is too late to fix.

Short term success

There is a third reason strivers are vulnerable and may end up ignoring their most important commitments and relationships.

Driven, success-oriented people want to make a difference. You want to count for something. This may lead you to focus on projects where you can quickly achieve and measure your success. This feels good. You may focus on projects and milestones (like billable hours, a brief or bench memo) where you can produce observable results in the short run.

But relationships with family and friends, peace of mind, a life of service and faith do not yield immediate results. Real friendships and – if you have children - raising a family will take thousands of hours of work that produce no immediately visible results. If you are not careful, a desire for measurable success will lead you to spend too little time on these relationships.

Ethical Compromise

One last warning. The desire to be on the inside and involved in important work may also lead you to compromise your ethical standards. You and I, and it must be said, our profession, are as susceptible to the subtle charms of bending rules as part of an informed elite, as we are to blatant financial corruption.

I was actually once offered serious wealth for helping to facilitate a transaction that would have involved secret payments corrupt foreign leaders – and I found that actually pretty easy to resist.

But how many ethical or legal breaches are ultimately caused, not by greed, but by fear of being excluded from a desirable circle, group or assignment, by the fear of being laughed at (or worse,

ignored) for objecting to a questionable practice?¹ Beware that your desire to be in the know and on the inside, does not quiet lead you to quiet your conscience when you should object.

Conclusion

So, there you have it. Target managers sometimes harm others and miss out on valuable opportunities because they want to be personally involved in something important. They will insist their actions and contributions aren't understood or properly valued, but they will sometimes harm the shareholders they serve.

Today I've tried to say that you and I are no different. You have goals and hope to succeed personally as well as professionally -- to be happy as well as accomplished -- to change the world and have meaningful relationships with those you love.

However, even if your intentions are good and noble and selfless, if you are not careful, you may neglect meaningful personal relationships, family and friends. And that would be a costly and painful mistake. None of you now want to come to the reunion with fewer friends and frayed family relationships. But to avoid that, you will need to fight now against the biases I've described. We're out of time and so, as is typical in law school, I'll spot the issue and leave the solution for you.

Thanks

Now, speaking of success and of relationships, I want to say one last thing about our Dean, Larry Kramer. When I first met Larry Kramer, he looked nothing like he does today. He had a goatee, a long pony tail, an ear ring, torn jeans, big clunky boots that dripped with chains, and a dog. I wish I could show you a picture. I have one on my iPhone if you want to see it. He hired me as a new professor at NYU. He cleaned up before becoming be dean. And he has poured his heart and soul into our school, you graduates, and this job. I'm sad to see him leave.

I've been lucky to work with great deans. I was a student at Yale when Guido Calabresi was dean. He was a legend. When Larry hired me at NYU, John Sexton was dean and like no one else before him, raised the profile and quality of his school.

Larry belongs on the short list of remarkable deans. We've all been lucky to be here with him and we will all sorely miss him (well, actually, you're going away -- so you maybe not so much, but the rest of us will). He has selflessly and unrelentingly worked to serve this community. He has cajoled and pushed and prodded us. Annoyingly, he thinks he knows everything and even more annoyingly, he's often he's right. He has transformed this school and we are all indebted to him. I hope you will join me in one last thank you to Larry Kramer.

¹ The best version of this argument is C.S. Lewis, *The Inner Ring*.

So that's it. Do good. Succeed marvelously. Don't get locked in your office. Be happy and succeed personally as well as professionally. Make Stanford proud, because, for the rest of your long and happy career -- will you, nil you, you will bear . . . the stamp, the brand, the blaze of the Stanford Law School.² Thank you.

² With apologies to Leon Lipson, who had a different school in mind, in his 1979 Commencement Speech with this image.