

International Lawyer of the Year: David Williams

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Simpson Thacher & Bartlett LLP's David Williams built his legal career in Latin America off the back of early exposure to the region, managing to successfully navigate his firm's Latin American practice through a constantly changing political and economic environment. He is 2018's recipient of Latin Lawyer's International Lawyer of the Year Award.



Travellers often fall in love with the places they visit and – before they know it – end up spending longer there than they had initially planned. Some don't stop there. The places they travel to become their life, possibly where they have a family or make their career. David Williams, of Simpson Thacher & Bartlett LLP, belongs in the latter category. Visiting Argentina as a child ignited a lifetime passion for Latin America that has defined his dedicated legal practice over a 35-year-and-counting career.

So far, it's been quite a journey. The origins of Williams' career in Latin America are strikingly unique when you compare him to many of his counterparts; he started his working life there as an unskilled labourer in Argentina, a far cry from the position he now occupies as the lead negotiator on billion-dollar transactions. He spearheaded Simpson Thacher's early moves in Latin America and his years of hard work have helped position the firm as one of the elite international law firms in the region today.

An unusual start

Growing up in New York, Williams had the opportunity to travel the world with his father, an Englishman and former Royal Air Force pilot during the Second World War who later worked in the aviation industry. His father took him to Latin America several times, mostly to Argentina, which opened Williams' eyes to the region.

In the late 1970s, after finishing an undergraduate degree in the US that included a year on exchange at university in England (where he studied Latin American history), Williams boarded a flight to Buenos Aires. He planned to stay a few months but ended up staying several years. In the Argentine capital he got a job installing traffic lights. It was a violent time in the country, which was led by military regimes between 1976 and 1983. "It was the middle of the so-called 'dirty war' between the military and the leftist opposition. There was violence, hyperinflation and an overall climate of fear," Williams recalls.

After several years in Argentina, Williams returned to the US to study law at Georgetown University in Washington, DC. He had already made up his mind to combine a legal career with his long-standing interest in Latin America, but he chose to join Simpson Thacher in 1983 principally because he wanted to work for a big New York firm. The foreign minister under former President Jimmy Carter's government, Cyrus Vance, worked at the firm and was a big draw for Williams. "He was a legal luminary and I greatly admired his accomplishments as a practising lawyer and Secretary of State, as well as his style of leadership," he says.

Nowadays, Williams is a well-reputed transactional lawyer, but he actually began his legal career working in the litigation department. He is refreshingly honest about switching lanes. "It took me four long years to realise it wasn't my thing and I wasn't particularly good at it," he says. Instead, he decided to pursue a career in the corporate team and convinced its practice heads to offer him a place.

Risking it all

Some of the first corporate work Williams did concerning Latin America concentrated on sovereign debt restructurings and helping clients recover investments in the region. This was bread and butter work for most US firms operating in Latin America in the 1980s. Despite the return to democracy in several Latin American jurisdictions following military regimes, the 1980s saw the region suffer a debt crisis so severe that the period is commonly referred to as 'the lost decade'. Williams describes it as a discouraging time for the region, when New York-based Latin American legal work was limited to tedious and document-intensive sovereign debt restructurings.

By the late 1980s, investment slowly started to return. Fewer companies pulled money out, and more put it in. Some even decided to make equity offerings, indicating confidence in the future.

Williams saw promise in these developments and decided to launch a dedicated Latin America practice in 1990. He took inspiration from the opening of Simpson Thacher's Tokyo office earlier that same year. He admired senior partner Paul Ford, who had established the Tokyo office and served as a mentor for Williams' own global strategy. "He was ahead of his time and believed in the importance of an international practice," he says. "His enthusiasm and early support for the Latin American venture was critical to why I started the practice."

At the time, the market for international legal services in the region had not yet established a good foothold. Various international firms had taken part in the debt restructurings of the 1980s, but many had since shifted their gaze away from Latin America. Williams was the sole Simpson Thacher fee-earner doing Latin American work and his idea to launch a dedicated practice initially faced some scepticism from other partners, some of whom feared the region represented a dead end. Williams managed to convince the partnership, but it came with an ultimatum. If the practice failed to take off, he'd take the blame. "At the time, few of my partners were excited about Latin America. In retrospect, I took a great risk – one that puzzled many of my partners at the time," he remembers.

The Latin American practice was not only a new practice group, it was Williams' first introduction to managerial duties. He became a partner in 1991, less than 10 years into his legal career, and he admits to sometimes feeling unqualified for the tasks ahead of him. "In the early days, the deals were few and far between, and I went from one transaction to the next, trying to staff them and find the right expertise for the deal," he says.

Nowadays it is usual to see Simpson Thacher paired with elite local law firms, but it wasn't always like that. In the early years, the most difficult part was getting the "wheels in motion," says Williams. At the time, local companies had little to no contact with international lawyers, which made it difficult to build networks with local companies and their law firms, which was crucial to winning work. He compares the very early days in Latin America to "the Wild West" because few companies had existing relationships with US lawyers, few transactions had been successfully executed and many local laws presented obstacles to cross-border transactions. "Together with local counsel, we made up many of the rules as we went along – it was great fun," he says. "I remember one company getting a US\$35 million syndicated loan, which at the time was considered enormous, and the company didn't even know who to contact on the international stage," says Williams. A large part of the secret to success was being in the right place at the right time, he says. Once he closed the first few deals, referrals spread the word.

By the 1990s, Latin American governments were starting to adopt more market-friendly policies, as they vied to attract capital from foreign investors. Vast privatisation programmes put lucrative formerly state-owned assets on the market and brought new levels of private investment into the region. A spate of initial public offerings (IPOs) saw

investors turn their debt holdings into equity shares. With more clients looking for opportunities in the region, the Latin America practice became increasingly more valuable for the firm.

The first Latin American IPO Williams worked on was for glass bottle maker *Cristalerías de Chile*. The company had never hired a New York firm before and after a referral from Goldman Sachs, which underwrote the deal, *Cristalerías*' chief financial officer cold-called Williams. "The deal was a great success and marked us as an early mover on capital markets transactions in the Southern Cone," he says. By this stage, he was no longer working solo; Glen Reiter, who focused on capital markets, had also joined the Latin American team.

During this period Simpson Thacher began winning work from the kind of big-name financial institutions that have come to characterise its practice in the region. JPMorgan Chase and Bank of America Merrill Lynch both started turning to the firm for capital markets deals in the region in the 1990s. Their long-standing relationships with the firm illustrate how Simpson Thacher's early corporate and capital markets work in Latin America laid the trail for the leading position it occupies today.

During the 1990s Williams balanced his Latin American focus with a role in the firm's domestic leveraged buyout (LBO) practice. As his workload in Latin America increased, he was forced to make a difficult decision. On his way to Mexico for a meeting, a corporate client called him and asked him to return to New York for an important LBO. Williams reluctantly had to admit that transaction was probably of greater importance than his meeting in Mexico, so he returned to New York and missed the meeting. As a result, he was forced to conclude that he couldn't have it both ways: it just wasn't possible to do both. "That's when I realised I had to cut the umbilical cord," he recalls of his decision to focus exclusively on Latin American work from then on.

Tremors caused by the financial crisis in Asia and Russia rippled across Latin America in the late 1990s, leading to severe economic crises in parts of the region, especially in Argentina and Brazil. But its role during the IPO era meant that by then Simpson Thacher had established its brand in the region, allowing it to retain a healthy workload despite the change in circumstances. The focus of its work returned to debt and corporate restructurings, as clients sought to save their investments in the region amid the crisis.

Williams speaks frankly about the ups and downs. "There were moments when I questioned what I'd decided to do," he admits. But he has come to the conclusion that Latin America's volatility brings with it many opportunities. Economic cycles gave Williams an opportunity to diversify the practice's work. "Market crises can certainly be daunting, but over the years economic downturns have generated a lot of important work for us, for example, debt restructurings and strategic M&A," he says. "It's in challenging moments that companies need the very best possible support," he says. Another way the firm survived the downturns was targeting work in smaller jurisdictions in Latin America in addition to the larger economies.

With the commodities boom and the recovery of the region's economies in the 2000s, investment returned and big corporate transactions became more common. Simpson

Thacher was quick to get onboard. Williams led the deal team on several important tie-ups during this period, for example helping Colombian airline Avianca merge with Central American TACA in a deal that created what was then the region's largest carrier. Today the corporate and M&A offering is a core skill within Simpson Thacher's Latin American repertoire – and Williams labels the work generated by Latin America's booming economies in the 2000s as key to getting it to that position. "M&A and project finance have expanded enormously in the last 20 years and scarcely existed in the early days when the focus was primarily on banking and capital markets," says Williams.

The workflow was such that in 2009 the firm opened an office in Brazil's financial capital, São Paulo. "This was primarily to accompany our banking clients who had opened up en masse in São Paulo," says Williams. Fellow partner Todd Crider (who now co-chairs the Latin American practice alongside Williams) helped set up the office, which Williams says was "critical" for its establishment and success. Grenfel Calheiros now leads the São Paulo office, with Crider splitting his time between there and New York.

The route to success

There is no fail-safe formula to finding success as an international lawyer in Latin America. But based on his experiences Williams has some recommendations. Clients in Latin America, "they want you all in", he says. "It's all about loyalty, loyalty, loyalty. Latin American clients really expect absolute loyalty from their advisers, and when they get it, reward it handsomely." Over the years, the firm has focused its efforts on building long-term relationships with the companies it works with in the region. It prefers doing large transactions with regular clients, a long list of which means lawyers don't need to work as hard looking for deals as others in the market. Plenty of major banks frequently hire the firm, so much so that it seems most banks with activities in the region turn to Simpson Thacher for capital markets advice sooner or later.

Williams advocates sticking to the basics and distinguishing yourself in the services you offer clients. "It is important to be selective about clients and engagements instead of trying to be everything to everyone, so we can focus on the clients and transactions that we know well and do well," he says.

He reflects with pride on the fact that the community he is a part of in New York of lawyers doing work in Latin America now contains a greater number of bilingual lawyers with Latin American backgrounds, more and more of whom are being promoted to partner. "We didn't have any Latinos in my law school class or at Simpson Thacher when I started, and now there are many – including many of my partners today," says Williams. "The enormous inroads that Latino lawyers have made in New York's legal community may be the most gratifying development of my career," he says.

Despite the early scepticism, Simpson Thacher now commands a sizeable and profitable Latin American practice group. What remains to be done is to fully integrate the Latin American division within the firm's other practices. "The litigation and arbitration practices historically had nothing to do with our Latin American corporate practice, but every year we are increasingly integrating," says Williams. The firm's litigation

department is growing in visibility in Latin America, especially when US courts challenge deals the firm has worked on.

Meanwhile Simpson Thacher's Latin American and domestic corporate practice groups have traditionally worked in parallel with very little overlap, but Williams would like to see them work more as one unit. He realises full integration may take years or even decades, but he is confident it will reap rewards.

The increased internationalisation of Latin America – something Williams has watched closely over the course of his career – brings opportunities for those lawyers able to cater to cross-border work. “I am the eternal optimist when it comes to Latin America. I am convinced that North and South America share a common destiny due to their geographic proximity and their deep cultural, historical, religious and linguistic ties. These many commonalities are driving a cultural and commercial integration across the Americas that I could never have imagined when I started,” he says. “That makes a powerful market for lawyers.”