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Blackstone Forges New Ground With Pro Bono Launch

By **Andrew Strickler**

Law360, New York (December 14, 2015, 7:05 PM EST) -- Private equity firm Blackstone Group quietly launched a groundbreaking pro bono program for the industry this year, raising hopes among experts that the move will catch on in other corners of corporate America with little or no history of donating legal services.

Working with a pro bono specialist at Simpson Thacher & Bartlett LLP, one of Blackstone's outside firms, the idea to organize pro bono work grew out of a push in recent years to create a more collaborative, creative environment for a growing legal and compliance team, Blackstone leaders said.

"It occurred to us that something we could do to enhance the environment and experience here, and something all the big firms offer, is provide this opportunity to do pro bono," said Peter Koffler, the firm's chief compliance officer and general counsel for the hedge fund group. "Oh and by the way, it's just a good thing to do."

The program, which is also open to nonlawyer members of the 85-member team, began modestly last year with 13 participants partnering with Simpson Thacher lawyers in a clinic that offers guidance to people launching new businesses.

In November, Blackstone lawyers and others also began training to help represent New York parents negotiate individualized education programs and services for children with special needs, said Jason Gregory, vice president of the hedge fund solutions group.

With issues like malpractice insurance and proper client screenings to work out, piggybacking on Simpson Thacher's existing relationships with two city nonprofits "made a lot of sense because they could help us along and get us off the ground as quickly as possible," he said.

With the first business clinic held in the fall oversubscribed and greater-than-expected participation in the education counseling training, "it's been clear since we rolled this out that people are interested and response has been very enthusiastic from our lawyers and nonlawyers."

Unlike major law firms that have a strong incentive to push for high pro bono participation — most notably because of legal industry rankings and awards — Koffler said Blackstone has no plans to offer internal recognition or incentives, and it isn't tracking volunteer hours.

"It's really there because we think our professionals want it there, and not as something we expect you to do or require you to do," said Koffler, who added that he wasn't aware of any competitor private equity firm with a formal pro bono program. "It's not for the benefit of Blackstone."

Eve Runyon, director of Corporate Pro Bono, a partnership project between the Pro Bono Institute and Associate of Corporate Counsel, said major banks have been a significant part of a 10-year trend toward formal law department pro bono projects.

That trend has come alongside more focus on pro bono participation among corporate constituents, business partners and customers.

For the private equity industry, she said, "there may be a perception that they're completely business-oriented and that this would be outside the scope of what they would do, but it really creates opportunities for all kinds of lawyers to serve people regardless of their skill base."

Two years ago, the New York appeals courts loosened rules for lawyers registered out of state to allow them to represent a pro bono client, dropping a significant barrier to in-house programs like Blackstone's and triggering more law department-BigLaw partnerships.

Harlene Katzman, director of Simpson Thacher's pro bono program, said the two programs Blackstone is so far participating in were chosen carefully so that all would-be participants would know upfront what skills they would be employing, for whom, and for what period of time.

"We took the guesswork out of it and made it really easy to participate in," she said. "I would hope to see others in private equity do something like this."

The partnership has gotten a boost because some Simpson lawyers have been able to work with Blackstone lawyers and compliance professional with whom they've previously handled billable matters.

In the coming year, all education client referrals from the firm's nonprofit partner, New York-based MFY Legal Services, will include a Blackstone participant, she said. The next business counseling clinic is scheduled for late January.

"Working together like this has only deepened their respect for each other and strengthened those relationships," she said. "It's been really nice to watch."

Pro Bono Spotlight is a recurring Law360 series profiling law firm pro bono efforts.

--Editing by Jeremy Barker.