

**EPISODE 1165**

*“**CCS:** The problems we have identified over the past 15 years, we are not going to disrupt in doing the same things. Part of that is changing our mindset in terms of what happens when we put money into women? What happens when we put money into indigenous communities, or underrepresented groups across the board? What happens when we see ourselves not at the center of the narrative?”*

[INTRODUCTION]

**ANNOUNCER:** You're listening to Money with award-winning money guru, Farnoosh Torabi. Each day, you get a 30-minute dose of financial inspiration from the world's top business minds, authors, influencers, and from Farnoosh herself. Looking for ways to save on gas or double your double coupons? Sorry, you're in the wrong place. Seeking profound ways to live a richer, happier life? Welcome to Money.

[INTRODUCTION]

**[00:00:54]**

**FT:** Our theme on so money is disruption today. Disruption in the legal industry. If you're a lawyer, or thinking about becoming a lawyer, you definitely want to listen. Disruption in the investment capital world and disruption in our personal lives. The pandemic has upended a lot.

Our guest today, Candice Cook, is trying to make the most of things in all of those realms. She is Founder and Managing member of the Cook Law Group and a Co-Founder of Word Ventures. She has been featured in The New York Times as one of the top female attorneys in New York, and selected as a rising star and super lawyer. As we'll learn, her approach to law is very different. She's recently expanded her career to launch Word Ventures, an early stage venture fund, where she invests in underrepresented founders.

We begin this podcast unofficially. We weren't technically on the record, but I was recording. Here is Candice talking about why it's important to invest in female founders. It's not just because we want to be feminists, we want to be rich. It's profitable to invest in women. Here's Candice Cook.

[INTERVIEW]

**[00:02:03]**

**CCS:** We're not doing anyone a favor. I think, characterized that way, it becomes almost philanthropy. This is not a philanthropic bet. You make money off of this. We know this, because when individuals are seeking to scale, they typically go to those cultural niches, where they can yield a benefit. If you look at the explosion of TikTok. If you look at the most recent valuation that people are seeing on Clubhouse; much of that was shepherded in by essentially saying, we want to tap into "the culture."

Well, the culture should be able to monetize that. The culture also, if we're going to be honest, has to be the holder of a lot of these mechanisms, including being on the cap table, including being in the boardroom. These things aren't in isolation. They need to happen at the same time. It's not an either or proposition. It's just the realization that if we are going to disrupt the problems we have identified over the past 15 years, we are not going to disrupt them doing the same things.

Part of that is changing our mindset, in terms of what happens when we put money into women? What happens when we put money into indigenous communities, or underrepresented groups across the board? What happens when we see ourselves not at the center of the narrative? We all benefit.

I'm excited about just looking at the world as a global citizen and not just from this monolith lens, that's my way, or one geographic region is the only way. It's accepting and being excited about allowing a lot of brilliant ways to scale and driving capital into that.

**[00:03:44]**

**FT:** Well, with that, Candice Cook, welcome to So Money. We have been talking up until now, I'm going to keep going with this, because I think this transitions us so well to talking about your own contributions. If we're talking about creating a new way of doing things, your law firm, let's start there. Cook Law Group is a personification of disrupting an industry that is so antiquated and so boys club, the law industry. Let's start there. By the way, welcome to the show.

**[00:04:20]**

**CCS:** Thank you. Thank you for having me. I mean, the law industry, it's a sigh, when you say it. I have to say, for someone who holds herself out as practicing innovation, I would be lying if I even made a suggestion that the legal industry is anywhere close to pivoting and doing these outrageous things that I am encouraging founders to do. So much of that stems from the fact that the legal industry as a whole has not shifted with the times. When we talk about pivots, when we talk about iteration and all the things that make great founders, what makes great firms, truthfully, and historically has not included those tenants.

In fact, the practice has always been, you want people who fit the mold and the model of your firm, as opposed to saying, "I want all of the superstars and then let's see how we're going to make them work." Because of that, we are and I'll put myself in it, because I am an attorney, so I won't isolate and say, we do everything differently. We do, but as a practitioner, I recognize that I'm still an attorney.

Look, it's The Titanic. A lot of that stems from not just the glacier is up ahead and you're too big to pivot in time. Also, there a historical ego that plays into it. What I hope for future, not even just future attorneys, but individuals as they build companies, what I can say, delineates traditional businesses from the legal industry, is the fact that our guidelines and rules are antithetical to how you traditionally would build and scale a business. You're not doing a

friends and family round. Historically, the rules do not provide outside capital. Two, so you're not having outside of loans. You can't have a partner who comes in and they're doing a capital call for your firm. That's just not how law firms traditionally are created in terms of partnership, when we're using those names.

My firm is different in terms of mindset, and in terms of how we execute deliverables. In terms of founding and foundation, it had to be within those rules, in that paradigm, which is quite honestly, almost a form of strangulation. Now, I say that, because we're going to be able to earmark this conversation in time.

As we speak, other countries are essentially recognizing this is not how good business is run. It's weird, because individuals and founders and businesses go to attorneys and anticipate that they will be able to give them that thought-provoking mindset. Yet, as an institution, we have not been facilitating it. What I see changing is this conversation, and it's going to be – I think it's fascinating and it's almost sitting back with popcorn and watching the show, but also wanting to make sure you're well-positioned to benefit, should the show come your way. Is this idea of accounting firms collaborating with law firms and what that does to the industry?

I say that, because just as attorneys and law firms are going to have to be really mindful of what that looks like, every other business should be equally mindful of what's happening five years down the road in order to plan. We can't plan for much right now. Who would have envisioned COVID? We can say what writing is on the wall, maybe an invisible ink. In a little while, we're going to be able to spray it and see what the lettering is. You see law firms joining the large accounting firms and essentially, coming up with those coalitions now. It will be a very humbling and interesting scenario, when the rubble is down and everyone emerges to see what the landscape looks like now. That's big picture of the law industry.

My firm in the midst of all of that, I had worked at a firm who fit the litigation boutique and high-stakes litigation. I think wealthy individuals doesn't even begin to cut it. Really high stakes, hardcore litigation, contentious litigation in some instances. I saw big picture. What I realized then, which I think a lot of people now are understanding is that there becomes a point in time when things are changing so much within the ecosystem, not just the legal ecosystem,

but any ecosystem, whether it's finance, whether it's tech. So much is changing, that you no longer have this barrier to entry, because everyone knows more than you do.

Right. There's this window. With the emergence of social media, I saw that as my – there is not another attorney out there. At this point, I'd probably practiced for now I'm going on 20 years, but it was around 70 years then. People were asking me for my thoughts. I was writing pieces on it. I realized, whereas there will always be someone who is significantly wiser, and just has more background in terms of litigation, in terms of business strategy, and how this landscape is going to work. You're not going to know more than I do, because it's brand spanking new. If you're putting yourself out there, you're lying if you say, "I'm an expert in XYZ."

I took that as the moment to say, let's go ahead and dive in. I mean, there was more to it. I took a sabbatical. I went to the West Coast to do this brain dump, through a business program at Stanford to learn the things I hadn't learned. When I came back, and decided to start the firm, it was based off of this entrepreneurial spirit and an idea that it's not being done yet. I truthfully waited to see if someone else is going to do it, I'll just go work for them. It will be so much easier. I don't want to run my own firm. At a certain point, my dad was like, "Look, if you want to do this, you're going to need to do it yourself." That's what I did.

**[00:10:27]**

**FT:** It, being really, being there for your clients in a way that traditional law firms just aren't and that is being part of their strategy, really being a partner, as opposed to just someone who's charging them by the hour. Speaking of, you don't charge by the hour. It's a much different fee structure. What is so great about this, in addition to obviously the approach, is the increased accessibility then of wise attorney and partnerships like yours, to the average business owner, or the business owner that may not have the deep pockets yet to get the support that they need, because we know so often, unfortunately, legal troubles, legal expenses are what drive businesses out of business.

**[00:11:17]**

**CCS:** Absolutely. Most of those legal issues are predicated off of, I won't say bad decisions, but poorly informed decisions, during a different point in time before the lawyer was brought in. Starting a business, if everyone's honest, and I think so much of both the legal landscape and the business landscape. We attempt to hide the reality that this is really a case. When you're really building a business, you are laying the track, as Shonda Rhimes says, "While the train is coming."

We love and applaud it when everything goes well. The second things don't go well, there's a lot of hindsight is 20/20 and a lot of shaming, and a huge contention of why didn't they do X, Y, Z? Well, the truth is, when we encourage, move fast and break things, but we also don't have a strategic partner to come in and allow us to at least make an informed decision, without feeling like, getting prudent advice will bankrupt our business, because our lawyer is going to cost us X, Y, Z, then we there's this gap here.

You've seen, there are firms who, particularly those who are passionate about tech, who will suggest, or who will say, "Look, we have an entrepreneur program." Then as those companies scale, that's when they start charging. I think that's fantastic. I think there's nothing wrong with that.

What businesses don't also recognize is that within private practice structure, the incentive partners, equity partners, at least, if everyone's honest, when they're looking at your billable hours, they anticipate that you're billing and you're billing for clients who are paying. Even if you are really passionate about these particular clients, or whatever the case may be, there's also, we have an incentivized creative creating a structure, where lawyers who are seeking to ascend in their particular practice areas at their respective firms aren't in some way penalized.

Internally, you may never hear about it, but they know it when it's for them to be assessed for partner, that yeah, this is fantastic that they love you. Quite frankly, unless they're about to hire you to be their GC, you haven't pulled in enough revenue from your other clients. There's this push-pull. Not to mention the fact, I was always at the mindset that paying for someone to be inefficient just did not make a lot of sense.

It's okay if a letter takes X long to make. This whole idea that I pay more, because you get to be slower, just seemed bizarre to me. That was never a model that I thought was sustainable, long-term. It has been. It's been how the legal industry has been able to thrive, but that wasn't the metric by which I wouldn't – people who work with me to be measured by. I want to see what's the outcome of the work. We know what it costs to do it. We know the time allocated to it, when it's done well and efficiently. Still, the time that it takes, how much is that? Let's create subscription models, so that people can get what they need, and they feel comfortable doing it. Let's also create a strategy partnership.

**[00:14:21]**

**FT:** No, you're right. There is something very compromised about paying for as you describe, the inefficiencies of a lawyer who is benefiting from taking his or her time financially. Meanwhile, you're trying to run a business and save money. What would you say are maybe the one or two top blind spots that new entrepreneurs tend to have when building their business? I know that you love to work with entrepreneurs around things like intellectual property, business strategy, so maybe to those ends, what are some things that you're seeing, especially these days?

**[00:14:59]**

**CCS:** The formation of the business. I feel that people are so quick – and I appreciate the cost of actually getting assistance, but they will create businesses and leave loopholes. They may go on insert law portal for computerized application, business formation, and then you'll find that when they're doing these contracts, they'll say they're a business in good standing, but they never completed the publishing requirement that's required out of New York, because they – I don't want to use a business name, but they use X Zoom, or wherever they used. They didn't do additional things that they needed to have done to finalize the process.

I think it's really important to cross T's and dot I's when it comes to the business formation, and to also pick the right formation. There are people who start creating their business and they know that they want an infusion of capital. They hear terms that sound like what they want, but then they don't recognize that there are risks associated. Well one, if you have the wrong structure in the very beginning, then sophisticated investors will come in and yes, they'll give you money and they let me not.

I'm glossing over how hard it can be to get institutional capital. Let's just say all things considered, you've got someone who's interested in investing in the business. They look and if the formation isn't correct, you can fix it, but it can be costly to fix it.

**[00:16:26]**

**FT:** Is that like deciding whether you're going to be an S Corp versus LLC? Is that –

**[00:16:30]**

**CCS:** Correct. Yeah.

**[00:16:31]**

**FT:** Okay. That's what we're really debating?

**[00:16:33]**

**CCS:** Yes. Correct formation, in terms of whether you're an LLC, whether – It's so interesting. Right now, what I'm seeing, and it's exciting. When people see the social justice movements that we've had occurring over the past year, then suddenly, everyone also outside of traditional businesses, they want to start a non-profit. I'm quick to say, or okay, well, why not be a B Corp and have partner business thesis, is this doing great work, but maybe non-profit is not the appropriate structure for you? Why is that what you think of next?



It's never because of taxes, which to me, at least, we could have a conversation there. I think also, just understanding the different landscapes and what's available, so that people can really make the best decision based off of what they want to do long-term. Then the next thing outside that, would be doling out too much equity early, because you are worried, you're cash strapped. Every person who's giving you two cents of an idea, they are getting significant percentages of equity. We still see that today. Though, I feel there have been at this point, countless articles, trying to nudge people in an opposite direction.

The concern there is just yes, if that's your only option, then there will be someone who can come in and clean up your cap table, and they will pay all of this money to get rid of those individuals. The reality is, it's not about any third party. It's about you as a founder. If there is a reason in terms of the ethos that you want to have for your business that makes sense for you to give out that much equity, then I would never suggest against it.

I appreciate wanting people to feel valued and appreciating that having that represented by equity makes sense. The caveat there is when you are using it almost as a different type of bank account. Because as a founder, you do want to hold as much equity as possible, for as long as you can, as you are building your business, so that you have the luxury of that level of control as you grow, as you pivot, as you change, as you sell, as you exit, whatever it is may be.

There is a gender lens of who disproportionately is encouraged to give up equity, as opposed to who is not. Changing that narrative and having a more honest conversation about, if you can, write them a check, write them a check for their services, and keep it going.

**[00:19:02]**

**FT:** Let's talk a little bit about the pandemic. There's been so much that has had to shift in this moment. I've been hearing a lot of the word 'acceleration', people fast forwarding a lot of their plans, things that they were going to do with regards to technology, or starting a new line of business, or closing a business has accelerated in this moment with so much uncertainty and

also, so much need for adapting. What has the pandemic accelerated for you, Candice, before we were online talking, we were both sharing in our desire to have more control, because that was the reason that many of us have felt like we've lost in the last year? What has advanced for you in this moment?

**[00:19:49]**

**CCS:** Focus. I know that see, that's not an actual action, like relocating, though I did. I moved to my office and I was going to wait to do that. The direct answer could very easily be relocating the office. Really, what was accelerated was honing in. I pride myself on operating from this broad, a macro lens and then micro in silos. What I realized after last year; one, we have disruption by design, or destruction. We're either designing how we're going to have things change, or things blow up.

Last year, I felt even as a person who can accept and does well with levels of change, I like my change to be orderly. I want it in steps. I don't want it all at the same time. Last year was this huge boom, it's all going to change. Where do you go from here? For me, it was okay, there are things that I've put on the backburner, that I felt could wait. I believed that I was allowing them to wait, because there wasn't a focus on them. The energy wasn't going there. How does that help with the business?

Well, quite frankly, I was operating from a place of there's time for it. There's time later. COVID really did shed light on time is relative. I mean, there are people who haven't traveled in a year. Time is not necessarily going to be there. These things that we think that we can and should do, may not be opportunities later and it's not so that we operate from a place, or I operate from a place of fear. It's definitely a desire to operate from a place of focus.

Fear is an interesting driver. My greatest fear is wasting time. COVID took away convenience being an excuse. Instead, allowed me to focus on what are the brass tacks things we need to do to escalate growth, to escalate opportunity, to escalate, amplifying other voices? Where's the greatest impact going to come in and how do we do that well?

**[00:22:01]**

**FT:** Let's talk a little bit about your personal background, Candice. You grew up in Atlanta, went to the University of Virginia, Vanderbilt Law School. You, obviously are an entrepreneur. What has been for you the source of internal drive, especially as a woman of color? I think you were on a panel that Forbes invited you to speak on, talking a little bit about the challenges, the extra pressures that women of color feel to be successful, that you almost have to work harder. I don't want to assume that was your narrative. What was your personal drive all about?

**[00:22:39]**

**CCS:** Well, that was definitely my narrative. You took a whole, just randomly put a group of black kids together, most of their parents told them, "You cannot be as good. You must be better," to be considered as good outside of that lens. I think, we've seen that. Internally, the sad truth is that if I were to say what the real driver was, at some point, it was probably ego. It's only-child syndrome. It's just this weird hybrid of firstborn, versus only born.

I think in the very beginning, a lot of it was ego and wanting to impress my parents. Not ego in the sense of narcissism, but ego in the sense of wanting to make them proud and doing things that would make them proud, what I now call cocktail party talk. Things that my parents can say that would make them proud.

At a certain point, when I realized so many of those ego-driven goals, one, my parents could care less about. My mom could care. My mom, very much the wine, cocktail conversation. At a certain point, and this was I was working every day of the week that ended in Y. for someone else at the time, I was a lawyer, but I was very well-paid lawyer. I was living out. There were private plans, you name it, I was this television show of this ideal.

I was very resentful about it. I was not happy. I was just, you name it. These are problems that one can have and I certainly don't want to say that they are not valid. I think in the grand

landscape of so much of the world, was just a huge problem. It was a good problem to have, but it was still a problem.

I called my parents, my dad in particular, to vent and essentially projected all of this anger on him. “You all are making me work every night and Saturday night at 11 p.m. I’m here with my assistant working on a brief. You all did this.” My dad let me do my entire rant. He said, “Candice, nobody asked you to be at work at 11 p.m. on a Saturday night working on a brief. You chose this job. You’ve chosen your life. You are at the time, maybe 26-years-old. These are your choices. If you have decided that these choices do not bring you joy, do not assume and project that you need to do something to make us proud. We’ve been proud. There’s nothing more you can do that will change this barometer of pride with us.”

I need to be self-sufficient. He certainly wasn’t like, “Do what brings you joy and bliss and come live here.” No. “You’re a self-sufficient adult. You need to figure out how you can have a career that is bringing you joy, but that is not going to be something we’re assuming blame for. Take a moment and figure this out.” He said it from a place of love, but I looked snot-nosed, wiping my nose, looking around in my office at night, corner office. I mean, it’s really, you’re living this dream. Then at a certain point, you have to say, “Whose dream is this? Who did I allow to –”

**[00:25:52]**

**FT:** Whose movie am I in?

**[00:25:53]**

**CCS:** Whose movie am I in? While I appreciate the starring role, I have to say, I was not cast properly. With that, that was truthfully when I made the decision to move to New York. I did that, because I wanted to figure out, this is where I wanted to live. There were so many things and the first step was just to get the geography right. It stopped being ego at that point and it became exposure and expansion. What I mean by that is, there were so many people, when I

would go back and do talks, I realized that they were living in a beautiful way. Not my parents living through me, because they actually had great careers of their own. They weren't. I was seeing how my success was giving other people – other people I wasn't necessarily close to, but it was giving them hope and a visual of what was possible. I thought that was a tremendous responsibility. The more I was able to do and could do well, the more – one, I don't want to be the only person in the room. I want people to understand that there's this well, an entire community of brilliant human beings, whether they're women, whether they're underrepresented individuals, whether more specifically, they're black women. I don't ever want to be the reason someone does not get an opportunity. I wanted to make sure, and so that's a weird pressure, because I could be doing the same thing Adam is doing. Adam will never discount Adam being a name to represent a Caucasian male.

**[00:27:35]**

**FT:** There are many of them in my life.

**[00:27:36]**

**CCS:** Yes. Adam will never make it, so that other Caucasian men don't have opportunities. Josh will still have an opportunity.

**[00:27:44]**

**FT:** Oh, Josh.

**[00:27:45]**

**CCS:** Why mess up of Candice? Suddenly, every other, black women in particular, or women in particular, who comes through the door, won't necessarily get the lens, or they will have to work quadruple as hard, because for whatever reason. Candice, as representing all the black women left this negative impact and I never wanted that to be the case. I wanted to be the

reason that other people had opportunities. I wanted to be the – can we find another one of her, so that the gates can flow open? That's what's driving me now.

**[00:28:22]**

**FT:** Yeah. Oh. I so relate to that. I think that it's a narrative that shows up for a lot of times, children of immigrants, really descendants of any groups that have been marginalized, or underrepresented, not the Adams and the Josh's of the world, to your point, that there is something to be said about us not taking things like college and the opportunity to go to grad school and the opportunity to get a job and the opportunity to get a paycheck for granted.

I think that it's also important to teach and remind ourselves that we should never get complacent to say, "Oh, I'm just happy to be here. I'm happy to even have the opportunity." No, you are entitled to go for it. Candice, you are living, breathing representation of that, going forward every single day. We thank you so much for sitting down with us and giving us just a day in the life of your mind and your soul and your brain. What a gift. Thank you.

**[00:29:25]**

**CCS:** Thank you. Thank you so much for having me.

[END OF INTERVIEW]

**[00:29:30]**

**FT:** To learn more, or to get in touch with Candice, you can visit [somonypodcast.com](http://somonypodcast.com). We've got all the links. Thanks so much for tuning in, everybody. On Friday, we've got another episode of Ask Farnoosh. Send me in your questions. You can hit me up on Instagram, or email me, [farnoosh@somonypodcast.com](mailto:farnoosh@somonypodcast.com), or thirdly, go to the website, [somonypodcast.com](http://somonypodcast.com) and click on Ask Farnoosh.

Thanks for tuning in. I hope your day is so money.

[END]