

Michael Hollingsworth with Nelson Mullins Riley & Scarborough Interview on Capital Club Radio

00:08 Announcer: Broadcasting live from the Pro Business Channel studios in Atlanta, Georgia. It's time for Capital Club Radio, brought to you by FLOCK Specialty Finance. Please welcome your host, Chairman and CEO, Michael Flock.

00:28 Michael Flock: Thank you, and good afternoon from Atlanta. We're really delighted today to have a very unique, colorful, I call a friend of the firm, Michael Hollingsworth, who's an attorney and partner with the law firm Nelson Mullins right here in Atlanta. He's co-head of the firm's Mergers and Acquisitions Group, and Investment Management Group. He also focuses pretty much on the middle market corporate transactions, M&A, divestitures, and joint ventures. He also serves on the firm's executive committee. He represents private equity and hedge funds relative to their formation, operations and investments.

01:08 MF: His industry experience is very diverse and includes food and beverage, consumer branded products, health care, construction, technology, telecommunications, media, manufacturing, distribution and even business services. He serves on the board of trustees for the Woodruff Arts Center and The St. Andrew's-Sewanee School, and is also a board member of the Tulane Fund. He's got a Master of Laws in Taxation from the University of Alabama School of Law, a JD from Stanford University, and a BA from Tulane University in Political Science. In the spirit of full disclosure, Michael Hollingsworth is our primary attorney at FLOCK Specialty Finance. And we selected him and Nelson Mullins because they can bring large law firm expertise, experience, and resources to middle market companies like FLOCK. They understand entrepreneurs and they are great problem solvers.

02:07 MF: So Michael, you told me that your dad was a very successful entrepreneur, I think in the construction industry and retail sporting goods. You watched how he started and grew his businesses. You admired your father, in fact, I think you said you even worked for him. But why did you choose the path of law versus yourself going into that business?

02:31 Michael Hollingsworth: Well, I might not have told you the rest of the story, Michael. But my father did start a landscaping and construction company in middle Tennessee, really straight out of high school. He skipped the college route and really was into business. Did well in that business, started a general... He saw a need for a sporting goods store in our area because we had to drive to Nashville to just get team sporting goods equipment, and things like that were about 50 to 60 miles away. Founded this store in Manchester, Tennessee, and did really well with it. And that's where I worked after school from the time I was in fourth grade. Not to say I didn't have any fun when I was growing up, [laughter] but he did put me to work quite a bit. But my dad fell ill at a relatively young age, and when I went to Tulane undergrad, I did intend to come back to middle Tennessee. In my mind, I already had a sort of an expansion plan for the sporting goods aspect of his businesses and thought I would expand to other markets in middle Tennessee, bigger markets. And he got sick while I was an undergrad and so I really never got the chance to come back and work with him. At that time, I realized that I was better suited to become an advisor to business owners and entrepreneurs and pursued the law school route.

04:00 MF: So, were these experiences then that you had working for him and with him, were these

truly formative then in your thoughts on business and how you serve entrepreneurs today?

04:12 MH: Well, a couple of things. Number one, I saw how difficult retail is. And so, to me, professional services is a lot easier business than retail because you're always carrying a ton of inventory, and if you don't move that inventory you're stuck with it. Two, I think that the way I relate to clients is largely, was largely developed working as a clerk in my dad's store, waiting on customers of all types of people, learning how to relate to them and help them, quite frankly, and that could be anything from professionals to construction workers. And so, I think that helped me develop a way to relate to all types of people and which has helped greatly in the practice of law.

05:03 MF: So, then it sounds like it was the development of personal relationship skills that you learned from your dad and the multiple businesses that he was in. Is that fair?

05:13 MH: Correct. I think that in any business, the relationships are probably... Everyone can study and learn the law, but how to apply it and number one, develop a relationship with a client so that you can help them. Some clients are risk-averse, some are more entrepreneurial, and you can actually tailor your specific advice to their personality and company culture. And so, I think that is a large part of being a professional. It's not just saying, "Hey, here's the law," but helping them find a solution using the law as a backstop.

05:58 MF: So, I can see here then how this might have evolved, because today you're responsible for multiple industries, healthcare, construction, technology...

06:06 MH: And specialty finance.

06:09 MF: Yes, you do that one.

06:11 MH: I forgot to list specialty finance.

06:13 MF: Yes, okay.

06:13 MH: Add that one to my list.

06:15 MF: That's a good afterthought there, Michael. And Nelson Mullins then, I guess, you've got a big law firm, a culture there, lots of infrastructure, but could we say that it's also the personalities or personal skills of the individual attorneys that make a difference? And I guess, why did you choose Nelson Mullins as opposed to some of the other ones?

06:42 MH: Well, it has an entrepreneurial culture and a very can-do sort of... Law firms are either on the same side of the table as their client or they're on the opposite side of the table sometimes because their pricing model and the way they work with clients is, it's almost adversarial to the client, and then you have to go deal with whoever you're negotiating against. We like to be on the same side of the table with our clients, kind of like a trusted advisor or partners with our clients. There's an old saying in the legal industry that, "Clients hire lawyers, not law firms". And I think that's true. Clients do make buying decisions based on particular lawyers.

07:27 MH: However, that particular lawyer, can his or her skillset and capabilities, with respect to any given client, can be greatly enhanced by the platform of the firm they're on? So, for example, if

your business has a need, and something other than corporate such as labor and employment, for example, I can call on the platform to help you with that because that's not in my area of specialty. So, I think it's a combination. First and foremost, clients are looking to a specific lawyer and that lawyer's style and the way they solve problems to make their buying decision. But after that, they can reap benefits from the firm platform and the expertise that is there on a larger platform like that.

08:22 MF: So, could you give us some examples then of how you build trust? Because you said there's a famous expression, "Lawyers are hired, not law firms." So, at Nelson Mullins, a trusted advisor, how do you develop that trust? Do you have any stories or examples of how you've done that?

08:40 MH: Well, I would say that here's an example. And I'm not talking about any particular M&A transaction in this example, but this has happened over and over again where we uncover something. I'm representing the buyer, and the buyer could be a private equity firm, it could be a public company, but when we're doing our due diligence investigation with my team on the target, we uncover a problem, a potential problem. And when you peel back the onion a little bit, you realize that you could spend \$50 to \$100,000 in legal work trying to see how big a problem this is, but then you back away from it for a second and you realize, if the worst case scenario occurs with this particular issue, it's going to cost the client maximum \$20,000. So, it makes no sense to spend \$50,000 to potentially save \$20,000. So, I don't mind telling the client, "I wouldn't spend this money".

09:43 MF: You prioritize.

09:43 MH: And so, when you give legal advice, and sometimes my advice is legal advice, sometimes it's business advice, but when you give strategic or legal advice to a client that seems to run against your best interest as far as the overall project fee, over time that builds a trusted advisor relationship because they realize that you're really spending their money the way you would spend your own if it was your project. And so, I think that's just an example, that when you use practical everyday common sense in the rendering of that advice, instead of just saying, "Some lawyers point out issues, issues, issues, and don't come up with any solutions".

10:34 MF: Solutions.

10:35 MH: And so, I think over time, the trusted advisor role usually does not occur on the first project for a client. It develops over a period of time because the consistency of it lies in the just getting to know one another and how different clients have different ways they like to do things. Some people are really aggressive, and we can tailor our services for the super aggressive client, although I'll never advise someone to be aggressive when the situation doesn't warrant it. But some clients don't ever want an adversary situation, and we have to advise that client in a different way. And over time with both types of clients, and there are many types of clients, it does develop the trust over time just because you're giving them advice that helps their business and helps them move forward, grow, mitigate risk at the same time.

11:38 MF: So, you're showing them also how to make economically sound decisions, and not putting your motivation to billing up a lot of fees for a transaction.

11:48 MH: Correct. We expect that a growing client, we will make our fees over a period of time.

We don't have to make them on the first or every project. So, that's the mindset. It is a partnership over a long period of time. Which is why, I told you this last week, any client who sort of treats us like a vendor, it's just not as enjoyable. So, we like to go deep with our clients, really get to know their business, get to know the people and the personalities involved, and that's when we can add the most value. If someone is a sporadic M&A client where every time they have an M&A deal, they interview three or four firms, us included, after we've already represented them, that's probably not a client we're going to be able to go deep with, number one, and we're probably going to tell them they would be better suited just to find a law firm that is more of a one-off.

12:49 MF: Right. So, we could say that you're interested more in relationships than transactions.

12:55 MH: That's correct, absolutely.

12:57 MF: Okay. What's your vision now for Nelson Mullins in the southeast? You're now in the leadership of the firm. What is your vision for the middle market company support that you provide, and that you lead on behalf of the law firm?

13:13 MH: Well, a lot of lawyers have a sort of an entrepreneurial itch to scratch. And fortunately for me, I've been able to do that within Nelson Mullins. When I first arrived in the fall of 2006, the firm had about 380 lawyers and I don't remember how many offices we had at the time, but fast forward to today, we just finished a combination with Broad and Cassel in Florida, which is part of our middle market service offering; just rounding that out geographically speaking, we're now 750 lawyers in 25 offices. Basically, we have Boston to Miami covered on the Eastern seaboard and Denver and LA, west of the Mississippi. I think we will continue to grow as it makes sense nationally, but we're really focused on the East Coast right now, as far as if you look in our platform, we're really the only Am Law 100 firm that has both the Carolinas, north and south covered, every market, Nashville, Tennessee, which as you might know is one of the fastest growing cities in the southeast. Riley, North Carolina is as well, and Atlanta, which is our largest office at 155 lawyers. And then we're the only Am Law 100 firm that has all of that plus the whole state of Florida now, because the larger Florida firms, when they expanded outside of Florida, they went to Atlanta and then they went to New York, they skipped all that other stuff.

14:44 MH: So, the markets that I've just described are historically middle market transactional and business markets, so it really does solidify our emphasis on the middle market. I'll just give you an example, Spartanburg-Greenville, South Carolina corridor has an amazing amount of middle market companies that no one has ever heard of, but it's a really solid corporate market. Now Kirkland & Ellis out of Chicago, they're not going to go into that market, they don't care about that market, that's not what they're focused on. Now, if one of their private equity clients happens to buy a company, I guess they would go there, but we are actually proactively marketing and networking within those markets because they are \$400 million revenue companies in Spartanburg that you've never heard of. And so that's what we're focused on. We feel like given we have people in all those markets, maybe not even M&A people, but our lawyers in Greenville, if they come across a transaction that they're not used to handling, they'll refer it to us in Atlanta, so it's a great platform for middle market companies in the south east.

16:07 MF: So, part of the vision then is geographic, that you are expanding geographically to cover major middle market centers.

16:14 MH: Well, the demographic shift has been to the Sun Belt, and the Sun Belt as you know, runs across the southern United States from California all the way to the East Coast. However, the part of the Sun Belt that we happen to reside in from basically Washington DC down to Florida and then as far west as I guess Texas, we don't have any Texas offices yet, but that is the part that is probably the fastest growing demographically. And Florida is now the third most populated state in the United States. So that was another reason to go there, because a lot of people from the north east and the Rust Belt are moving there and Atlanta's still growing.

16:57 MF: What are you going to be doing though for specific client benefits? Or is it pretty well... You're pretty comfortable obviously with the culture at Nelson Mullins, but are you going to be leading the firm in any direction culturally to try to continue to differentiate your service from the many others that are out there?

17:18 MH: Well, we're constantly looking at the market and seeing what other firms are doing. Fortunately, some of our larger competitors have continued moving upstream and increasing their hourly rates in that process. So right now we have something to offer the market basically large firm, we're an Am Law 100 firm right now, we're about number 87 on the list, but with our recent combination with the Florida firm, we should be moving up to somewhere in the 60s, as far as the largest revenue firms in the US, and that's measured by revenue by Am Law, American Lawyer. But right now, we still have a cost advantage over what we would consider our peer firms by virtue of lower hourly rates than our competitors and combined with a lower cost infrastructure which we've always had because we run our entire back office operation out of Columbia, South Carolina, which you know is a lower cost market. Some of the big Boston firms and New York firms have moved their back office people to the Rust Belt to take advantage of the same thing we had built into our system. Now, I have to say, the difference is our people, they want to live in Columbia. I'm pretty sure the people who have been living in Boston and New York for 20, 30 years, do not want to move to Akron. So, our people are very happy. And it's just, we did it naturally. The other firms are having to force it.

18:55 MF: Right. So, along the way, you've had maybe dozens, even hundreds of customers in your several years as an attorney, doing mergers and acquisitions, capital raising, and such. What are some of the common denominators that you see in middle market success and what are some of the common factors and failures for middle market companies?

19:15 MH: Well, the number one thing I would say is that there are lots of good concepts out there, products, services, but to me the main differentiating factor as to whether a company moves forward is the management team. I've seen very good software products that had a poor management team. And usually when I say poor management team, it's not that they weren't smart people, but they weren't focused enough on their core business. What happens is they get side-tracked by a shiny object over here, and they start chasing things that aren't core to their business while they're trying to grow, and it really takes their focus off the things that they need to be focused on to move to the next level.

20:07 MH: And when you're a bigger business and you can afford more infrastructure, some of these side ventures might make sense, but in the critical growth stages, the management team has to have a business plan that they are religiously following. And the failures that I've witnessed over my career have largely been human failures. It wasn't the product that was a failure or the service that was a failure, it was really the management team. It's a lack of focus that caused them to fail, or

they made mistakes like over-leveraging the company or something like that. But typically, I think companies that really grow spend a lot of time thinking about strategy and then developing tactical steps to get there.

21:00 MF: So focus, good management, good capital structure.

21:05 MH: Good capital structure. Sometimes they will go ahead and spend money on infrastructure that's a little bit seemingly extravagant for where they are in the growth cycle, but it's setting them up for when they get to that next level, they're ready to go.

21:25 MF: Today in the Wall Street Journal on the front page, there was a big article about how private equity funds are getting into lending, becoming more and more non-banks. What are your thoughts on the new direction that capital seems to be flowing in these middle markets? Do you agree with that, that you see more of this? And obviously, we're a middle market specialty finance company, but...

21:49 MH: Yes, I think the non-bank alternative lenders have grown a lot in the last five years. Back in... Five years ago it was probably primarily hedge funds that were doing the lending, but now you've got specialty finance companies and private equity funds raising debt funds to provide debt. I think it's great for the marketplace because the enhanced regulations on banks have made it very difficult for some of the middle market banks to keep up with the entrepreneurship of their clients, and so sometimes that alternative money might be a little bit more expensive, but otherwise it would be unavailable. And certainly, you can't always raise equity to lower your cost of capital. So I think it's a great... I think the market will continue maturing, I think the products will be more user-friendly for the customers as the non-bank market continues to evolve, and I think there'll be plenty of opportunities for the alternative lenders.

22:53 MF: We've talked about markets, law firms, culture, success factors. But I think also, our listeners like to know about our guests personally. So, what enabled you to get to this leadership position at Nelson Mullins? You've been in law for a few decades now, you're a leader here in the Atlanta business community, a keynote speaker at many conferences, particularly in M&A. What do you attribute that to? And along the way, rarely are things go in a straight line. Can you tell us a little bit about some of your adversity that you encountered in building your career, and now your position at Nelson Mullins?

23:33 MH: Well, yes, it's hard to answer the question as to how I got where I am now. I think when I look back on it and I try to figure out why I ended up in leadership positions versus many, many able people at the firms where I've practiced, I think it boils down to emotional intelligence. My peers have always told me that I can read a situation and really read the tea leaves without anyone saying a word. And so, I think I tell our people all the time, you cannot discount emotional intelligence or street smarts, because there are plenty of people who are academically strong, but being able to discern what the other side of negotiation, what they're trying to get to by their cues is hugely important in the transaction. It's also important in management because people who come to my office to talk to me about an issue, sometimes they're telling me very emotionally what their issue is, but they're really not saying what their real issue is and I can figure out what their real issue is. Most of the time in a law firm, professional services firm, they're complaining about one thing so that they don't look like they're being selfish or childish, but what they're really getting into is they're comparing themselves to someone else in our system who got something better than they

did. That happens in professional services firms and businesses across the board. They're happy in a vacuum, until they see that Jane got...

25:18 MF: More.

25:18 MH: Yes. \$20,000 higher bonus, and then suddenly they're irate. So being able to deal with those kind of situations in a mature way without getting emotional yourself is key. Sometimes I do get a little bit angry, but I try not to show it when I'm dealing with that particular person because it lessens your effectiveness.

25:41 MF: Effectiveness. Yes. But some emotion is good, and you were saying that's how you read the tea leaves.

25:46 MH: Oh yes, absolutely.

25:47 MF: An M&A situation.

25:48 MH: Absolutely. Sometimes in M&A you absolutely, even if you're not mad, you have to fake like you're mad.

25:55 MF: To act like you're losing when you're really not.

25:57 MH: Yes.

25:58 MF: Make the other person feel like they're winning.

26:00 MH: There are all sorts of things that happen in M&A deals, the posturing and things like that. But you have to make it genuine or it doesn't work. Adversity that I had to sort of overcome, I think that when you're a young parent there are only so many hours in the day, and I have to credit my wife Rebecca. We made a decision when Michael, my oldest, was born that she was going to stay home. She was a successful banker at what was then South Trust Bank, and now is part of Wells Fargo through a series of mergers. But we decided the division of labor, she was going to stay home, take care of the kids, and I was going to be the sole bread winner, at least for a while. And I have to say, she has never made me feel bad about traveling or going out to dinner with clients because she knew that was part of my job and what I needed to be doing. But that was very challenging there for probably the first 10 years of the kids' lives, trying to balance all of their... Be an active parent, build your business. I was building my business at the same time my kids were small, so it was like an 18 hour day gig.

27:21 MH: So now that I'm a little older and the infrastructure is built, and my kids are a lot older, it seems a lot easier than it was back during those days. But I think the challenge was making sure I wasn't ignoring my parental duties or duties at the household while I was building the business. But one of the most fun things for me, having built that business is, I'm now... I've already successfully helped one of my chief lieutenants make full equity partner, and he now has a stand-alone practice. And quite frankly, even though we're still great friends, we don't really practice together that much anymore. He's a stand-alone equity partner at Nelson Mullins. And now I have a new chief lieutenant who I'm trying to get her to grow, and she made non-equity partner last year and is on track to be an equity partner in a few years. And so that's really fun for me, is to do for them what...

28:24 MF: Someone did for you.

28:25 MH: Yes. We didn't talk about it, but when I was at the Kilpatrick firm, Hal Abrams was sort of my mentor. Hal died a few years ago, but he was a great lawyer. He taught me a lot about giving practical advice. He graduated number one in his class at Harvard Law School, so he could have easily been one of these issue spotting lawyers, but not a practical lawyer. But he was very practical, he was brilliant. And Hal taught me how to be responsive to clients, always get right back to the clients. Even if he was busy he would say, 'I'll call you back later', that sort of thing.

29:04 MH: And then Tim Mann, who is now the... We were partners at the Kilpatrick firm as well. And Tim came to the firm and taught me, number one, how to delegate effectively, because at the time I was struggling on letting loose of some things and trusting my colleague to. And he told me that, "Your practice would never be very big if you continue practicing the way you are." And so he taught me how to delegate and trust the people who work with you. And that's been a great help. And Tim was really the first lawyer who shared the origination credit for clients with me. And he taught me, he was very generous with that. And Tim's now the general counsel at Louisiana Pacific Corporation in Nashville. But he's not that much older than me, he was kind of like my big brother in the law firm. But his lack of selfishness and sharing credit and things like that taught me to do the same, and that's what I've done to the people under me at Nelson Mullins.

30:11 MF: So, it's personal development which leads to organizational development, which ties also to your belief that management teams, and the fact that people hire lawyers, not law firms, it's really down to the individual person and the team that gets developed from that person, and you, as leader, are partly responsible for developing that skill. And I guess that comes from the emotional intelligence that you talk about as well. It's not an issue, maybe it's a problem, it's a person, that you have to read.

30:45 MH: That's right, and part of our strategic plan for the corporate department, which my partner Jeff Allred is a corporate department chair, he's a seasoned public company executive and lawyer. He developed a plan, and part of the plan is that the practices that we're developing are supposed to be transferable. And what that means is transferable to the next generation, because if I build a big practice at Nelson Mullins and I get to retirement age and when I leave the firm that business just goes poof overnight, I haven't built anything to transfer to the people who have been working with me for all that time. So, we're trying to not only have a great law firm today, but build for the next generation, because that's the only way you can build the infrastructure so that it's valuable to the client base.

31:40 MF: So, we're talking a lot about your mentors. Your dad was a mentor, and just the other day you and I were talking about a favorite spiritual author, a priest, John Claypool. I had no idea that you had read his books or even knew him, and I knew him personally when I was going through my wilderness years going from corporate to entrepreneur myself, and I read a couple of his books, and I met his wife, and he spoke several times at St. Philip's, and I was very inspired by his approach to adversity. One of the sermons I heard him make at St. Philip's was about 'Good luck and bad luck, who's to say?'. And the implication was, sometimes things in your life seem very adverse but they're really good for you and you don't see it at that very moment. Could you share with our listeners how John Claypool was sort of a spiritual mentor to you, and what did you gain from that, and how did that relate to how you lead people today?

32:36 MH: Well, John was a personal friend, and the way he taught just connected with me. And one of his main messages that he always weaved through every sermon or book was that life is a gift, and when you think of life as a gift, then it changes your outlook on even the worst days. And so Mondays might be particularly bad for some people, but when you step back for a second and say, "Life is a gift. What am I going to do with this day?" And John was just, when he was battling cancer and I talked to him a lot during that time, he was just upbeat and still positive about life, still writing books, still teaching Homiletics at Mercer. He was the best preacher I literally ever heard in person, and he could tell a story in such a way that it was interesting when you were listening to it, but then when you left and thought about it later, you thought that... What always struck me about John is he had four or five major themes, and he worked them into everything, so that over time you really got to hear his theology. So he was just an amazing person to begin with, an amazing preacher. I've read all of his books and every once in a while pick up one I've already read and read it again, just so I remind myself of all the lessons he taught me.

34:17 MF: So, you've been very blessed to have some great mentors in your life, in your career. As we wrap things up, Michael, how would you coach our listeners, middle market companies and others, to leverage their relationships with the law firms or the attorneys that they use, to achieve the specific either personal career goals or their personal, their business and company goals and objectives?

34:44 MH: Well, Michael, I think there are a lot of advisors that can add a tremendous amount of value to a middle market company, accounting firms, lawyers, and other advisors. And I would say that really ask the advisors to think about not just the particular problem they're trying to solve, but how they could help the business. So, for example, a lot of times the outside advisors know another company that is right in the wheelhouse to do business with your client. And I can tell you that if you make a big sale for a middle market company, they're going to be much happier with you than drafting a legal document.

35:28 MF: Right. That's true, that's true.

35:34 MH: And so, sometimes I introduce companies to a lender. It's simple stuff, none of this is really rocket science so to speak. A lot of it's just blocking and tackling, but a lot of people don't look up from their desk long enough to do that kind of thing. They think, "I don't have time to do that".

35:56 MF: They're too focused on the issue or the transaction.

35:58 MH: Exactly. When I first left my old firm and got to Nelson Mullins, I spent 30% of every day doing that sort of thing, connecting people, knowing that over time that investment would pay off. And it has, I don't spend that much time every day doing that. I probably spend 10% now, but it was great in the growth of my business.

36:21 MF: Well, thank you, Michael. In fact, you did that for us at FLOCK. You've introduced us to several capital sources and we've used some of them and about to use another.

36:29 MH: I even put my father-in-law in your deal.

36:31 MF: Yes. That's right, yes.

36:33 MH: So, you better make him some money.

36:34 MF: Yes. Thank you, Michael. Thank you, Michael, for your time today and the wonderful stories about how you've taken Nelson Mullins to a new level of leadership in the middle markets that you're competing in. I think it's really, I'm not surprised, but maybe our listeners will be surprised that it really, it does come down to the lawyer, not the law firm. It's the personal touch, the personal connection that you make. And it really resonates with me about your point about, people would appreciate more an introduction or an approach or perspective on the overall business as opposed to a legal brief. So it's definitely the company, the person you're serving not the issue itself. And so, as I wrap it up, I think, right now I look at your life. You were the son of an entrepreneur and you're now serving entrepreneurs. I can't think of a better background and a way to develop and build a career like this and having started that way. And that's why you're so unique.

37:35 MH: Well, it's a lot of fun and I greatly appreciate you having me here today. Thank you, Michael.

37:40 MF: Okay. Thank you, Michael.

37:41 MF: And by the way Michael, I hope you're not billing me for this hour.

37:42 MH: Only half price!

37:44 Announcer: Thank you for joining Michael Flock and his guests on the Capital Club Radio Show. For more information on future interviews, please visit us at flockfinance.com. This program is brought to you by FLOCK Specialty Finance, where clients are provided knowledge and insights to help them grow their business in complex and risky markets. FLOCK is more than a transaction.