SOS#40 - Leading with Heart, Building with Grit with Manny Alvarez

Press cmd⌘ + p or ctrl + p to print this transcript. Sharing with one or two friends is ok. Posting on the internet is not.

Manny Alvarez

(0:00) to build a product, to build a company that serves that unique and growing demographic. (0:06) And I got excited, you know, about the prospect of building something again, building something that is mine. (0:12) And frankly, I got excited about building something that aligns with, you know, this ethos that I've ignored for so long, which is, you know, my own creativity.

Marcus Arredondo

(0:22) Today's guest is my friend Manny Alvarez, a public servant, former general counsel and compliance officer of a firm, a FinTech founder, and father, rewriting what leadership looks like. (0:32) As California's top banking regulator, serving as the first Senate-confirmed commissioner of the Department of Financial Protection and Innovation, he faced impossible decisions under pressure during COVID. (0:42) Later, he left politics behind to launch Manifest Financial and returned to his creative roots through writing.(0:47) We discuss what government work taught him about empathy, how raising two sons helped him rethink everything he thought he knew about masculinity, and why creative expression is just as vital as professional success. (0:57) Manny's story is a study in showing up, staying humble, and building what really matters. (1:01) Let's start the show.(1:03) Manny, welcome. (1:04) Thank you. (1:05) Appreciate it.(1:06) It's great to see you, man. (1:07) I want to talk about a lot of things. (1:08) You wear a lot of different hats over the course of your career.(1:11) And bear with me because I'm going to look off to the sides. (1:13) I've got some notes too. (1:14) But co-founder, principal, chief compliance officer.(1:19) I want to talk about a firm, some of the time that you had at a firm, taking it public. (1:23) You were there when it went public, right?

Manny Alvarez

(1:25) No, no, no. (1:26) I had already left, but happy to talk.

Marcus Arredondo

(1:28) Okay. (1:28) So proceeding that, even more so. (1:31) And then a lot of stuff that you've done for the government, including, and let's not forget, white shoe law firm experience, but California chief banking and financial regulator as a commissioner of Department of Financial Protection and Innovation.(1:47) And you worked at the CFPB in DC as well. (1:52) So there's a through line that I see in all of your experience, which is maybe a dual pursuit between advocacy. (2:01) Well, that certainly is the through line, but there's a little bit of purpose-driven pursuits in maybe the public sector and certainly capitalistic private pursuits.(2:11) And not a lot of people get to experience both of those, but I want to just kick things off because it's timely. (2:16) I mentioned it before, and we can take that, but from your perspective, and I know you've got a unique background as it relates to, I think a lot of the listeners. (2:24) There've been a lot of raids, ICE raids in Los Angeles, in farming communities.(2:30) There was one in MacArthur Park, which was really dystopian in its imagery. (2:35) And I know I'm starting on sort of a lightning rod here, but I want to just hear your take and just maybe if you can prime the audience with a little bit of your background so we can get a context.

Note: The transcript was generated by AI and may contain errors.

Press cmd⌘ + p or ctrl + p to print this transcript. Sharing with one or two friends is ok. Posting on the internet is not.

Manny Alvarez

(2:45) Sure. (2:47) Dystopian is a good word. (2:48) So look, I'll contextualize a little bit of my perspective here.(2:52) I have been in and out of government throughout my career in different capacities. (2:59) The times that I served in government in a non-political appointee role as a government lawyer with the AG's office, and then as a lawyer with the CFPB, those were probably some of the happiest times of my life as a practicing lawyer. (3:15) I really enjoyed my time in government as a lawyer because I was able to marry up a mission that was bigger than me with opportunities to take on a lot of primary responsibility.(3:30) And then I've also had the experience of serving as a political appointee. (3:35) And what I would say is my experience as a political appointee was it was fulfilling in other ways. (3:44) It was also starkly different from my experience as a non-political appointee because what I didn't realize as a political appointee was that I was at that point working in politics.(3:56) I thought it was going to be this kind of pure pursuit of calling balls and strikes. (4:04) And it just wasn't the case. (4:07) I obviously had an opportunity to...(4:08) So I was commissioner of banks, and I certainly had the influence, the ear of people around me, above me, and also the opportunity to influence outcomes. (4:21) But it wasn't free from politics, and that was very surprising to me. (4:28) Clarify what that means.(4:30) So what I mean is on any issue, on any policy issue about banking... (4:37) So for example, let's take something fairly novel. (4:43) In California, we have signed into law the idea of public banks.(4:47) It is now possible for a city, municipality, or whatever, for a public entity in the state of California to establish a public bank. (4:56) It is a very novel idea with virtually no example, except for this kind of unique thing in North Dakota. (5:07) There are two of those laws.(5:09) They've been on the books now for a couple of years. (5:12) Nobody has been able to take advantage... (5:14) Nobody has taken advantage of those laws.(5:17) And so this is just an example. (5:18) These are laws that were signed that are effectively feckless. (5:27) They're not actually...(5:29) It is not feasible for anybody to actually leverage these. (5:33) And so then the question becomes, why did they pass? (5:36) And the answer, in my view, became because of external political pressures, right?(5:42) You had a bunch of different political actors within an arena that had to deliver a win to their respective constituents, right? (5:53) And so this is what I saw time and time again. (5:55) And I don't mean...(5:57) I'm trying to be very normative about this. (6:00) I don't necessarily think it's good. (6:02) I don't necessarily think it's bad.(6:03) It is, right? (6:04) This is just how it operates. (6:06) And sometimes it works really well, right?(6:08) The political pressures create something that's really useful to a lot of different people. (6:14) And a lot of times, it doesn't result in that, right? (6:18) And so I say all that to contextualize my views, which is...(6:23) I last left government, I think, with a lot of... (6:27) Unfortunately, a lot of skepticism. (6:31) And because what I saw was...(6:35) What I saw were all of these... (6:38) I saw this intense pressure to cater, sometimes pander to extreme opinions within our political spectrum, right? (6:49) Unfortunately, this is kind of where we have come to now is we have to...(6:55) I think the majority of the country is kind of right here, right? (6:58) We just want to provide for our families and kind of do good work and all that. (7:02) But from a political perspective, we are constantly forced to serve the opinions, the perspectives of more extreme beliefs.(7:12) And that, unfortunately, is I think... (7:15) So what do I think of the ICE raids? (7:18) I think they're...(7:19) I think it's atrocious. (7:20) I think it's abysmal. (7:22) I think it is a horrible act of humanity.(7:26) And I think it is... (7:28) I think it ignores a lot of political history. (7:33) I think it ignores a lot of history of labor needs, particularly in Southern California.(7:40) And I just... (7:41) Honestly, the best way I can cope with it these days, unfortunately, is to focus on my own family, my kids. (7:52) It's too overwhelming, I think, if we...(7:56) It's almost too overwhelming to look at it for too long. (7:59) So my background, my... (8:01) Both of my parents met in Southern California.(8:05) Both were immigrants from Mexico. (8:07) I grew up with my mother. (8:08) She became a naturalized citizen when I was in junior high.(8:13) My perspective

growing up was that in the... (8:17) Certainly in the kind of mid to late 80s, immigration... (8:21) We don't really talk about immigration the same way we do today, right?(8:27) Back then, it felt a lot more fluid, right? (8:30) Because the reality is there were certain labor needs that immigrants and migrant farm workers filled, right? (8:37) And then over time, immigration becomes...(8:41) It always becomes a political issue. (8:42) And the question just because how do we talk about it, right? (8:45) What reaction do we want to elicit?(8:47) And that drives how we talk about it, right? (8:49) So I can recall, I think it was the... (8:53) When people...(8:54) Maybe when Pete Wilson was campaigning for governor here in the state of California, his political commercials featured aerial footage of people running across the desert or the Mexican border in Tijuana, right? (9:06) And of course, that's going to lie... (9:07) Of course, that's going to antagonize a lot of people, right?(9:11) You look at that image and you think, oh, that's an abomination. (9:15) And what you don't realize though is, well, wait a minute, for the past four, eight years, maybe, it's been totally fine, right? (9:22) It's been totally fine.(9:23) We don't... (9:24) What jobs are they actually taking, right? (9:26) That you or I would want to do, right?(9:29) The jobs that they're taking in Southern California tend to be agricultural, right? (9:35) And so you talk to landowners, right? (9:37) Farm owners, they actually rely on these sources of labor.(9:43) So immigration's a real... (9:45) The ice raids is really hard for me to watch because the immigration debate over the course of my life has been difficult for me to participate in because of my personal kind of history and perspective on it.

Marcus Arredondo

(9:59) Well, and I appreciate you sharing all that because I do... (10:02) My grandparents immigrated here and my grandfather provided the best life he could. (10:09) For his family, he was a mechanical repairman.(10:13) He was doing manual labor. (10:15) And I think that frames things in a different way than I think some of the headline news, which is why I want to get your perspective. (10:22) But yours in particular, where you have an insider knowledge about how the government sort of works.(10:29) And I don't want to put words into your mouth, but I appreciate you sharing maybe the dissolution that you had relative to being in government versus being in politics. (10:39) And this wasn't the direction I was originally thinking of going, but as you bring it up, it sounds like... (10:45) I mean, technology plays a role in some of this because to some degree, it seems like politicians are not just serving the majority of their constituents.(10:55) In fact, I would argue that in many cases, that is not who they're serving. (10:58) They're more primarily focused on maybe the algorithm. (11:01) What's going to get the greatest clicks?(11:03) What's going to get the greatest flash? (11:04) Which is why I think these raids are a topic of consideration for me because the imagery themselves are so drastic in comparison to what might be necessary, so to speak. (11:17) And I'm wondering how you reconcile your participation in advocacy when you've been on the inside and you've seen how the sausage is made.(11:27) You've been on the outside. (11:29) You've also been an advocate within the AG's office. (11:33) You've been an advocate at a white shoe law firm.(11:37) How do you approach, I guess, maybe the best way to ask it would be, how do you advise your own children as they age as a dad with this experience? (11:47) How do you advise advocacy within their own realm?

Press cmd⌘ + p or ctrl + p to print this transcript. Sharing with one or two friends is ok. Posting on the internet is not.

Manny Alvarez

(11:52) It's interesting. (11:53) I don't know. (11:54) I probably...(11:56) I don't know that I have ever thought of... (12:00) I probably don't think about advocacy as much as I should. (12:05) I don't know that I think about my responsibilities as a dad in advocacy terms, although I should.(12:11) I probably should. (12:14) I guess I'll start with this anecdote because it was... (12:19) I think this is an experience that really

helped instill a lot of the personal and professional philosophies I still hold to this day.(12:29) And again, it's related to financial services, right? (12:31) So when I was, you know, a baby lawyer practicing in a white shoe law firm, I was, for the most part, miserable, right? (12:37) I was doing it primarily out of necessity, but I very much had this interest in public service for a lot of different reasons.(12:46) So the first opportunity that I had within public service was with the AG's office, and it was with what was... (12:54) what is called the consumer law section. (12:56) And initially, you know, when I was exploring the opportunity and I interviewed with that section, you know, I interviewed because, again, I was looking for alternatives out of the law firm environment, but I was pretty skeptical initially.(13:11) I thought to myself, consumer protection, consumer law, what is this? (13:15) Are we, like, enforcing weights and measures requirements? (13:17) Like, what is this?(13:19) And what I realized in going through that process and interviewing the lawyers that were working in the section at the time, I realized, holy, you know, holy shit. (13:29) These are civil litigators that are using civil laws as their weapon to essentially enforce civil rights. (13:41) And the particular civil rights, you know, were kind of economic in nature, right?(13:46) A lot of the investigations, a lot of the cases were the result of, you know, acts and practices that led to a lot of financial pain across the board, right? (13:56) So the easiest kind of examples that we can talk about, going back to the great financial crisis, 2010, you had all of this disruption in the mortgage markets for a lot of different reasons, right? (14:10) So many things went AWIRE.(14:12) And, you know, we can talk about all the different causes, and there were many, we can talk about all the different causes another time, but the net result in my observation was, you know what? (14:22) It's not, it's really important to make sure that as, like, a society, there's a common denominator, there's like a base level expectation that we should insist on, because, right? (14:36) One, because it's the right thing to do.(14:38) But two, if we don't have that, it actually really hurts other people, right? (14:42) Like, I don't have, at the time, I don't have a mortgage. (14:45) And I am suffering, you know, I am still suffering as a result of, you know, as a participant, as a member of society, I am suffering because of acts and practices that happened over here in this other part of the ecosystem.(15:01) So I guess bringing it back to advocacy, maybe the perspective I developed then was, it is important to advocate for kind of baseline expectations, baseline realities, because we're all like, whether we like it or not, right? (15:15) We're all kind of interconnected. (15:17) Yeah.(15:17) And so, I don't know, maybe that's, I don't know if I've gotten to that point in my journey as a father, right? (15:24) Right now, it's still very much like, you know, brush your teeth and, you know, do good work kind of thing. (15:31) But, but I think, I think that's the enduring lesson, right?(15:34) That, that is worth, that is worth passing on, right? (15:37) Like we, at some point, it's important for us to look beyond our individual privilege, because, because we're all participants in this, like, same, you know, system, right? (15:49) Whether we love it or not.

Press cmd⌘ + p or ctrl + p to print this transcript. Sharing with one or two friends is ok. Posting on the internet is not.

Marcus Arredondo

(15:51) That's interesting to me, because I think I hadn't really thought about advocacy much until I had a kid. (15:55) And it's way too early to try and impart any wisdom for me, at this point, to him. (16:00) But, you know, seeing that connectivity is something that resonates with me in a way that it never had, simply because you, you do see that, right?(16:08) You do see how, how connected we are. (16:10) I mean, a common thing I talk about is like, you know, people use, I've had people say like, hey, brother. (16:17) And, you know, when I say, hey, brother, they're like, I'm not your brother.(16:20) Don't call me brother. (16:22) And it's like, oh, okay, I get it. (16:24) But the reality is like, that sort of resonated differently after I had a kid, because you start to realize this interconnectedness in a way that, okay, there's these other children in the class, you want them to be happy people, because you want them to be good to your own child.(16:38) And in order for those children to be happy, you want those parents to be in a good place

and to be caring about their world. (16:45) And as a result, I find myself caring about those parents. (16:48) But if you extrapolate that into the greater civilized world, that applies to the Amazon delivery person, that applies to even the politician that you don't agree with.(16:59) And in that way, I think it is really material that we start to take, you know, I, I'm speaking of myself as a family to take more consideration in how we get involved, but I don't know the right answer to that, which is why I was sort of asking you, but I'll transition this a little bit, unless you have something else you want to add on that topic.

Manny Alvarez

(17:17) The one thing you, you, you, uh, the one idea that, uh, that sparks with me is, um, the idea of, of modeling behavior, modeling, modeling the behavior I want to see in my, in my child, which, which is more than anything, becoming a father, I think is, is really what pushes me beyond my comfort zone, right? (17:37) Like more than anything else. (17:39) And there are the stupid examples.(17:40) Like the dumbest example is skiing. (17:43) I hate snow. (17:44) I hate snow so much, right?(17:46) It's like stupid. (17:47) It's cold. (17:47) Like, I don't want to get dressed up for it.(17:49) But if I've learned to ski poorly, but I've learned to ski why? (17:53) Because my kids have, my boys have learned to ski and they ski with their cousins and they're really good now, especially like I can barely keep up. (18:02) I can't keep up.(18:03) Yeah. (18:03) And, and as much as I hate snow and, and everything that's involved, like I do it because I at least want to give them the opportunity to choose for themselves, whether this is something that gives them joy. (18:16) Right?(18:16) Like just because I'm like a curmudgeon doesn't mean I want, I want to impart that, right? (18:21) It's, it's choice for me. (18:22) It's choice, right?(18:23) Like you, you have the choice to decide whether this is something that, uh, you enjoy or not. (18:29) Yeah. (18:30) But I don't want to be, I don't, I don't want to influence that.(18:32) I don't, I don't want to be the governor on that. (18:34) And, and I think about that also in like, you know, in terms of like human interactions, I think about a lot with how we interact with their parents, right? (18:43) Like my 10 year old, as an example, my 10 year old, he's a really cool kid.(18:49) He's a really anxious kid. (18:50) And he's a really shy kid. (18:51) And it's painful for me to see because that's exactly how it was.(18:56) And I like, when I wait, I want to wave a magic wand and make all that go away from him, for him. (19:01) But, uh, I know that's not possible. (19:04) So, you know, what I, when my wife and I talk about what I tell her is, Hey, I think, I think we really have to model good behavior for them in terms of, uh, how we socialize with not just within the family, but like with other people.(19:16) Right. (19:16) Sure. (19:17) Um, and so I try to make it a point.(19:18) We try to make it a point of socializing with, uh, with, you know, the parents in our cohort, right. (19:25) And we invite people over and socialize with them because, because I do want the kids to see, Hey, um, this is how you socialize. (19:33) No need to be afraid.(19:35) And, you know, there are benefits to be derived from it. (19:38) Um, and I say, you know, I come back to where I started, like it pushes me outside my comfort zone. (19:42) I fucking hate people.

Press cmd⌘ + p or ctrl + p to print this transcript. Sharing with one or two friends is ok. Posting on the internet is not.

Marcus Arredondo

(19:44) Yeah. (19:45) But you know, like I, even that to some degree, I think that shyness probably lent itself to you being a more voracious reader, a hyper communicator, uh, probably tickled a little bit of your creative side as well. (19:59) So, you know, those pain points, I think can also be the source of real power.(20:04) It's just, I guess, a matter of harnessing it, but as, as it relates to fear, just because I'm looking at your hat that says surf boy, and I know that you were a surfer and I read somewhere that you're deathly afraid of sharks. (20:13) Now, have you gotten your boys in the water? (20:15) Yeah, actually.

Manny Alvarez

(20:17) Um, uh, so for the last, I don't know, three years, we actually, um, we'll, uh, we'll head down to Southern California for the, for the second half of summer and spend, um, spend a couple of weeks in Oxnard where I grew up. (20:31) And so, uh, you know, we'll leave next week and, um, yeah, I've got them in the water. (20:36) Uh, they did surf camp last year and it's cool.(20:40) Uh, they like boogie boarding. (20:41) So like we'll, we'll be down there and the three of us will get in the water and go boogie boarding together. (20:45) It's, that's a lot of fun.

Marcus Arredondo

(20:46) All right. (20:46) I want to switch gears here. (20:48) So I want to hear more about the commissioner, uh, the Senate confirmation of becoming the commissioner of department financial protection and innovation, mostly because I know that it ended up modeling, uh, within California ended up serving as a, as a model, uh, for the nation as a whole in many regards.(21:05) But I think we're sort of at the tip of the spear, um, in this area, just as it relates to certainly AI is everybody's talking about it, how banking's changing. (21:16) What have you witnessed? (21:17) I, you know, you've served on boards, you've been in, in, in banking for many, many years.(21:20) I'm just curious, first of all, what, what was the process like getting confirmed? (21:25) Did you have to lobby yourself in any capacity? (21:29) Uh, what was that on ramp?(21:30) And then what was your life like being in that role? (21:34) And were you in charge of constructing the legislation or enforcing it, advising on it, uh, for those who are not involved in that realm? (21:44) I'm just curious what we don't know.

Manny Alvarez

(21:46) Sure. (21:47) So I'll start a little before the confirmation process, because there is advocacy involved about more of the advocacy is actually involved on the front end. (21:57) And this is very, uh, you know, this is certainly more inside baseball.(22:00) There is more advocacy involved in, in getting the, the appointment from the governor's office. (22:08) So procedurally the way it works is governor appoints, uh, political appointees, the Senate, then California Senate then has a year to confirm the appointment. (22:20) And then at that point, you go on your, you go on your merry way.(22:23) The, the process of getting appointed is, um, that is a little bit of, that's a little bit like a whisper campaign. (22:33) Um, right. (22:34) Because first of all, you have to get the attention of the governor's appointments, secretary and, and people in, in the Capitol.(22:43) But in some ways you have to be a little bit shoulder tapped, right? (22:46) Yeah. (22:47) Um, yeah.(22:48) And that comes from, but the way in my case, the way it worked, um, and I, I, I still can't decide if this was, uh, you know, if this was, uh, uh, you know, was this a, like a practical joke or, or truly something, uh, positive. (23:04) So before I got appointed, right. (23:06) I was, I was general counsel of a firm.(23:07) So I was, I was very much mired in the, in the FinTech ecosystem. (23:11) And, and this is back when like, you know, FinTech was still kind of like, it was still pretty nascent. (23:17) And, um, and there was a community of, you know, other lawyers, other lawyers, um, ledge affairs, people, general counsel, uh, we all start to get to know each other.(23:29) I think, right. (23:31) I suspect what happened is some people that I knew probably started to mention my name because I had, um, both government experience and, and, you know, I was someone that they, they knew and, you know, liked enough, or maybe they didn't like me. (23:46) And that's why they mentioned my name.(23:47) I have no idea. (23:48) Um, but that's, that's sort of how the shoulder in my case, how the shoulder tap happened. (23:53) Right.(23:53) I, I, I get a call, you know, from, from someone and it's sort of like, Hey, your, your name has been passed around. (24:02) And for this appointment, is this something that you might be interested in exploring? (24:06) Right.(24:06) It's very much like, you know, we might like you, but, uh, not tell us if you like us first.

Note: The transcript was generated by AI and may contain errors.

Press cmd⌘ + p or ctrl + p to print this transcript. Sharing with one or two friends is ok. Posting on the internet is not.

Marcus Arredondo

(24:12) And what's your reaction at this point? (24:13) I mean, are you sitting in your office? (24:14) Uh, is this, are you blindsided by this information?(24:16) Um, is it an email?

Manny Alvarez

(24:18) It was, um, I think it was, uh, I think I called back, right. (24:24) I think it was like a voicemail. (24:25) Cause I, I generally don't pick up my phone, but it was like, yeah, I'm sure it was a voicemail.(24:28) And I'd look at the caller ID and it says like state of California. (24:31) I was like, what do I owe taxes? (24:33) So I'm sure, you know, I was responding to a voicemail that I got.(24:37) And, and my reaction was, you know, initially it's sort of like, what? (24:42) And then, you know, it's sort of cool, but you go through this whole process. (24:46) Like, what is this about?(24:48) Uh, it's kind of cool. (24:50) It's a little scary, more than a little scary. (24:53) So you go down the process, right?(24:54) You go through the process and there, you talk to a bunch of people, there are a bunch of interviews, right? (24:59) You know, why is this something you might want to do? (25:01) What do you think?(25:03) Um, what do you think you could bring to the role, et cetera, et cetera.

Marcus Arredondo

(25:06) Is this among staff members within the government's, uh, the governor's office, or is it among, uh, politicians within the state assembly?

Manny Alvarez

(25:13) So at this point it's primarily staff members, um, and advisors, right. (25:18) Sort of cabinet level. (25:19) Yep.(25:20) Well, yeah, cabinet level and above. (25:22) And politicians don't, you know, like politicians did not get involved with me at this point. (25:26) Who was governor at the time?(25:27) Sorry to interrupt. (25:28) This is Newsom. (25:28) So this was immediately, this was shortly after Newsom got elected first term.(25:33) Right. (25:33) And that's, that's why, like, that's why that's how these things tend to happen, right? (25:38) Like these, these appointments tend to coincide with new administration.(25:43) And then as that is happening, right. (25:46) I surrounded myself obviously with, with friends and advisors, just so I can ask questions like, Hey, like, is this a good idea?

Marcus Arredondo

(25:54) Yeah.

Manny Alvarez

(25:54) And one, is it a good idea to, how do I do this? (25:57) How do I go through this process sensibly without making a fool of myself? (26:02) And as it turns out, right.(26:05) Everyone actually wants to be very helpful because everyone recognizes it. (26:10) Like, Hey, if I can help you out, maybe you'll know that I helped you out.

Press cmd⌘ + p or ctrl + p to print this transcript. Sharing with one or two friends is ok. Posting on the internet is not.

Marcus Arredondo

(26:12) Right.

Manny Alvarez

(26:13) And so it all begins. (26:15) And so in going through that, you know, you, you gotta, you figure out like, how do I, how do I get support? (26:21) How do I get support?(26:22) Actually, I did. (26:24) Now that I think about it, I did have an early conversation with, with a politician who was at the time part of leadership for the, the California, the, the democratic Latino caucus, which is in California, not surprisingly, maybe the largest, one of the largest, I think the largest democratic caucus in the state. (26:49) Right.(26:49) And so it's, it's a caucus that if you're a governor, you have to, you have to listen to this caucus. (26:55) And so I had a conversation with her. (26:57) It was, is a fairly brief conversation.(27:00) She says, look, I've seen your resume. (27:03) I really only have two questions. (27:06) One, are you actually, you know, are you actually a Democrat?(27:08) And at the time I was, I'm no longer registered. (27:10) I'm now no party preference, but at the time I was kind of, you know, lifelong street ticket Democrat. (27:16) Again, I was, that was then.(27:18) And I said, of course, you know, and then, and then I don't even know if I should share the second question, but it was essentially like, are you down? (27:28) Right. (27:29) In other words, right.(27:30) Like are you down? (27:32) And, and so we had that conversation and she goes, okay, look, of course, we're going to write a for you. (27:39) Like we never get candidates with, with financial experience.(27:42) We usually get candidates for like, I don't know, you know, like social services or education, like, of course. (27:49) So that was nice. (27:50) Right.(27:51) And it was also, it was also a big part of the reason why I felt like, oh my God, I think I actually have to do this if I get it because, you know, because it's, you know, representation or whatever matters. (28:04) So again, that's where most of the, that's where most of the politicking for me happened once I was appointed and I start, so you get appointed and you start, and then you have that year to go through, you know, I started the job. (28:16) But then you also have to like spend the next year meeting with members of, of the relevant committee, the banking committee, and you know, they want to interview you, get to know you and blah, blah, blah.(28:27) So there's a lot of that, just like get to know you let's make sure you're not insane kind of thing.

Marcus Arredondo

(28:32) Are you working at the time still at the, at a firm at this point?

Manny Alvarez

(28:36) No, at this point I've already, I am a full-time government employee. (28:39) I'm like, I'm collecting, I am commissioner.

Marcus Arredondo

(28:42) Okay. (28:42) You are commissioner just out appointed yet. (28:44) I mean, confirmed rather.(28:46) And are these lunches? (28:47) Are they, you going out for drinks? (28:49) They breakfast?(28:49) Are they Zoom calls? (28:50) Are they, you know, what, what is this like going into their offices?

Note: The transcript was generated by AI and may contain errors.

Press cmd⌘ + p or ctrl + p to print this transcript. Sharing with one or two friends is ok. Posting on the internet is not.

Manny Alvarez

(28:53) Yes. (28:53) Yes. (28:54) This is like come into my office Tuesday at three 45 and it's like, you know, me, you know, meet with me and my, and my staffer.(29:01) There's always, there's always someone else in the room. (29:03) Right. (29:04) Yeah.(29:05) And so that's, that's kind of how it goes. (29:06) You have these series of meetings. (29:08) So by the time you actually get to the confirmation hearing itself, it's all been done.(29:13) You, they've already asked you all the questions. (29:15) They already know who you are. (29:16) They already know how they're going to vote.(29:17) The confirmation hearing itself. (29:18) It's like ceremonial, right? (29:20) Like it was kind of cool.(29:21) You get people, you know, friends and family show up. (29:24) You get people testifying on your behalf just to be on record. (29:28) Like, you know, yes, he is not insane, at least not visibly.(29:31) So and that's, that's kind of how it goes. (29:36) And then they vote right there and there.

Marcus Arredondo

(29:38) What's your experience, what's your takeaway from working with politicians, being in a government role in that high of a level, trying to get your own initiatives passed? (29:50) What setbacks do you have? (29:52) What challenges do you have in terms of, and I'll just sort of use one example as sort of where I'm going with this, but the Senate hearings where Mark Zuckerberg was talking to the panel about, you know, what's going on within his world.(30:08) And some of those questions were so far removed from their reality. (30:12) They clearly had no sense of what Facebook or Meta did. (30:18) And I'm just curious, there has to be some overlap in your world because people like to purport that they know what's going on in the finance industry, but fintech is moving fast.(30:29) And it's very different now than it was even two years ago. (30:32) Yes.

Manny Alvarez

(30:33) So again, I, my experience was that conversations behind, for the most part, conversations behind closed doors were very different from conversations that happen. (30:45) Yeah. (30:46) You know, in a hearing setting.(30:48) And I don't, you know, again, I don't mean that I don't mean to say that it's good or bad. (30:52) It just is right. (30:53) Sure.(30:53) And I would say, in the best case, the elected that I'm who I was meeting with would sort of prepare me, right? (31:01) Like, Hey, yeah, here's like, I want to hear your perspective about the following, just so that you're not caught off guard. (31:07) Here are the things that I'm going to ask in the formal setting.(31:11) Here's what I expect to hear from you. (31:14) So in the best case, they would prep you like, Hey, here's actually the, the exchange that I'm looking for so that I can be on record so that I can establish, so I can make this point to my colleague down the road or whatever. (31:25) Right.(31:26) It's in the best case, it's that kind of fluid give and take in the worst case, they totally just sandbag. (31:33) Right. (31:34) And this, there were only a few of those experiences where I had, where I sort of, I meet with someone behind closed doors and it's like, yeah, I think we have a good conversation.(31:43) Cool. (31:44) I think we're going to be good going into this next hearing. (31:46) And then just, you get totally sandbag because they're looking for the headline, right?(31:50) Like so-and-so grills commissioner Alvarez about blah, blah, blah. (31:54) So that was my experience. (31:55) Like for the most part, it was positive.(31:56) I don't, I don't mean to be like, I don't mean to be pejorative about it. (32:00) It was for the most part, very, very cool. (32:01) And I have, I have the utmost respect for, for elected officials for being willing to, you know, go through the political, like it is not an easy

process.(32:13) It is not an easy, it's not easy living your life in public view, which is effectively what you do. (32:21) And you know, it's all public service. (32:25) But yeah, it's very much, there, there can be a lot of gamesmanship involved.

Press cmd⌘ + p or ctrl + p to print this transcript. Sharing with one or two friends is ok. Posting on the internet is not.

Marcus Arredondo

(32:30) What was your process for determining that it was time for you to resign?

Manny Alvarez

(32:36) Got out of it. (32:37) So I, you know, I started in the role several months before COVID and I was really enjoying it, right? (32:46) It was a privilege leading a department of, it was close to 800 employees, right?(32:51) It's a, you have a sizable annual budget. (32:54) I think it was like north of a hundred million dollar annual budget. (32:57) Like it's a, there's a lot to do, right?(33:00) You're, you, you are effectively the chief executive of this organization. (33:05) And I really enjoyed, you know, that sort of the process of managing an executive team and building out new functions. (33:16) And, you know, you get to meet a lot.(33:18) I mean, talk about top of funnel, right? (33:19) Like you, you get invited to like speak to XYZ group. (33:23) And that was all very, very cool.(33:26) And COVID happens and shuts down. (33:27) All of a sudden the job becomes, you know, 12 hours behind, you know, 12 hours in your office trying to solve like impossible problems. (33:36) And that was just so utterly draining.(33:39) Can you give us an example of that? (33:40) Sure. (33:41) So I'm sitting here and, you know, it's probably like a Tuesday morning and I get a call.(33:47) Someone, you know, deputy cabinet, something or other. (33:51) The COVID numbers are, you know, this is early days. (33:55) The economic numbers are looking really, really bleak.(33:59) And we need to figure out, we need you to help us figure out how to pause all mortgage payments and rent payments across the state for an indefinite period of time. (34:12) And I go, what? (34:14) Like, I don't even know how to do that.(34:17) Yeah.

Press cmd⌘ + p or ctrl + p to print this transcript. Sharing with one or two friends is ok. Posting on the internet is not.

Marcus Arredondo

(34:17) And so, and so that was a whole like, you know, pause it in terms of a legislative action or an executive order of some sort.

Manny Alvarez

(34:26) Yeah. (34:26) How about this? (34:26) It was, it was open-ended.(34:27) They were like, we don't know, right? (34:28) Like, we need executive action. (34:30) Right.(34:30) But like, how do we do, what do we do? (34:32) How do we do it? (34:33) And it's like a mortgage moratorium for an indefinite.(34:37) Now, you know, like, what do you do? (34:39) Right. (34:39) We're going through a hundred year, like a very, very strange point in history.(34:46) Right. (34:46) And so, and so, you know, obviously I understand, you know, you understand the reality, right? (34:53) Like, yes, it would be good to tell everyone in the state, like, Hey, you, you're not going to work.(34:58) So you don't have to worry about making your mortgage payment for, for, you know, a time, but also like, how do you even accomplish that? (35:04) I have no idea. (35:05) So, you know, we went through a process and, you know, it's

incredible to think about what we were actually able to accomplish.(35:13) I think it's something, you know, in the end, I'm like very proud of what we were able to accomplish, but it was that kind of thing. (35:20) Right. (35:20) Just like time and time again, it was just that, that kind of impossible task over and over and over again through COVID.(35:27) And so by the time I, you know, to be honest, I intended to stay in that role for as long as, for as long as they would have me, because, you know, because it's kind of cool, but I was just so damn tired by the end of it. (35:40) And again, you know, jaded by the end of it. (35:43) So I just thought, you know what, it's, it's the kind of like, I may not be an important person, but this is an important job and it deserves someone who is going to be just a hundred percent committed to the, to the mission.(35:56) And right now, like I just felt so fried that I couldn't good conscious keep doing it.

Marcus Arredondo

(36:02) What do you see in your crystal ball as it relates to banking and regulation with the likes of blockchain and other similar types of economic transactions?

Manny Alvarez

(36:14) I think, I mean, for better or worse, I think that market trends are for the most part, irresistible, like it's almost like gravity. (36:27) Right. (36:28) And so we're going to, you know, we will always maybe go through these kind of reactionary exercise where we go, Oh my gosh, what is this new technology?(36:38) It looks awful. (36:39) It must be bad. (36:40) We have to figure out how to like, put it back in the box kind of thing.(36:43) But yeah, how do you, you don't, right. (36:45) And so really what I see, what I think has happened and will probably continue to happen is as new technologies emerge, you're always going to have kind of regulatory and policy responses to it that, you know, that may or may not be calculated to do anything. (37:05) Right.(37:05) Sometimes they're effective, sometimes they're not, but it's always a little bit of a catch-up game, right? (37:10) Unfortunately for better, for worse, that's how I, that's how I see banking and financial services continuing to evolve the truths that we know. (37:20) So we know that banks continue to disappear at an increasing rate, right?(37:25) Yep. (37:25) Years ago there were whatever, 6,000 banks across the country. (37:29) And now I don't know what that number is, right.(37:31) But it's like below, well below that 5,500.

Marcus Arredondo

(37:35) Well, there was a huge consolidation right in post 2008. (37:38) That was probably the majority of it. (37:40) And then there was another one in the last few years, like coming out of, I mean, Silicon Valley bank sort of being an example of that type of thing continuing to happen where they just get swallowed up.

Press cmd⌘ + p or ctrl + p to print this transcript. Sharing with one or two friends is ok. Posting on the internet is not.

Manny Alvarez

(37:50) I don't mean to interrupt you, but where do you see that, Yeah, no, I, I continue, I think that trend, I think it is an irreversible trend, unfortunately, because consolidation has always been, consolidation has always been part of the, the business of banking. (38:06) You, you've always had these ways of consolidation. (38:08) It's almost, it is part of the business model, right?(38:13) You have, you have an investor group that stands up a new bank, it accretes deposits, it gets large enough to become an

attractive target for, you know, the larger institution and on the cycle would go. (38:27) But what you, but what that required was new institutions continuing to emerge. (38:33) And part of what's two things that are happening is I think the consolidation will happen at a faster clip and you don't have nearly the number of new institutions that are being created.(38:43) Right. (38:43) So the trend line, I mean, you know, talk to any investment banker in the banking space and they'll tell you the same thing, right? (38:49) Like you just project this out and you could see what's going to happen today in California.(38:53) What do you have 200, let's call it 200 banks in the state of California. (38:57) Like that's going to go down to like 75 in a matter of a decade. (39:00) Yeah.(39:01) Right. (39:02) And what happens is just the larger institutions get larger again. (39:06) Maybe it's bad.(39:06) Maybe it's good. (39:07) I don't know. (39:07) It just is.(39:09) And so, you know, my view is that's, that's really where I think that's really where I think technology can, can help take the place of that kind of proliferation of smaller institutions. (39:22) Right.

Marcus Arredondo

(39:23) Yeah.

Manny Alvarez

(39:23) The idea is, Hey, if we're not going to make more new banks, we can at least diversify the distribution models. (39:32) Right. (39:33) Right.(39:33) And so you build, you build new products, you build new distribution points that bolt onto the existing banking framework.

Marcus Arredondo

(39:41) Well, and that's sort of where the likes of Affirm or Manifest come around. (39:45) I sort of liken that to Shopify to Amazon. (39:47) You're not going to beat Amazon, but you're becoming a disintermediary by serving the behemoth to some degree.(39:53) Is that a fair analogy? (39:54) I think that's, I think that's right. (39:56) Yeah.(39:56) I think that's right. (39:57) I want to transition to Affirm because you had mentioned, you know, Max Levchin, who, (40:03) who's the founder of, correct me if I'm wrong, founder of Affirm, but was the co-founder of PayPal (40:07) as well, was one of the large reasons you, you came over before you start talking about your (40:12) experience within Affirm, although I can't imagine you having any description of Affirm without (40:18) mentioning Max, what was it like working with a visionary like that?(40:22) I mean, what, what sort of takeaways do you have that you are now instituting in your own entrepreneurial endeavors?

Manny Alvarez

(40:29) It's hard to overstate his, it's hard to overstate his leadership ability, right? (40:38) And I'm saying separate and aside from his, separate and aside from his technical ability and, and kind of product acumen, like all of that is true. (40:48) But I think in addition to that, what I was incredibly like pleasantly and, and incredibly surprised by was his executive leadership, right?(40:59) Like his, he very much understands how to build teams, how to manage teams. (41:05) And maybe I shouldn't have been so surprised, right? (41:07) I mean, the guy is wildly successful, but I guess it is right.(41:10) Like you read, you read, you know, you read the headlines about, about figures in technology and you just kind of assumed yourself like, Oh my gosh, they must be like, you know, they're brilliant obviously, but maybe they're reclusive or maybe, you know, maybe they're this, that, and the other. (41:24) But as it turns out, he is just, I mean, he is, yeah, he is a very effective executive who knows how to, he exhibits incredible patience. (41:36) I don't think I ever saw him lose his temper.(41:39) Right. (41:40) He was incredibly

restrained. (41:42) And I would say more than anything else, that's probably what I try to emulate and then fail.(41:49) But like that, that kind of restraint, right. (41:52) Where he's not, I, you know, he's frustrated, but he's just staying so, so calm under pressure. (42:02) It's really impressive.

Marcus Arredondo

(42:04) So I want to, I want to dig into that, but it's funny because in this, in research for this, I actually came across an interview where he was talking about effectively the benefits of firing somebody. (42:12) And he, he made this analogy where if you hear someone speaking and you're wondering if they're going to be here a year from now, you should fire them right then and there, because you know the answer. (42:25) And that's different than wanting to punch somebody in their face.(42:29) Because that person, if you're not wondering whether they're going to be here next year, that's a very different reaction, but the way he described it was so matter of fact, practical and also insightful. (42:41) I think that streamlined, curtailed explanation articulates a lot of how he thinks, but where else do you see that? (42:50) You see it, you see his leadership in his communication style, in how he's building a culture, in his inclusivity within the community.(43:00) Is it seeking out opinions of those who are stakeholders or contributors? (43:06) What are those takeaways that you are now, you know, taking as a founder yourself into account? (43:14) Yeah.

Press cmd⌘ + p or ctrl + p to print this transcript. Sharing with one or two friends is ok. Posting on the internet is not.

Manny Alvarez

(43:14) So I think, I mean, keeping in mind when I worked with him, so I left the firm 18 months to basically 18 months, 18 to 24 months before the IPO. (43:24) So I was, you know, call it, call it the early five years. (43:28) And so, you know, I was the 31st, 30th, 31st employee and left, when I left, we were like 800 employees.(43:34) So it was, it was, it was that part of the journey.

Marcus Arredondo

(43:36) Where you were wearing a lot of hats, right? (43:38) I mean, you were general counsel, chief compliance officer, corporate secretary, and I'm assuming there's a lot of stuff that falls in between there that you're having to do as well.

Manny Alvarez

(43:46) Yeah. (43:46) I mean, to be honest, in those days, the titles were like, titles were suggestions, right? (43:52) Like we all, everyone had to pick up a broom and like do something.(43:56) Right. (43:57) And so I guess, yeah, look, first I would say in terms of culture building, I would say he was, he's very good about building, I think an entrepreneurial and intellectually curious culture. (44:11) Right.(44:12) I mean, you know, we hired, we hired some like fiercely smart people, right. (44:21) Engineers, like Stanford dropouts kind of thing, right. (44:25) Like who were not afraid to push back, right.(44:28) Like not afraid to ask questions, not afraid to push back. (44:31) And I think that's really healthy, right. (44:33) Because it is, I think it establishes the tone, right.(44:36) Like he's very much somewhat like at that point, he already had the success under his belt to, to rule by decree, right. (44:44) To lead by fiat, right. (44:46) And you do that when necessary, but for the most part, you, you know, you hire very capable people and yeah, you know, you give them an objective and like you expect them to take you there, right.(44:58) Like you, you enable them to do, you enable them, right. (45:02) And I think also there was this element of

humility, right. (45:07) There would be, you know, there were times I remember where he would, it was very important for him to be visible and accessible.(45:16) And so he would just make it a point, right. (45:17) He would tell the entire company, he says, Hey, you know, like every Thursday I will be sitting in the, in the kitchen from like, you know, five. (45:27) So, you know, I'll be working, but you can also, you should feel free to just like, come talk to me if you want to, which I'm sure is a pain in the ass, right.(45:37) Like as a, as a founder, you have like an infinite number of things to do, but it was just so important for him to establish that kind of culture, right. (45:45) Like I'm someone that you can come and, and talk and talk to and, and, and, you know, touch. (45:54) I mean, look, I remember, I remember interviewing with him the very first time I met with him and I interviewed with him and, and, you know, we have a long conversation.(46:05) He asks me, you know, if I have any questions for him. (46:07) And the one question I remember asking him was, why are you doing this? (46:13) I assume you never have to work again.(46:16) Why are you doing this? (46:18) And he was just like, because this, like, this is grabbed, like building is very gratifying to me. (46:28) And yeah, it's very fun for me.(46:30) Right. (46:30) And it's like, it's very nice. (46:32) It's, it's, that's a nice kind of humility to, to encounter.(46:38) I don't know. (46:40) It's just, I could go on and on and on. (46:42) I really appreciate him.(46:42) I consider him a friend to this day. (46:44) We, you know, I try to make a point of like, you know, seeing him for coffee when I'm in, when I'm in San Francisco, I think the world of him.

Press cmd⌘ + p or ctrl + p to print this transcript. Sharing with one or two friends is ok. Posting on the internet is not.

Marcus Arredondo

(46:52) Well, I, I want to use that as a springboard on a couple of different fronts, intellectual curiosity and actual creation, right. (46:59) I mean, building something, because I think you've, you've alluded to that, but before I jump onto that topic, I want to ask one last question, as it relates to going from 30 to 800, what were some of those trigger points where, and I'll, and I'll just give you some context of where I'm coming from. (47:18) Marty Wiener, who was the founding engineer at Pinterest and was a CTO at Reddit before they went public, was on this podcast.(47:26) And he talked about how there was a number, I forget exactly what he said, but maybe it was around 60, where once you get to a certain threshold, you had to break down the systems, build a new one. (47:38) And then it sort of happened in iterations. (47:41) And I'm curious if you found anything similar to that and what your takeaway as those scaling trigger points occurred.

Manny Alvarez

(47:50) Yeah. (47:50) So let's see, numerically, I would say there's kind of the numerical point and, and then the cultural points. (48:04) And those are intertwined to a large degree, I would imagine, right?(48:07) That's probably true. (48:08) Yeah. (48:08) So, so like the numerical point I can recall was like probably 75 or 80 employees.(48:13) Yep. (48:14) And the cultural way in which that, that break point emerged for me was when I no longer knew the name of every employee at the company. (48:22) Yeah.(48:23) When you see a face and you're like, oh my God, who the hell are you? (48:27) That's when you know, like, oh man, this is not, this is no longer, you know, there's no longer that like, you know, merry band of employees that were just like running fast and, you know, trying to build things as fast as possible. (48:39) This is something different.(48:41) And then it happened again. (48:42) And I don't know, I'm probably, I'm not going to recall the number, but let's say it was probably double that. (48:48) Right.(48:49) So we're like in the one, one twenties, one fifties, uh, the look and the apparel of the average employee changes, right. (48:58) Um, uh, the show Silicon Valley is actually pretty spot on, in my opinion, with this, uh, with this observation. (49:06) So, so, uh, this, this is my personal anecdote, which,

which reveals this.(49:13) So when I start working at a firm, right, again, I'm like the 31st employee or something like that. (49:19) And I'm coming straight out of government. (49:21) So I'm wearing what I have, business casual, right.(49:24) So I'm wearing like suits and slacks and collared shirts. (49:28) And I think my first or second day, my colleague Huey, who was the COO, she says, Manny, what are you doing? (49:35) Stop wearing those, those, you're scaring the children.(49:38) Right. (49:39) And I thought she was joking, but she wasn't because like two or three days later, she pulls me into a conference room and she's like, Manny, you got to stop wearing those suits. (49:48) You're, you're like, you're making people around you nervous.(49:52) Can you wear just like a t-shirt and jeans? (49:54) So I was like, Oh, sure. (49:56) I could do that.(49:57) I'll get real sloppy for you. (49:59) So, you know, I go into like t-shirt and jeans mode, right. (50:02) For a while.(50:04) And then 150 employees or so, what starts to happen is at this point, we've like really done a good job of like building a product, established product market fit. (50:14) Now we got to go out and scale the thing. (50:16) So what do you do?(50:17) You invest heavily in, in a sales function and a revenue function, which means that you're hiring more of like the Stanford GSBs, right. (50:24) And like this kind of, there's this level of polish and the employee that shows up where they're wearing, you know, their, their fitted shirts, right. (50:31) And they're fitted slacks and I'm still in t-shirt and jeans.(50:34) So I go, hang on a second. (50:36) Right. (50:37) So I try to go back to my, my business casual wardrobe and I don't fit in it anymore because I've gained.(50:44) So I was like, damn you people. (50:49) But like those two early, you know, markers were significant. (50:53) And then, and then the last one, the last one I'll, I'll identify.(50:58) Cause I remember this pretty vividly, like in the early days, right. (51:02) In the early days, I'd go to recruiting functions, right. (51:06) I, I accompany members of the team would go to recruiting functions or, or anywhere else you're talking to someone, what do you do?(51:11) I work at a firm. (51:12) Oh, which one? (51:14) No, no, no.(51:16) And, and we went through that, like Laurel, you know, that Abbott and Costello routine for, I don't know, the first like three and a half years I was there. (51:26) And then at one point it stops where you say like, I work at a firm and people go, oh yeah, Peloton. (51:32) Like it, it just, it switches over.(51:35) And all of a sudden people like have seen you and like families, like I've seen this. (51:40) And I don't know, I don't know like where we were in terms of employee account, but it was like, it was more like the partnership, right. (51:46) It was like Casper, it was Peloton.(51:48) But like, once you got to those marquee partnerships, that was another kind of pivotal moment from the time that I was there.

Marcus Arredondo

(51:55) So let's use that as a springboard to your building, your creativity and building a new entity. (52:02) I'll leave you with that to sort of take in whatever direction you want. (52:05) And then we will come to, we'll bring this to a close.(52:08) I want to touch on something I was researching relative to debtor living, who you'd want to have dinner with. (52:14) And I want to talk about Anthony Bourdain before we close out this call, but I want you to talk about Manifest. (52:20) I want to talk about you've always been an extraordinary writer for the 20 years I've known you and a creative one at that.(52:27) And so I'm just curious, what are you doing now and how did Manifest come together? (52:31) And those could be two separate points of contact or you can intertwine them, however you choose.

Press cmd⌘ + p or ctrl + p to print this transcript. Sharing with one or two friends is ok. Posting on the internet is not.

Manny Alvarez

(52:36) So yeah, they sort of align, right? (52:39) They kind of collided. (52:41) So, you know, I mentioned some of the difficult days I experienced when I was still commissioner, you know, during the COVID days.(52:50) And it was, you know, it was a difficult time, obviously for the entire world. (52:56) And I, like

everyone else was looking for ways to cope, right? (53:00) And so, you know, I would try to stay fit.(53:06) I picked up, I picked up, you know, working on cars as like a hobby. (53:10) But then I also like I use it as an opportunity to go back to, you know, what you mentioned, the thing I've always loved, which is writing. (53:17) And it's something I've always loved.(53:18) And frankly, I've always been afraid of doing more seriously, because I think, I mean, it's probably something that every writer like struggles with, right? (53:27) Like, is this any good kind of thing? (53:29) And so I decided to start to lean in on that.(53:33) And so I started writing a series of essays about actually about fatherhood. (53:38) And at this point, my oldest son, I had had this experience with my oldest son, which made me reflect on some of my own early experiences as a kid. (53:50) So when I was a kid, I remember, you know, I'm, I'm hanging out with my next door neighbor, and he was, he was about my age, maybe a year or two older.(53:59) And we're helping his dad hang up the Christmas lights outside the house. (54:02) And it was the, it was the big light bulbs, you know, the kind of pop. (54:07) And we're holding the strands for his dad.(54:10) And his dad is throwing out the broken and the faded ones. (54:13) And he throws away a faded red bulb. (54:16) And I said, Oh, that sucks.(54:19) Pink is my favorite color. (54:20) And my friend and his dad, they both kind of chuckled. (54:24) And his dad looks at me and he's like, pink's a girl's color.(54:27) And I remember thinking I was like, I was in the first grade maybe. (54:30) And I remember thinking, Oh, holy shit, there are rules, right? (54:36) Like there are rules to this thing.(54:38) Like I didn't have a dad. (54:40) I didn't have any older brothers. (54:41) Right.(54:41) It was just me and like two older, my mom and two older sisters. (54:44) And so I remember hearing that going, Oh my God, like, I'm screwed. (54:49) Who's going to teach me these rules?(54:51) Right. (54:52) And so that like, that actually really influenced a lot of my like neuroses at that early age. (54:58) Sure.(54:58) When my son was, I don't know, he was probably seven years old, roughly the same age where we're hanging out together and he's coloring. (55:05) And I asked him, hey Cruz, do you have a favorite color? (55:07) And he says, yeah, pink.(55:10) And I remember thinking, what? (55:14) Like it was this weird echo, right? (55:16) That came back however many years later, 35 years later.(55:20) And, uh, and so it just got me to thinking about like, um, what are the things that I can recall? (55:29) Right. (55:30) Uh, when I was his age, like what's all the bullshit I learned that I have to unlearn to kind of more effectively, uh, parent him.(55:40) So I sat down and I started writing like a collection of essays about, about this, right. (55:44) Like first time I got into a fistfight, right. (55:47) Like I got my ass kicked.(55:49) Um, and so I'm not done, but that's, that's what I've been in working on for a while now. (55:55) And it's like this collection of, of personal essays about, about that and about fatherhood and like fathering from the perspective of someone who never had one. (56:03) So that creative endeavor really started right.(56:06) Toward the tail end of my, my tenure at as commissioner. (56:10) And so when I resigned professionally, I was sort of like, well, what do I do now? (56:14) Right.(56:14) I was searching for, for what to do next. (56:17) It's right around the time that I met my, my co-founder, Michael Caballero. (56:21) And, um, you know, we, we became fast friends, immediately realized that we both have, you know, a lot of experience in banking and FinTech.(56:29) We both have common interests in, um, uh, you know, sports media, entertainment. (56:36) He, you know, he starts talking to me about the creator economy and, and, you know, convinces me, make it helps me understand, Hey, there is, there is this real and growing demographic of, of solopreneurs and micro businesses that operate in very unique ways that are not currently being served by, by kind of, you know, traditional financial suites. (57:04) And so we talked about the opportunity that, that there is to build, um, you know, to build a product, to build a company that, that serves that unique and growing demographic.(57:16) And I got excited, you know, about the, the prospect of building something again, building something that is mine. (57:22) And frankly, I got excited about building something that aligns with, you know, this ethos that I've ignored for so long, which is, you know, my own creativity. (57:33) But that's kind of how we, and then, you know, uh, and then we came up with the name manifest one day over, you know, over a lot of like sake and sushi in the basement of some, you know, some restaurant in San Francisco.

Note: The transcript was generated by AI and may contain errors.

Press cmd⌘ + p or ctrl + p to print this transcript. Sharing with one or two friends is ok. Posting on the internet is not.

Marcus Arredondo

(57:46) Um, I want to talk a little bit about the writing some more, especially as it relates to, to being a dad, what are you finding, uh, in the writing? (57:52) And in a lot of ways, I feel like I should have, I wish I had started with this topic because I think there's a lot to unearth here. (57:57) What are you getting from the writing process, especially as it relates to like essays that are personal rather than, you know, fiction, for example, what itch is that scratching?

Manny Alvarez

(58:07) So, uh, I think it's a couple of things. (58:09) One is, um, it's been, especially early days, it was very therapeutic, right? (58:15) It was to, um, uh, to focus on an outlet that was so, so incredibly unrelated from my, my professional life.(58:26) And then, you know, it's just, it also just helped remind me how much I enjoy it. (58:32) Like I love, I derive a lot of joy out of just playing with words. (58:37) It's just fun.(58:38) Yeah. (58:38) Right. (58:39) Um, and again, it's something that I think I had ignored for, for so long.(58:45) Um, to be, look, if I'm honest, like when you and I were in school together, um, uh, one of, one of the classes I took was the personal essay and I loved that class. (58:57) Um, because, uh, I, I just, I, I loved it for so many reasons. (59:02) And I loved a lot of the, um, I loved a lot of the assignments, the SS that I wrote then.(59:08) And I just, I loved everything about it. (59:10) And I think over time I convinced myself that this is, this is not serious work because it was so, but also like, who the hell cares about your personal essay? (59:21) Right.(59:21) Like I sort of convinced. (59:23) And in a lot of ways, if I'm honest, it's kind of how I like defaulted to law school because I was like, I need to, I know I'm a writer and I feel like I need an outlet that is more serious, right. (59:33) Than just a personal essay.(59:34) Yeah. (59:35) But you know, when I came back to it again, it was therapeutic. (59:38) I enjoyed it.(59:39) And I think I was finally at a point in my life where I was like, who cares if nothing more ever comes of this? (59:45) Like I've, I've done enough professionally to, to give myself the latitude to like, do this. (59:52) This is like, I actually really enjoy this.(59:54) And so that's why, like, it brought me back around to, you know, other, I don't know, other writers and creators that, uh, that I've really enjoyed. (1:00:03) Right. (1:00:04) Like I'm, I love Anthony Bourdain, right.(1:00:06) His, like his, the monologues that he wrote. (1:00:10) Totally. (1:00:11) How many of his episodes are like incredible.(1:00:13) Like his books are so much fun to read. (1:00:16) Um, I love Desiderius, right? (1:00:18) Like, yeah, like we were in college, right.(1:00:21) The first time I wrote, I read me talk pretty one day and it was like one of the first times that I laughed out loud in a lie. (1:00:26) I remember. (1:00:27) Yeah.(1:00:27) I remember this coming out. (1:00:29) Um, and, and it's, it's funny cause I recently on a, on a long flight, I recently watched one of his, one of his master classes. (1:00:37) And, and, and he talks about this fear that I think I've always had, which is like, it's hard.(1:00:43) It's scary to sit down and just like face a, an empty page, like a blank, a blank page. (1:00:50) But that's like, that's where the heavy work happens. (1:00:53) Right.(1:00:53) And that's where the hard work happens.

Marcus Arredondo

(1:00:55) And you just, your task, if you want to be serious about this as to like encounter that every day, when I hear this and I'm going to couple it with you said, and I'm offering this to you to, to reject, uh, or criticize. (1:01:09) But, uh, when you talk about the pink color and then witnessing it in your son, I have something very similar in not that specific, but I have found myself thinking about traumatic events when I was much younger, as I watch my two and a half year old wander around without any fears. (1:01:29) And

what I'm referring to is the shadow self, which is when you start to explore yourself and you start to reveal yourself further and further, the world has a way of informing you that that's no longer accepted.(1:01:41) And if it's informing you in such an aggressive way, you start to develop some form of a, and I don't know if you grew up Catholic, but I did, you start to develop this guilt, the shame about this part of yourself. (1:01:52) And you fast forward, however many years in that, um, that starts to become closeted. (1:01:58) And if you're not careful, it can become a monster to, it can become the bane of your existence, triggering certain responses to the world that aren't necessarily relevant anymore, or, um, related to that environment.(1:02:11) And I'll give you a more specific example. (1:02:13) So, you know, uh, a door slamming in my family, that was a marker of how we fought. (1:02:21) You'd slam the door to this day.(1:02:24) If a wind gust comes through the house and a door slams, I still get a shutter up my spine because I think somebody's pissed and they're coming after me, but that doesn't happen. (1:02:33) Right. (1:02:34) Nobody's coming after me, but I still have that same response, but I'm blinding the plane here.(1:02:38) I'm wondering if you find any similarity as I, as I have started to write similarly, uh, not knowing whether if it's going to go anywhere, I have found an extraordinary catharsis where I've been able to go back and confront some of the shadow self and realize that there's this beautiful little kid that got frozen in time and that part of himself never really got to reveal itself. (1:03:03) And in that revelation, there is more of you than you thought, uh, because it's been sheltered in some way or, or cast away. (1:03:11) And I'm wondering certainly any objection or criticism to that theory, but have you found more of yourself being revealed that not necessarily you'd be surprised by, but that's comforting to witness on the page, meaning that's a part of myself I miss and I sort of love getting to see that person again.

Press cmd⌘ + p or ctrl + p to print this transcript. Sharing with one or two friends is ok. Posting on the internet is not.

Manny Alvarez

(1:03:35) That, so that, yeah, that, that does resonate with me. (1:03:38) And, uh, it actually makes me think of something, you know, I was, um, something related to, uh, you know, when, when you and I were in school together, I do feel like, I do feel like the, the process of writing has helped me, the, the personas that, that, that we developed, that I developed as a, uh, you know, as, as a professional, they tend to be harder edged, right? (1:04:04) Like you need, you need resiliency.(1:04:06) And so you develop this, you develop this really kind of thick skin. (1:04:11) Right. (1:04:12) And I think that's probably, that's not naturally me, right?(1:04:17) Like that's not naturally who I am. (1:04:20) And I think the process of, you know, raising my sons and then also like exploring that through writing has helped remind me that like, dude, that's not like, that's not you. (1:04:31) Or like, there's, there is more to you than that.(1:04:34) Right. (1:04:34) Like their softer side. (1:04:36) And it's okay.(1:04:36) It's okay. (1:04:37) Right. (1:04:37) Like there's this idea of like masculinity or like what it means to be a good man.(1:04:43) Right. (1:04:44) Right. (1:04:44) And it's, it's like, I think for so, for too long, I, I had convinced myself of, of what, of what that meant.(1:04:53) Right. (1:04:54) And, um, and in a lot of ways, like, you know, being a good man can be incompatible with this idea of like exploring what looks beneath the surface, right. (1:05:05) The emotional part, et cetera, et cetera.(1:05:07) And I think it's really too bad. (1:05:08) And I think it's unnatural. (1:05:10) And here's why I say this.(1:05:12) So I was at my mom's house is now a couple of months ago. (1:05:15) And I was going through some old stuff that I had there. (1:05:17) And I had this old, uh, this old like peanuts, uh, uh, lunchbox tin, where I, where I kept a bunch of like, just random mementos mostly from college.(1:05:27) And what I found were, um, I, there were a handful of like postcards and letters that the early crew, right. (1:05:35) Like the Brian bosses of the world that we had written to each other during summer breaks. (1:05:41) And, and I, I reread some of these postcards and I was like, damn, like one, we were so young.(1:05:47) Right. (1:05:48) And we were, there was like this, like, there was this like night knife, TAY and optimism and all of that, right. (1:05:57) Like coming through

in the postcards that we wrote to each other.(1:05:59) And I'm like, it was like, they were very sweet. (1:06:03) And I was like, at some point, right. (1:06:07) Like we sort of lost that as a collective, right.(1:06:10) Like we lost that for whatever reason. (1:06:13) Uh, and so I think that's my, um, that's one thing I'm like, you know, uh, I am coming around to, I'm accepting, which is like, maybe the natural state of things is that like, um, we should feel more comfortable, right. (1:06:31) Like, uh, embracing our sons when they say like, Hey, pink is our pink is my favorite color.(1:06:37) Like it's, it's an awesome color, right. (1:06:38) It's like, it's like the color of like cotton candy and, you know, like sunsets. (1:06:42) Um, and, uh, and so that, that for me has been like a big part of the writing project, right.(1:06:50) So, so what I like in my mind, what I've, what I've called this project is macho cheese, right. (1:06:54) Because it's like, what, what's all like the, what's all this, what are all the stupid, like, you know, uh, macho components I got to like, I got to let go of.

Marcus Arredondo

(1:07:05) Uh, I love macho cheese. (1:07:06) I'll, um, let's bring this into a close one penultimate question as it relates to masculinity and being a dad. (1:07:13) How do you, how are you, uh, creating that?(1:07:17) How do you envision that? (1:07:18) How is, how are you, uh, exhibiting and, um, maybe informing your sons, uh, about that definition that you've effectively had to create? (1:07:29) I mean, you know, what's your take on, on dad and masculinity without necessarily a role model that you had reliably to, to, to call upon?

Manny Alvarez

(1:07:40) So I don't know. (1:07:41) I don't know that I have a conclusion to be honest. (1:07:43) I don't know that I have a great conclusion.(1:07:45) I think my, the belief that I'm proceeding from right now is that, uh, maybe it's a false premise to begin with. (1:07:53) Maybe this idea of like masculinity is just like so utterly false to begin with. (1:07:58) Like what, what, what does that have to do with anything?(1:08:03) You know, what does that have to do with being a good father? (1:08:06) What does that have to be do with being a good son? (1:08:08) What does that have to do with like being a caring person and like, you know, feeling comfortable, um, kind of, uh, conveying and receiving that.(1:08:20) And, and that's kind of where I am, right? (1:08:21) Like, uh, I think it was a bill of goods that was sold to me.

Marcus Arredondo

(1:08:26) Yeah. (1:08:26) And I think a bunch of other boys in the eighties, uh, potentially even in the nineties, but, um, man, this has been a real joy. (1:08:34) Any final closing thoughts or things you think, uh, I may have missed that you you'd want to address?

Manny Alvarez

(1:08:40) No. (1:08:41) And I love, I love the PR look. (1:08:43) I love the project.(1:08:44) I love that you're doing this. (1:08:45) It's actually, I, I'm sincere when I say, I think I'm going to steal, uh, from, from your process. (1:08:50) Cause I, uh, uh, you know, coming back to Anthony Bourdain, I want to, uh, I've, I've always joked about doing something similar where like, I want to interview, you know, executives without introducing them.(1:09:01) But like, what I really want to know is like, what's the best meal you've ever had while traveling for business? (1:09:06) Or like, tell me about a wacky, you know, like I'm more interested in the, the absurd travel experiences associated with business than I am the business itself. (1:09:16) And so, and so I've been thinking about that concept and, you know, calling it chasing Tony or whatever, but no, look, I, I, I love that you're doing this.(1:09:24) Um, I love that you're, you know, like that

you are also exploring more of your creativity. (1:09:29) I think it's just healthy and, and, you know, I hope it inspires, I'm sure it'll continue to inspire more people to do the same in that regard. (1:09:37) You know, if you're, uh, if you're interested, if you're a creator, you're interested in the creator space, I encourage you all to check out manifestfinancial.com to learn more about the, the, the, the practical, you know, the, the practical, um, financial tools that we've built there to kind of help those people on their journey.

Marcus Arredondo

(1:09:53) Uh, we'll be sure to include that in the show notes and, um, any, any place you'd want people to reach out to you and sort of, if at all, what, what type of people would you want to hear from?

Manny Alvarez

(1:10:04) Um, and investors, uh, uh, potential guests. (1:10:09) Yeah, no, that's a, that's a good point. (1:10:11) We are in the midst of, we are kind of in the final strokes of our, um, of our seed round at manifest.(1:10:18) So if any, you know, if any, uh, potential seed investors are out there and would love to learn more, um, there's probably a little more capacity that we have to round out, but other than that, you know, uh, uh, I trust that the universe will connect me with whoever it is I need to be connected to. (1:10:33) I love it. (1:10:34) All right.(1:10:35) Thank you, brother. (1:10:35) Yeah. (1:10:36) Love it.(1:10:36) Thanks so much, man.

Marcus Arredondo

(1:10:40) Thanks for listening for a detailed list of episodes and show notes. (1:10:43) Visit scales of success podcast.com. (1:10:45) If you found this conversation engaging, consider signing up for our newsletter, where we go even deeper on a weekly basis, sharing exclusive insights and actionable strategies that can help you in your own journey.(1:10:55) We'd also appreciate if you subscribed rated or shared today's episode, it helps us to attract more illuminating guests, adding to the list of enlightening conversations we've had with New York times, bestsellers, producers, founders, CEOs, congressmen, and other independent thinkers who are challenging the status quo. (1:11:11) You can also follow us for updates, extra content, and more insights from our guests. (1:11:16) We hope to have you back again next week for another episode of scales of success.(1:11:20) Scales of success is an edge West capital production.

Press cmd⌘ + p or ctrl + p to print this transcript. Sharing with one or two friends is ok. Posting on the internet is not.

Note: The transcript was generated by AI and may contain errors.