

As featured in

THE GLOBE AND MAIL

Honest advice for the wealthy – that's rich

For \$30,000 a year, the moneyed members of TIGER 21 give each other the unvarnished truth about their investments

Steve Ladurantaye

Published on Wednesday, August 25, 2010

It's pretty great to be rich, unless you're trying to get some decent advice about your finances.

Professional financial planners are often just happy to see you walk through the door, and aren't particularly motivated to tell you the ugly truth about why your decision to invest in junior Congolese mining companies may not be the most clever idea in the world.

There aren't a lot of dissenting opinions, in other words, when a wealthy person starts moving their money around with the help of a planner. Pork belly futures? Great idea, boss.

For two decades, the 140 members of an exclusive U.S. club called TIGER 21 have met monthly in a bid to get around this problem. Each member has at least \$10-million in the bank and wields a certain amount of suspicion for the money management industry that exists to collect fees as much as to provide advice.

The group said Wednesday it plans to open four Canadian clubs this year in its first international expansion – in Vancouver, Calgary, Toronto and Montreal – and is searching for 56 members who are willing to pay \$30,000 a year in membership fees for the right to sit in on monthly meetings built around portfolio critiques and guest speakers.

"It's not for everybody, but for those people who it is for, it's a good experience," founder Michael Sonnenfeldt said Wednesday from New York, adding the U.S. members have some \$10-billion of assets to invest.

"We need people who are passionate about taking the responsibility of being the CEO of their own investment company, by which I mean they don't abdicate responsibility to an adviser. They may hire them, but they know to keep them on tap rather than on top."

TIGER 21, an acronym for The Investment Group for Enhanced Results in the 21st Century, is as much a support group as an investment club. Where else could you commiserate about a real estate transaction gone bad or an unfortunate currency hedge and not be met with a blank stare?

"A number of people who have created significant wealth lead isolated lives because they are often the wealthiest person in their social world," Mr. Sonnenfeldt said. "It's very difficult to discuss issues of wealth with friends and family who are not in the same economic circumstances."

There are no shortage of Canadian candidates. The Merrill Lynch Caggemini 2010 World Wealth Report said there are more than 30,000 Canadians with more than \$10-million in assets, 13 per cent of whom have more than \$30-million at their disposal.

While initial membership applications are being accepted on the company's website, the club's main recruitment tool is far less high tech. Most members are recruited after chatting up a friend who is already a member, although the club launches a formal due diligence process once the introduction has been made to ensure a prospect is a good fit.

“Members know they are getting honest and credible advice from peers with very diverse backgrounds and areas of expertise, something they typically don’t receive from even the most trusted financial adviser,” said the organization’s president, Jonathan Kempner.

That may be so, but not everyone wants to pay \$30,000 a year for a sense of camaraderie and a few blunt words about unfortunate investment decisions.

“I like the concept because sometimes these people feel as if they have no peers,” said Sloan Levett, the director of wealth management at Fuller Landau LLP in Toronto. “But as a business model, I’m not so sure about it in Canada. No matter how wealthy you are, that is a lot of money for a portfolio review and a couple of guest speakers.”



For more information please contact Harley Frank at (212) 584-0222 or email him at Harley.Frank@tiger21.com