

NEW YORK (Reuters) - What price is collective wisdom? At TIGER 21, an exclusive club for high-net worth individuals, it's \$25,000 a year. But the value is priceless to members who want to tap into the wisdom of past Wall Street executives, retired entrepreneurs and other deep-pocketed individuals. Members of TIGER 21, which stands for The Investment Group for Enhanced Results -- in the 21st century, meet behind closed doors each month to chart ways to navigate Wall Street. They discuss everything from stocks to politics. "This is one forum where our members can blend the reality that as investors, investing isn't just about the objective notion of opportunity," TIGER 21 founder Michael Sonnenfeldt told Reuters in an interview. "It's also about what's going on in your own life that could affect your success at making an investment." Sonnenfeldt, 50, says collective wisdom is crucial in charting an effective investment course, particularly as market volatility increases and global uncertainty demands one to be on top of political, social and economic developments. Sonnenfeldt started TIGER 21 in 1999 after a windfall from the sale of a real estate firm he owned left him unsure about how to invest and preserve his new wealth. He realized that having founded and run a successful business didn't necessarily make him a successful investor as well. "Sometimes it's difficult when you are a successful entrepreneur or a successful executive to realize just how little you know about the world of finance," said Sonnenfeldt. "While you have to be worldly as a CEO or as an entrepreneur, your knowledge base is mainly focused on a single set of activities that's related to your own business." That's the idea behind TIGER 21, which fosters peer-to-peer learning, Sonnenfeldt said. In the 1980s Sonnenfeldt was a partner in Emmes Management Group and Harborside Corp., which spearheaded the transformation of the Jersey City waterfront in New Jersey. He even tried investing in an online real estate company, which he shut down just before the dot-com bubble burst.

INTENSE TALKS AND CRITIQUES

TIGER 21, based in New York, is certainly not your mom-and-pop talk shop. The club has 97 members from as far afield as Chicago, Wisconsin, Boston and Los Angeles, and plans to expand abroad. Collectively, its members -- ranging from their mid-30s to early 80s -- have about \$6 billion in investable assets under management. Half of this amount comes from the members' personal assets, while the rest is money they manage on behalf of others. Besides the \$25,000 annual membership fee, members are also required to bring forward \$10 million to \$100 million in personal investable assets. They also have to be able to stomach intense scrutiny as fellow members often discuss and critique each others' portfolios and investment ideas. Before starting a heated discussion, the group listens to a featured guest speaker. Authors, investment strategists and even a heart surgeon have all shared the podium to stir interest in a wide array of likely investment opportunities that the average investor may not be thinking about in discussions with their private banker. "The intellectual challenge is much greater because from being an entrepreneur to being an investor, you literally have to learn about five to 50 different things about business or concepts. "Sometimes that's very difficult for people who are used to just being the boss," said Sonnenfeldt, who is also the founder of private investment firm MUUS & Co.

In a recent Barron's article, Sonnenfeldt was quoted as saying: "People who belong here are those who are in the business of preserving, not creating their wealth, and they tend to be those who are wary of falling into the trap of relying too much on outsiders." One such individual is TIGER 21 Chief Executive Tom Gallagher, who credits the club for helping him get returns on his investments averaging 14.5 percent from 2000 through 2004.

Last year, his investments registered a 9.4 percent return, about 500 basis points more than the broader market, as measured by the Standard & Poor's 500 index , he said in an interview.
"Participation in TIGER 21 group discussions have led me into places that I needed to invest in and have kept me away from places that I didn't need to invest in.

"We don't have to respond to a headline every day. We really try to think things through. Besides Wall Street, I get to talk about everything else that may be going on," said Gallagher, 60, former vice chairman of Canadian Imperial Bank of Commerce (CIBC) World Markets.

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