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Exclusive investment club calls on Palm Beach for a second time

By Ed Duggan

If you get a phone call from TIGER 21 with an invitation to join the club, you may want to consider it. The New York-based club for ultra-high-net-worth investors has just formed its second group, or support circle, in the town of Palm Beach. Its name is an acronym: The Investment Group for Exceptional Returns in the 21st century.

While small in number, TIGER 21's slightly more than 170 members represent a collective net worth of more than \$10 billion, according to co-founder Michael Sonnenfeldt.

Meeting monthly, it appears to be an upscale combination of Jim Cramer's "Mad Money" and a 12-step program in fiscal responsibility and family relations. Former Time Inc. CEO Reginald Brack told BusinessWeek that his TIGER 21 membership was well worth the time and expense, as he cut his investment fees in half while netting an 8 percent return.

Day long meetings feature two speakers, usually one concerning investments in the morning and another who might deal with charitable foundations, interpersonal relationships or mentoring in the afternoon.

Periodically, members must share their net worth statements with others in their group, then have to defend their investments and allocations in a knock-down, drag-out meeting that can last half a day.

'Not a process for tender egos'

"It's not a process for tender egos, but everyone comes away from the experience with new insight and understanding," TIGER 21 co-founder Richard Lavin said.

Members invited investment representatives to address them when collateralized debt obligations (CDOs), collateralized mortgage obligations (CMOs) and other higher-risk investments were first being sold on Wall Street. The members decided these were too risky for the reward, so they bypassed the subprime crisis that decimated the equity and credit markets.

Prominent investors invited to address the groups have included Carl Icahn of Icahn Capital Management; Steven Schwartzman, co-founder of the Blackstone Group; T. Boone Pickens of BP



TIGER 21 co-founder Richard Lavin and Florida Managing Director Charles W. Ranson Jr.

Capital Management; Jeremy Siegel, of Wisdom Tree Investments and a Wharton School professor of finance; and Leon Cooperman of Omega Advisors.

No membership lists are given out to any speaker or potential vendor, and members are specifically barred from trying to sell anything to fellow members - although they frequently band together to form companies, joint ventures and pool investments.

“Once we reach 10 members in a local group, we start forming another,” said Charles W. Ranson Jr., chairman of the Palm Beach-based groups. His day job is managing member of Integritas Advisors, an independent wealth management firm in Palm Beach.

Most of the members are about age 50, and have made their wealth, rather than inherited it. All strive to be good custodians of what they have. The good custodian concept appears to be a key requirement for membership: Some who joined but didn’t really have it were soon asked to leave, according to TIGER 21 co-founder Lavin.

“All our members have proved they are good at creating wealth,” Lavin said. “Most have sold a business, have excess liquidity and have the time and inclination to come together with others in similar situations.”

But don’t expect to call and join this august group, even if you can afford the \$25,000 annual dues and have the requisite minimum \$10 million in investable funds (exclusive of real estate, objects d’art and collectibles of all types).

Wait for the call.

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