

TIGER 21:



The latest refuge for the high net-worth investor

Part group therapy, part think-tank, and part fraternity for a much wiser crowd; TIGER 21 is the investment club for wealthy investors that the financial services sector wishes would never have been born.

The financial scene is overrun with people who create huge dividends for themselves by providing analytical investment advice that is akin to predicting the future with a crystal ball. Not even divine intervention (as the Vatican's investments demonstrate) is a surefire solution to avoiding financial pitfalls while plotting a course through the stock market. Although this is precisely what keeps things interesting, TIGER 21 serves as a roadmap that is concerned with navigating the market with expediency and good sense.

In 1999, the Dow Jones industrial average closed above 11,000 for the first time in history, and in the midst of all this good feeling on the stock exchange, TIGER 21 was born.

The structure of the organization initially came from the collective minds of Michael Sonnenfeldt and Richard Lavin. TIGER 21 was built on the belief that within the high net-worth community, there was a need for concerns to be shared in an open, confidential and mutually supportive environment. Sonnenfeldt was the brains behind a billion dollar real estate firm, and the star pupil of TEC, a CEO learning group. TEC was formed from the belief that chief executives could benefit greatly from a formalized exchange of ideas amongst peers. In typical CEO fashion, Sonnenfeldt spun off TIGER 21 from his time with TEC. His co-founder, Lavin, also served as the past chair for the organization.

"The basic inspiration came after I sold my second business. When I sold my first business, I was in my early thirties and less concerned about preserving capital. As you get older, you realize the chance for a second or third success is less likely, so you need to preserve what you have invested," recounted Sonnenfeldt. "People are forced to listen to consultants who want to sell you advice. Rather than relying on our own instincts, we fall victim to the agendas of consultants, brokers

and agents. Most of our members are high net-worth executives, most of whom were entrepreneurs, and the only economic driver in their life lies in investment returns."

A WORD ABOUT ASSETS

In time, following word-of-mouth referrals, business leaders, Fortune 100 and 500 senior executives, partners at the top Wall Street investment companies and various others joined the group. Today, TIGER 21's 160 members manage collectively a total of \$10 billion in assets. Admittedly, TIGER 21 is a millionaires' club. According to Sonnenfeldt, their concerns over financial survival are no different from anyone else's; the only difference is that the stakes are higher.

"Our members' concerns are similar to any active investor and even more acute when you are a passive investor in the middle of a career that has a salary separate from their investment capital," described Sonnenfeldt. "When you continue to earn your salary, returns on investment play a different role. If you are living off your investment returns, generating positive returns that are not tyrannized by taxes is your primary objective. People are not only concerned about their lifestyles; they understand that their investments can't preserve their lifestyle forever, so you have to be vigilant of your wealth."

SIGN ON THE BOTTOM LINE

When talking about TIGER 21, the first thing that enters one's mind is the membership criteria. TIGER 21 members have to prove that they own over \$10 million in investments, in addition to intangible qualities such as personal integrity. The membership cost is \$30,000 annually, but for those multiple thousands of dollars members retain leads on new, potentially profitable start-ups, whether to sell down stocks and purchase bonds; identifying the best asset management company to work with; and personal insight into the investment experience of others, as well as a curriculum that concerns the most pressing issues facing high net-worth investors today.

"First and foremost, the person has to pos-

sess integrity in the context of a peer-to-peer learning group," said Sonnenfeldt. "Members should ideally teach the group something valuable. They also have had to achieve a level of very significant success. We ask members to check their egos at the door; when you are coming into a confidential information forum, it is imperative that everyone is treated appropriately and with respect."

Sonnenfeldt was quick to emphasize that TIGER 21 is far from being a male-only domain.

"Women have become the fastest growing group of new members. We have a dozen women out of 160 members, and we want more women to become part of the organization," said Sonnenfeldt. "Statistically, there is still a paucity of woman in CEO and senior-level positions; they are still very much a minority, so it isn't surprising that the number of women in our group would reflect that."

AN ARRAY OF TOPICS

In order to address the key topics, TIGER 21 has their own full-time curriculum department. Sonnenfeldt said that the agenda is a reflection of what TIGER 21 members would like to learn over the course of time.

"The topics are often investment specific, such as bonds, hedge funds, commodities; but we do tackle topics that are more general in nature that concern estate planning, philanthropy, family dynamics, the environment, medicine and health," said Sonnenfeldt. "We balance those hard topics with numerous issues and concerns that are occupying the minds of our members."

Sonnenfeldt divulged that although TIGER 21 is based on investment advice, the bulk of the strategies they discuss are about enhancing returns and the fact that maintaining investments is a process that yields discipline and a better understanding of risk. A big component of this involves real estate investments and estate planning.

In the coming years, TIGER 21 plans to open more chapters and add more programs to their group discussions. ■■■

