

## TIGER 21: Meet the Wealthiest, Most Powerful Social Networking Group In The World

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“The greatest form of philanthropy is an investment in an entrepreneur.”

I first heard of TIGER 21 during a conversation with Miami Chapter Chair Charlie Garcia about the future of social networking and influence. This was no ordinary group, with an average net worth of \$75 Million the 220 strong membership has the purchasing power of a small country.

So when I attended my first TIGER 21 meeting in Miami (there are 12 locations around North America), I was expecting a group of Gordon Geckos but instead met a bunch of good natured, fun, regular people – a mix you’d find in any social situation. And from what I observed, their unofficial motto seems to be: “Don’t confuse wealth with success. An inherited fortune is one; Elon Musk is the other.” One thing was different however, each had the stoic look of money, not the I’m better than you look, but the comfortable look of a wealth steward.

When I arrived (late due to yet another airline delay), I was met with an enigmatic appraisal – as if each was deciding whether I belonged or not. I assure you on paper, I didn’t – but relished my role as an observer.

Discussions about money occur naturally in this group – it’s like you and I discussing the weather. There’s no violation of social norms here. Each member is open with their wealth strategies and most appear ready to challenge the other member when they disagreed. As I continued to listen in on the meeting, I could literally feel myself gaining financial IQ points the way a winning lottery ticket would quickly draw distant relatives.

60% of the members are former entrepreneurs that had a large liquidity event, while the rest are a mix of business executives, investment bankers and real estate moguls.

Each joined TIGER 21 for different reasons, but according to founder Michael Sonnenfeldt most join because there’s no graduate school for wealth preservation, “Everyone assumes you’re brilliant because you made a lot of money, but most members know little outside of their domain or expertise. That’s where we come in.”

This isn’t a Goldman Sachs Club

One notable discussion illustrated the group’s philosophy towards wealth preservation and the sheer disdain for what one former investment banker member described as the “den of thieves”. The thieves in his example consist of the investment bankers, stock brokers and other wealth managers. In particular he pointed to Goldman Sachs as one of the most organized and worst offenders. Calling them a “house of mirrors” and that they “make themselves money first, then their clients.” To hear him speak was like listening to a Matt Tabibi rant on Goldman.

TIGER 21 has two primary goals. The first is wealth preservation the second is how to deal with the resulting family issues. Since members are all facing the same issues, the organization is designed for members to help other members. The philosophy seems to be that it’s best to get advice from people that are in the same situation.

But the advice is not for the faint hearted. One of the cornerstones of TIGER 21 is something called ‘Portfolio Defense’. Portfolio Defense is a wealth review process that has evolved over 15+ years where each member has to present and defend their asset portfolio in front of the other members. From conversations with several TIGER 21 members, the feedback received can be brutal, but most were grateful for the advice.

According to William Ade, a Miami TIGER 21 member, several people have left TIGER 21 weeks and even hours before their portfolio defense. Apparently, some of them didn’t practice what they preach and didn’t want to be

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exposed in front of their peers, “If you’ve been telling everyone that you’re a great philanthropist and you’re not, you’ll be called out in front of everyone,” Ade said.

Ade was quick to point out that for most members, this is the first time they’ve shared their personal balance sheet. And the experience is eye-opening, “A lot of times they don’t understand their risk allocation and where their returns are going to come from. This can be devastating to someone who is ill-prepared for a difficult turn in the economy,” Ade told me.

As I mentioned earlier, estate planning is a big part of the program. One of the big questions each member is asked is about the amount of money they are giving to family members. According to Ade, that question is asked to ensure that the member isn’t becoming the family’s Welfare department.

While philanthropy is encouraged the organization’s ethos seems to be that the most effective form of philanthropy is investing in an entrepreneur. While not officially sanctioned by TIGER 21, members can organize pitch sessions for entrepreneurs seeking capital for their companies. According to Sonnenfeldt, in just the past few years the organization’s asset allocation has moved from 12 percent Private Equity and Angel investing to 21 percent in the last quarter.

The statistical average age of TIGER 21 members is 57 years old. So while they still prefer face to face contact over Twitter, Facebook and other social networks, the group uses a confidential internal social network to communicate. But it’s not used as one would expect, it’s used by members to help each other with a range of things from health to legal issues. Ade told me the advice from the network is: “Accurate, profound and free for the asking.”

When I asked TIGER 21 Member Louis David Spagnuolo about the network he explained it to me this way: “In the most purest sense, TIGER 21 is a fraternity of ultra-successful professionals, who all work in conjunction to advance each other both personally and professionally,” he told me, “In relation to both aspects, TIGER 21 has been a game changer for me and has helped elevate me to a new

frontier of success that I only could have dreamed of prior to joining.”

TIGER 21 members are not entirely upper-class by any means; most of them are self-made, re-made, or match-made by luck and fortune. These are the men and women that made it big and want to remain that way. According to Sonnenfeldt, nearly 70% of the members are involved in a business or social cause, up over 30% just a few years ago.

So for members, it’s not about trading political favors or making a fortune. They’ve made fortunes. It’s about wealth preservation and the delicate art of family politics. It’s about creating a safe place for members to learn from each other without wondering if the person at the other end is trying to sell them something; it’s about investing in worthwhile causes, it’s about investing in entrepreneurs. These are the people who are beholden to each other – friends with financial benefits – and for them, that’s more than enough.