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Moving On / By Jeffrey ZaslowPeer Counseling for Multimillionaires:
Ex-Magnates Share Angst, Stock Tips

ONE RECENT MORNING in a small meeting room at New York's Carlyle Hotel, Thomas Gallagher stood before six fellow millionaires. First he bared his portfolio. Then he bared his soul.

The 58-year-old retiree passed out charts detailing his assets in real estate, stocks, artwork and a charitable fund. After that, he got very serious. Until October 2001, he was vice chairman for CIBC World Markets, overseeing \$800 million in customer equity positions. But his office was near the World Trade Center, and the stress of the Sept. 11 attacks rendered him "unstable" at times, he said. He and the company thought it best for him to leave, and he did so with a rich golden parachute.

Part of him is thrilled he's no longer trapped in the markets. "I don't want to sit around thinking about who will benefit because the Challenger blew up. I thought that way for 40 years," he said. Still, adjusting to life without a job has him fighting "a certain level of depression," he admitted.

The other men, ages 47 to 68, listened knowingly. They, too, made their fortunes and left their jobs. They're now members of a confidential "peer-to-peer learning group" called Tiger 21, which stands for The Investment Group for Exceptional Returns in the 21st Century. Entry to the four-year-old group requires an investable net worth of \$10 million to \$100 million—and a willingness to pay annual dues of \$20,000, which cover expenses for meeting-room rentals, meals, speakers' fees, and the services of a paid organizer and discussion leader.

The 16 men and one woman of Tiger are former CEOs or entrepreneurs who've sold their companies and now bounce investment ideas off each other. But at their monthly meetings, the dialogue is very personal. "High-net-worth people sign up for Tiger 21, but human beings show up," says Richard Lavin, a founding partner and the group's organizer.

Investment professionals say Tiger 21 is a rarity: an investment club for the wealthy where peers are privy to each other's portfolios

and personal demons. Members turn to each other to share emotional issues related to their families, their fears, their mortality. That's why I asked to spend a day observing a meeting. But I arrived wondering: Why can't these guys just talk things out with their friends? Why do they need agendas, hefty dues, and rules for accepting and rejecting new members?

Some members admitted that their spouses were at first dubious about Tiger 21. But they explained that the structured program helps build trust, and that insights they receive here more than cover the price of admission. Just last month, several members made millions of dollars when drug giant Roche Holding AG agreed to buy Igen International Inc.; Tiger members had long touted Igen to each other.

On personal issues, members say, Tiger can be equally rewarding. At the Carlyle meeting, they talked of the challenges of raising rich children. One member didn't want to take his daughter on a promised shopping adventure: "I've just seen her grades." Another member said that in one way, he envies poor people—because they don't always see the limitations of wealth: "They think they'll be happier rich."

Not all members were gut-spillers, but most seemed to be empathetic listeners. Mr. Gallagher said Tiger helps him realize he's not the only guy with issues: "Eli Lilly doesn't make Prozac just for me."

Some Tiger members were leery of allowing an outsider to observe them, and didn't attend that day. But those I met included Tiger co-founder Michael Sonnenfeldt, who made his fortune in real estate; Stanley Katz, founder of Archer Management Services, a pioneer in office support outsourcing; and Richard Block, who once headed AGI Inc., a manufacturer of record album jackets that branched into packaging for CDs and other products.

The morning began with each member giving an "update." Mr. Block said he's happily investing in a company that makes railroad ties out of recycled plastic. Then he added that he's taking yoga classes from his daughter. "It's great to be my child's student," he said.

A Wealth of Wisdom

Through their meetings, Tiger 21 members have developed insights into living with wealth after their working years:

- When investing, it's **easier to stay out of trouble** than get out of trouble.
- **Pick wealthy friends carefully:** If a guy is a jerk, money gives him a chance to be a bigger jerk.
- To build a business, you need to **concentrate resources**; to preserve wealth, you need to **diversify resources**.
- **Educate children about wealth sooner rather than later;** discuss "the purpose" of money and engage them in charitable giving.

"Does she empty your pockets when you're upside down?" another member asked, and everyone laughed.

The men welcome the candidness at Tiger, and the chance to learn. Each month, they invite speakers ranging from economists to therapists discussing the family dynamics of affluence. On this day, a "wealth management" expert gave advice on outlining investment goals.

The veteran retired millionaires of Tiger advise the newcomers on preserving their wealth, by word and example. (Indeed, one fiscally careful member, the former CEO of a major food brand, came to this meeting on a city bus.)

Tiger members also help each other understand their emotional relationship with their wealth. At the members' lunch, one said: "I spend more time thinking about sex than money, but I spend more time 'doing' money."

A day inside Tiger offered new insights into the transitions that often follow success. Part of me agreed with a member's wife, who pointed out that she shares her intimate thoughts with close friends and it costs her zero. Perhaps women are better at that, the men of Tiger admitted. But I did see benefits in organizing a gathering of smart, successful people, all at similar spots on the timeline, and inviting them to counsel each other.

Group organizers would like to expand the Tiger concept to places like Palm Beach, Fla.; Los Angeles; and Chicago. Plenty of wealth there, plenty to talk about.