

Living

The Super-Rich Are Forming a New Exclusive Club

For \$180,000, a three-year membership includes investment opportunities, access to West Point generals, confidential support groups and private getaways.

By Suzanne Woolley

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To show how exclusive you are, there's nothing like turning away a billionaire.

Two members of the three comma club were among those nominated to join R360, a new, invitation-only investment and networking group for people with net worth of \$100 million or more. Neither billionaire made it past the membership committee, according to Charles Garcia, one of the group's managing partners.

"I took some grief for that," said the 60-year-old entrepreneur, a consummate networker who founded Sterling Financial Investment Group in the late 1990s and chaired South Florida chapters of wealth network Tiger 21 for many years. "One person seemed to want to leverage the group to benefit their own business activities, and the other didn't want to integrate his family."

Neither of those are in line with the values considered core to the group. Members with those values – which include honor, entrepreneurial grit and generosity of spirit – are invited to go on a three-year "journey" to gain mastery across six kinds of capital: financial, intellectual, spiritual, human, emotional and social. A three-year family membership costs \$180,000.

There are countless formal and informal networks for wealthy individuals and families, and R360 aims to find a place among them. Tiger 21, perhaps the most widely known group, has nearly 1,000 members paying dues of \$30,000 a year.

For the ultra-wealthy, these groups provide a sort of confidential, supercharged coaching network on everything from figuring out one's purpose in life to learning more about philanthropy to understanding the blockchain.

"When people get wealth of \$100 million



Richard Branson, from left, during an R360 networking tennis match with Michael Cole and Christopher Ryan, a former Tiger 21 chair in Texas and Puerto Rico and chief executive officer of GoBundance, a professional networking group. Courtesy of R360

or more, their issues are far greater than for people who are wealthy but not at that level," said Michael Cole, 61, one of R360's managing partners and the former chief executive officer of Cresset Asset Management. "They've achieved success, and are looking more at how can I make an impact on things that matter to me – for myself, for my family, for society."

Then there are philanthropic networks, such as the invite-only Synergos Global Philanthropy Circle, founded by Peggy Dulany and her late father, David Rockefeller, with more than 100 member families around the world. Like R360, GPC describes membership as a journey – a year-long cycle of "inspiring, engaging and connecting philanthropists and social investors to create a

better world." Dues are \$25,000 a year.

These independent groups are in addition to those formed by private banks and high-end wealth-management firms, which pour resources into building networks designed to connect, educate, entertain – and retain – their ultra-wealthy clients and their children.

They can also be flourishing businesses themselves. Tiger 21 was founded in 1999 by entrepreneur Michael Sonnenfeldt, who sold roughly a 50% stake to private equity firm Education Growth Partners in 2019 for an undisclosed sum.

R360 is set up as a limited partnership, with 48 founding partners contributing \$350,000 each, which equates to about a 60% ownership. The group wants to add

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about 50 members a year until reaching 500 in the U.S. and 500 abroad. Garcia stresses that R360 will never be sold, and that “the idea is to have this around 100, 200 years from now.”

One perk of many wealth networks is access to deal flow. R360’s members can propose investment opportunities to the rest of the group, but each deal first goes to a four-person committee, which runs it through a process looking at 100 different factors, Garcia said. Then an outside firm, Conway Investment Research, conducts operational and financial due diligence. After that, the member proposing the deal can host a call.

Members also get access to experts at elite universities and medical schools. For R360, custom programming is being developed with Harvard Medical School, Stanford Medical School, Columbia Business School (around fintech and cryptocurrencies), West Point (around leadership) and Massachusetts Institute of Technology, Garcia said.



Charles Garcia Photographer: Chet Strange/Bloomberg

Oasis of Wealth

R360’s rather gauzy marketing material says its overarching purpose is “to architect an oasis for strategic wealth creators and their families to flourish.”

Its members may be feeling the need for an oasis more acutely these days. The combined net worth of the world’s 500 richest people swelled by \$1.8 trillion last year, according to the Bloomberg Billionaires Index. The global wealth inequality exacerbated by

the Covid-19 pandemic has talk of taxing the rich reaching a fever pitch. Memes of guillotines fly across Twitter and are stamped on forums across Reddit.

While the R in R360 could stand for rarefied, or just rich, Garcia said it’s a reference to the Archangel Raziel, who maintains all the wisdom in the world. Raziel, according to legend, is the angel closest to God so hears everything and writes it down into the “Book of Secrets,” he said.

Sometimes, the oasis members join is literal, in the exclusive getaways members can go on – for an extra fee.

In July, about 30 members went on a four-day retreat on Richard Branson’s private Necker Island. There, Cole led a talk with Branson. Other speakers included Harvard professor David Sinclair, author of “Lifespan: Why We Age – and Why We Don’t Have To,” and James Doty, a Stanford University School of Medicine neurosurgeon who founded the Center for Compassion and Altruism Research and Education at the school. Members also played tennis with Branson and visited parts of the island that are home to threatened species, such as ring-tailed lemurs from Madagascar.

An upcoming visit to West Point will feature generals talking about leadership with R360 members and their adult offspring. The trip also includes a chance to do the obstacle course, go to the shooting range and attend a football game.

Members who want to show heirs where their wealth came from can work with R360’s full-time filmmaker to produce a movie-quality documentary about their life, as well as have a 150- to 200-page hardcover memoir written. “If you’re going to be a good steward of wealth, you need to figure out how to influence generations you’re never going to meet,” Garcia said.

R360 member Angel Alvarez, founder and chairman of ABB Optical Group, is working with his family on a 40-minute documentary about what he said was the wide community of people that enabled him to become successful. They’re still



Michael Cole Photographer: Chet Strange/Bloomberg

working on edits. A planned 15-minute segment will tackle: “what is your life purpose, and what are you doing to change the world?” Garcia said.

Brenda Snow, 57, founder of marketing agency Snow Companies, joined R360 in part to learn more about managing generational wealth. Her father, a successful entrepreneur, hasn’t discussed money or inheritance with his adult children, and that’s caused stress. Snow wants to do it differently with her daughter.

Eleven members attended the women’s committee kickoff meeting, where they talked about the mental-health toll of Covid, navigating relationships with children in divorced families, and how to deal with earning more than your partner.

“People were bringing up that feeling of being hypersensitive to whether your spouse is feeling emasculated, feeling like they don’t have a say in the marriage because you have the power,” said Snow, who experienced that with her first husband.

Members of the women’s committee shared advice on commingling assets, recommending that couples contribute to a shared account in an amount based on a percentage of what each person earns.

“Sometimes, I’ll be really honest, even having conversations with people on this subject matter – when you see the strife in the world – people will take out a tiny violin,” Snow said. “You say, what are my wealthy-person problems? But they do exist.”