

American Express 'Black Card,' Trophy for Rich, Spurs Imitators

New York, April 9 (Bloomberg) -- New York modeling agent Paolo Zampolli chose to avoid a car trip in Brazil last year by dialing the number on his Centurion credit card, the black plastic he holds for being one of American Express Co.'s biggest spenders. An hour later, he was flying over the Guaiba River.

"I just wanted a helicopter," said Zampolli, 32, who was scouting for new models. "I don't know how to describe it."

American Express is marketing the "black card," which comes with 24-hour access to a personal concierge, as the ultimate trophy and available only to some customers who spend more than \$150,000 on another of the company's cards. Zampolli says he now charges about \$70,000 a month, including the \$60,000 Patek Philippe watch he recently bought for himself.

The Centurion card is nicknamed for the dark shades that make up the logo and the Trojan on its face. Holders get to shop after hours at jeweler Harry Winston or watch the World Golf Championships at Valderrama in Spain from behind the ropes. Rapper Sean "P. Diddy" Combs has used his to buy 400 pink Cosmopolitans at the Sunset Room in Los Angeles.

The three-year-old card's mystique isn't lost on other financial firms, who are plugging 2-inch-by-3-inch status symbols of their own. As markets have slumped in recent years, banks and asset managers are seeking new ways to hang on to their wealthiest clients.

J.P. Morgan Chase & Co.'s private bank is working on a card for those with at least \$25 million that may come with everything from knick-knacks to evacuation services, said Richard Srednicki, the second-biggest U.S. bank's head of credit cards.

Merrill Lynch & Co.'s Visa Signature card for people with more than \$10 million was introduced in 1998 and comes with "whatever it is they want us to do," said Donna Batavia, first vice president of client relationship services.

“A credit card is now something that plays a role in the relationship with a high-net worth client,” said Louis Harvey, president of Dalbar Inc., a Boston-based financial services research firm. “With the economy of the last two years, it's more important to get and keep the rich people.”

Some rivals, including Goldman Sachs Group Inc. and Morgan Stanley Dean Witter & Co., which owns Discover cards, haven't issued cards for clients who already can afford first-class air tickets and posh hotel rooms, according to the firms.

“These people are enormously wealthy already,” said G. Moffett Cochran, former head of Credit Suisse First Boston's asset management unit in the Americas. “A lot of (it) is marketing to create a buzz. If I had a medical emergency in the Okavango Delta, I really don't think it would occur to me to call my banker.”

American Express, which charges black cardholders \$1,000 a year, now gets unsolicited requests for it, the New York company said. The number in circulation isn't disclosed, although some users said that the earliest invitations went to just a few hundred. The fee is worth it if just for the buy-one-get-one-free offer on first-class air tickets, some holders said.

Personal concierges also have tracked down an autographed Frank Sinatra album, had Maine lobsters flown to a California restaurant and arranged tours of British castles and tickets to sold-out Washington Wizards basketball games.

American Express earns more from cardholders when they spend more and analysts said the company may also try to attract them to its Minneapolis-based asset management arm, where revenue fell 33 percent last year as stocks slumped.

Black card customers get a free consultation with a financial adviser, though cross-selling investment advice isn't a priority, said Ruediger Adolf, general manager for brokerage and banking services.

``It's too small a (group) for what we are trying to do" selling extra services to Gold and Platinum customers, Adolf said.

American Express may have an interest in keeping the list of black cardholders short to maintain their exclusivity. The number of platinum cards, now offered by almost every issuer, has risen 74 percent to 87 million in two years, according to the Nilson Report, an Oxnard, California-based newsletter.

``A black card in the wallet is a very unique thing," said Andy Yost, vice president of marketing for the card. ``The goal is to keep it small."

Merrill's card, which comes with personalized shopping and reimbursement for medical evacuation while traveling, is for brokerage clients who use a cash management account for day-to-day banking. Without a credit limit, the card is designed to make large purchases low hassle.

For Marco Pangherz, a London property developer who once put a new motorcycle on his American Express black card, doting personal service is critical to the card's prestige. Sometimes that isn't even up to the issuer, he said, remembering a Christmas stop at Tiffany & Co. in Milan.

``The shop assistant was completely useless," Pangherz said. ``I showed (the manager) the card and I said you've just lost a very good customer and I walked out."

``It's an ego thing, at the end of the day," he said.

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