

DAILY BUSINESS REVIEW

PROFILES IN LAW

Pillsbury's Michael Kosnitzky Won't Apologize for Representing Billionaires

by Raychel Lean

As far as client pools go, Miami attorney Michael Kosnitzky's is rather finite.

"You've got about 3,500 billionaires in the whole world," Kosnitzky said. "I'm blessed to have a few of them as clients."

Kosnitzky represents the world's 1%, and as co-chairman of Pillsbury Winthrop

Shaw Pittman's private wealth group, helps them navigate their worldly desires, while paying as little in taxes as legally possible.

They're hedge fund managers, Silicon Valley tech experts, Russian oligarchs, casino and cruise line operators, Hollywood producers and members of families that have been rich for centuries.

And yes, there are perks.

"It's a lot better being on clients' yachts and planes than it is being stuck in a conference room," Kosnitzky said. "That doesn't mean I never get stuck in a conference room, but at least there are times I can be on their yachts and planes."

Unlike most private wealth practices—in such cities as New York, Los Angeles, Palo Alto or London, which the ultra-wealthy call home—Kosnitzky's is based in Miami. But his clients are worldwide, and it's not



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uncommon for them to summon him from afar—for reasons initially unknown.

"Not this summer but the summer before, a client needed me in Saint-Tropez. He didn't want to talk to me about it; he just needed me to get on a plane," Kosnitzky said. "So I got on a plane the next day."

Kosnitzky has co-chairs in Hong Kong and Silicon Valley, and between them

MICHAEL KOSNITZKY

Born: April 1958, Brooklyn, New York

Spouse: Suzanne Kosnitzky

Children: Zachary Kosnitzky

Education: University of Miami School of Law, J.D., 1984; University of Miami, B.A.A. in accounting, 1979

Experience: Global co-chairman of private client group, Pillsbury Winthrop Shaw Pittman, February 2017-present; National partner for middle market practice and health care groups, Boies Schiller Flexner, 2002-2017; Founding and managing partner, Zack Kosnitzky, 1991-2002; Partner, Matzner, Ziskind, Kosnitzky & Jaffee, 1988-91; Associate, Sparber, Shevin, Shapo & Heilbronner, 1985-88; Associate, Davis Polk & Wardell, 1983-85; Senior staff accountant, Ernst & Whinney, Certified Public Accountants, 1979-82.

they cover “anything that affects the rich and spoiled.”

“I say half-jokingly I represent the rich and the spoiled. They have to be very rich, and sometimes spoiled,” Kosnitzky said. “But they do have to be very rich.”

Most of Kosnitzky’s clients are worth between \$100 million and several billion. In addition to handling taxes, trusts and estates, he helps them buy and sell art, jets, boats, helicopters and collectible cars, and give to charity.

When casino and hotel mogul Steve Wynn’s \$70 million Picasso painting was accidentally damaged before auction, for instance, Kosnitzky was on hand to deal with insurance, and file a claim against the auctioneer.

BILLIONAIRES IN THE CROSSHAIRS

But above all, Kosnitzky is their defense against what he sees as government intrusion and confiscation of assets.

“Even the ultra-wealthy need protection, and maybe no more so than now,” Kosnitzky said. “Because there’s an unfair connotation that those who are ultra-wealthy achieved their wealth unfairly, and that is anything but the case.”

Evidence of that need for protection, he says, is bipartisan support for

a wealth tax in the U.S., something Kosnitzky feels is “designed to destroy the wealthy.” Proposals from Democratic presidential candidates Elizabeth Warren and Bernie Sanders, in particular, have his clients worried.

After paying property tax, federal income tax, state and local income tax, gift, estate taxes and others, Kosnitzky says paying an extra wealth tax would mean clients would have to have extremely large returns on their investments just to stop their wealth from depleting.

“If you only earned 3% on your assets, if you have to pay 8%, that means every year your assets have to go down by 5%. You can do the math,” Kosnitzky said. “At some point in time you’re not going to have assets. They are not going to be billionaires.”

Kosnitzky argued assets such as art and raw land that don’t generate their own income would then end up being sold to people in other countries, who aren’t subject to the same taxes.

“The stated reason is that we need that money to pay for health care for all, but the truth is the ultra-wealthy won’t stay here to be taxed like that. And by [the government’s] own system they’ll

be dissipated over time,” Kosnitzky said. “So who are you going to tax next?”

Kosnitzky said he’s been helping clients plan for a potential wealth tax and recommending that they obtain second passports so they can leave the U.S., if they choose.

“It hasn’t gotten that drastic yet, but people are looking at it,” Kosnitzky said. “They might leave the country and give up their U.S. citizenship to avoid a situation where they’ll be taxed on their family’s wealth and have it dissipated.”

Kosnitzky said he’s been promoting Malta, as it’s part of the European Union and doesn’t tax its citizens on outside income.

To naysayers, Kosnitzky says this: “People work hard. They should be allowed to accumulate their wealth, not be forced to dissipate.”

What does need to change, in Kosnitzky’s view, is America’s income disparity.

“The wealthy are extremely wealthy and the poor are very poor,” he said. “You can understand people’s frustration. They have to work their whole lives, and aren’t able to see the fruits of their labor.”

To fix that, Kosnitzky argues for a focus on enterprise, to encourage growth, competition and salary increases.

“It’s slow, but not all great solutions happen quickly,” Kosnitzky said. “The solution isn’t to hurt the people that are productive at the top. The solution is to bring people up from the bottom.”

BLUE-COLLAR BEGINNINGS

Kosnitzky grew up in Brooklyn, New York, with a family that shared a “blue-collar mentality” and innate aversion to risk. His father, a Russian immigrant, was a deputy prison warden at Rikers Island. He was also, for the most part, “a super liberal, almost socialist,” with a Bernie Sanders-esque philosophy—and the accent to boot.

“My own father used to criticize me for being too protective of the wealthy,” Kosnitzky said. “He wasn’t alive to see the last time Bernie ran, but he would have probably voted for Bernie if he had the chance.”

Kosnitzky was the first in his family to graduate college, and began his career as an accountant. But after missing out on a new job opportunity in the early 1980s, he decided to switch tracks and apply to law school—days before the deadline.

After attending night school at the University of Miami, Kosnitzky graduated

top of his class and migrated to tax law.

In 1991 he co-founded Zack Kosnitzky, which later merged with megafirm Boies Schiller Flexner. He’s taught American tax courses at a Russian law school, and regularly speaks at the Corporate Jet Investor conference about financial issues around ownership of new and used airplanes.

It’s a highly technical field that demands creative, practical solutions, rather than textbook strategies. And that’s where Kosnitzky shines, according to Michael Silva of DLA Piper, who describes him as one of tax law’s most interesting and gregarious professionals.

“He’s very good at digesting and taking complex concepts and making them simplistic for clients to understand,” Silva said. “He follows the golden rule, that he helps people out without an immediate expectation of something in return, and he builds a lot of goodwill in the community with that.”

Jeffrey Rubinger of Bilzin Sumberg seconds that, noting that Kosnitzky is generous with his time, expertise ... and Miami Heat tickets.

Kosnitzky discounts all work involving charitable donations, and he’s far from

pretentious, according to longtime colleague Stuart Singer of Boies Schiller.

“He’s always willing, in all settings, to speak his piece and be very candid about the way he’s thinking,” Singer said.

His clients are a rainbow of characters, some incredibly congenial and appreciative, others difficult and demanding, but they all have one thing in common: “They all call me at every hour of the day or night, whenever they have something on their mind,” Kosnitzky says.

Whatever the conundrum, Kosnitzky prides himself on being the man with the answers.

“It’s one dollar to turn a screw,” he said. “It’s \$999,000 knowing which screw to turn.”

Raychel Lean reports on South Florida litigation for the Daily Business Review. Send an email to rlean@alm.com, or follow her on Twitter via [@raychellean](https://twitter.com/raychellean).

