

Wealthy French Jews Are Fleeing Anti-Semitism and Bringing Their Money

A "fixer" named Marlen Kruzhkov has helped dozens of rich guys move their families -- and over \$1 billion -- to NYC

By [Polly Mosendz](#) • 09/05/14 7:21am



A French propaganda poster from 1942 asks "Who steals our North Africa? Roosevelt." And blames the Jews.

Give me your tired, your poor, your huddled masses yearning to breathe free, reads Lady Liberty's welcome. Every year since New York City's founding, tens of thousands have crossed over the Atlantic to trade in their European chapeaux for American caps. This year, New York has increasingly become home to one particular population seeking American status: Jewish Frenchmen.

Marlen Kruzhkov, an attorney at New York's Gusrae Kaplan, specializes in helping Jews make the move from France to the States. Mr. Kruzhkov explained to the *Observer* in a phone interview that this migration has increased

massively since the beginning of 2014, spurred by a spate of anti-semitic incidents, which only worsened with the war between Israel and Hamas. While last year he helped a handful of families with legal arrangements, today he is handling the arrangements of several dozen families—parents with children—looking to make the move. The families Mr. Kruzhkov works with are predominantly well-off investors, with an average net worth of \$50 to \$70 million. These dollars come along for the all-American ride.

As any good lawyer does, Mr. Kruzhkov begins his conversations with the families he represents by asking, “Why this, why now? Why do you want to be here and invest here?” Unanimously, the answer is French anti-Semitism.

“The truth is, there has always been a large [amount of] anti-Semitism in Europe, and particularly in France,” explains Mr. Kruzhkov. “France is a weird country because it has a large Jewish and large Muslim population, so there is a real tension, a real undercurrent of hostility and a threat. Now, it has become a lot easier for people to become a lot more open about their anti-Semitism and hate. Even a year ago, they were shocked.” Jewish people account for one percent of France’s population, whereas Muslims make up five to ten percent. The vast majority of Frenchmen are Roman Catholics.

For this Jewish population, there are two main options when it comes to moving: the United States or Israel. While Israel feels more familiar to many of those seeking to migrate – it’s nearby and many already have Israeli passports — Mr. Kruzhkov notes that their businesses are often the key to determining a location.

“Israel is a small place, business opportunities are less, there is much more red tape.

The US is easier; it’s a great place to do business, less red tape.” Nonetheless, it is anti-Semitism, not business opportunities, that is driving the Jewish population out of France. “It’s no question, the driving force is the anti-Semitism, but the reason they are choosing the US is due to sound business reasons.”

For some who are looking to move, their funds go first, and then the discussion of

relocating the family begins. While their wealth often ends up in the United States, not all families choose to immigrate, at least not immediately. Almost all of Mr. Kruzhkov's clients aim to move their wealth from France; 75 percent of them consider immigration. Fifty percent end up going through with the move. In some cases, investments head to the States while the family moves to Israel. From the roughly two-dozen families he has represented thus far this year, an estimated \$1.44 billion in wealth has moved from France to New York as a result of the rising anti-Semitism in France.



Marlen Kruzhkov

A client of Mr. Kruzhkov who spoke with the *Observer* on the condition of anonymity offered his explanation for the move. “It was not an easy decision to move to Israel but I felt that France was not a long-term option for me and my family. There was never any question that a significant portion of our wealth was going to be invested in the US. The economic environment in the EU in general, and France specifically, is weak and I just do not see it getting any better soon. As for Israel, while we plan to reside there, the economic opportunities are limited. The US is stable and transparent with an economy that is broad-based and only getting better. We particularly liked the safety of New York real estate.”

For those seeking to secure their fortunes away from their homeland, real estate in Manhattan is often the most stable and reasonable investment. Mr. Kruzhkov's clients often look into real estate in London and Hong Kong, which are considerably more expensive than New York. By comparison, they view New York's diverse real estate scene as a reasonably priced. “What they are looking for is stability,” explained Mr. Kruzhkov. “When you buy a thirty million dollar building in Manhattan, it won't be worth less than thirty in five years. It's a unique animal. It has been historically stable with a nice growth rate over time. And if you're buying something for cash, it's very easy to sit there, even if there is a momentary dip.”

Reba Miller, owner and founder of RPMiller Realty Group, which has a number of French national clients, has also picked up on the buying trend within the French Jewish population. She told the *Observer*, “Political unrest in France has seen a spur

of activity from French investors in the last few months. I would not be surprised to see many deals done in real estate over the next few months by French Jews who seek a safe haven for their money. While there's anti-Semitism, many Jews do not feel safe – and NYC real estate is seen as a safe investment as it always has been and shall continue to be.”

As these families look to move their financial portfolios, they often diversify and reorganize them in the process. Many view real estate as a “hedge investment for diversification.” With this in mind, most seek “pre-existing income-producing properties.” However, Mr. Kruzhkov has found that some of his clients are willing to be “adventurous” in their move, and therefore are getting into development.

As part of his business, Mr. Kruzhkov works to connect his clients with realtors who can provide off-the-market deals. Before a major commercial listing or development site hits the market, his clients have been given the opportunity to make a bid. In many cases, this helps secure their privacy, as many are looking to move from France quietly. “They are looking for help, A to Z, they don't know who to trust, so they are looking to us for the entire buying process. We try to introduce them with whom we have a relationship, people we can trust. A lot of people go through third parties because they don't want it known that they are the ones investing. They want to make sure that it is private, even though it is, of course, legal. They just don't want it well known that they are buying.”

For now, the families seem quite pleased with this decision. They look forward to visiting France as tourists. A client recently explained to Mr. Kruzhkov, “The reason to stay is family tradition? Okay, come back and visit then. If I feel nostalgic, I will come back and stay in a hotel.”



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