



DON'T TAX YOURSELF

A Publication of Bowditch & Dewey's Estate, Financial & Tax Planning Group

Why Does David Robert Jones Control David Bowie's Music and Assets?

BY RICHARD BREED IV • FEBRUARY 15, 2016

Whenever a celebrity dies, there is this brief phenomenon that occurs in the world – we mourn the loss of an icon and simultaneously become fascinated with the question of what's going to happen to the celebrity's estate? Such is the case with the recent death of David Bowie. While many mourn the loss of a great musician, we are also now curious of what is going to happen to the rights to the Starman's music and image? The answer is found in the Last Will and Testament of David Robert Jones, which was filed in the New York State court system on January 29th.

Although we may know him as David Bowie or Ziggy Stardust, his real name is David Robert Jones. He never legally changed his name, which is why the last will of David Robert Jones will control how David Bowie's empire and estate passes to his heirs. The will leaves 50% of his 100+ million estate to his wife, Imam, and 25% each to his children Alexandria and Duncan. Additionally, the singer leaves his longtime assistant, Corinne Schwab \$2 million dollars and Marion Skene, the nanny to his eldest child, \$1 million dollars.

Bowie will forever be remembered for his music, but you may be surprised to learn that he also pioneered an investment strategy, dubbed as "Bowie Bonds". In 1997, David Bowie, anticipating that the Internet will eventually kill record sales, with the help of the investment banker, David Pullman, securitized the rights to his music collection and issued \$55 million worth of 10 year bonds. The bonds, which initially received an investment grade rating from the credit rating agencies (later downgraded to near junk bond status) were a form of asset-backed securities that promised investors a return of 7.9%, relying on the future income from Bowie's music sales and licensing fees. The strategy worked and Bowie was able to use the funds received to secure his financial future and investors were all fully repaid in 2007. Many other musicians, including James Brown and Rod Stewart, have followed David Bowie's lead but not all of those were as successful as Bowie's. I guess it's safe to say that David Bowie was often imitated but never duplicated.