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## Rockin' the Street

Music stars are making headlines not only on tour, but in the world of high finance.

By [Grace Wong](#), CNNMoney.com staff writer

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NEW YORK (CNNMoney.com) -- From the boardroom to Wall Street, rock stars are breaking into the financial world.

Gene Simmons, the tongue-wagging singer of the band KISS, has an initial public offering on deck, while U2 front man Bono is delving into the world of private equity.

It's true that institutional investors have been investing in musicians for years - buying bonds backed by the future royalties of David Bowie and James Brown, for instance - but the latest rush shows renewed interest on the part of musicians, and investors.

Rock stars bring a certain element of glamour to the ventures they're involved in, but they can't ride on their image alone, corporate reputation experts said.

Having a rocker on board has a certain cache, but there has to be a connection between their branding and their product or service, said Ron Dresner, president of Dennis PR Group.

For example, Simmons serves as chairman and spokesman of NGTV - a media company developing uncensored celebrity and music programs for its "No Good Television" brand.

That sort of programming plays into the anti-establishment ethos of rock music, and is a good match for Simmons, Dresner said.

NGTV has filed to list on the American Stock Exchange and aims to raise as much as \$25 million from the offering. The company was expected to go public last week, but hasn't made it out the door yet.

Having Simmons on board is going to attract a "niche investor" set to the company's initial public offering, said David Menlow, president of IPOfinancial.com, an independent research company.

"But from an institutional standpoint, the curtain is going to come down on this," he said.

NGTV has no revenues and what appears to be an increasing level of losses. It says in its prospectus that it needs money from the offering to finish launching its programming and get it on-air.

The company did not return calls seeking comment.

A celebrity's reputation is key to determining how they'll be received on Wall Street, according to Mike Paul, president of MGP & Associates PR.

Bono, for instance, has positioned himself as someone who's committed to serious issues, which raises his reputation in the investment community, Paul said.

The private equity firm the U2 singer co-founded, aptly named Elevation Partners, has almost \$2 billion in committed capital.

### [Where the rock world meets the financial world](#)

Other rock stars aren't looking for investing targets - they're becoming them.

David Bowie sold the rights to 25 of his albums in 1997 to bankers, who then issued bonds secured by the music royalties.

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"Music catalogs are ideal for asset-backed securitization because of the fragmented cash flow streams," said David Pullman, the banker who led the Bowie bond deal.

At the time of their offering, the Bowie bonds offered a yield of almost 8 percent, and they've never dropped below investment grade or missed a payment, according to Pullman.

It's been almost a decade since the first Bowie bonds were sold, and other musicians have followed suit, including James Brown and The Isley Brothers.

But the investments have had their fair share of rock music-style feedback.

The rating agency Moody's placed the Bowie bonds [under review](#) in 2003 over uncertainty about the revenue from the songs.

And earlier this week, James Brown sued Pullman over his exclusive right to secure new deals using future revenue from his songs.

But Pullman stands by the bonds, saying they offer a higher yield than U.S. Treasury securities and pose less risk than corporate bonds. That makes them an attractive long-term investment to institutional investors like big insurance companies, he said.

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