

INVESTMENT STRATEGIES

BRIGHT LIGHTS, BIG PROFITS

YOUR CLIENTS DON'T HAVE TO BE 'BROADWAY BABIES' TO LIGHT UP THE STAGE WITH THEIR INVESTMENTS.

Photograph by Lester Lefkowitz/Corbis

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down-and-out Broadway producer Max Bialystock and his accountant Leo Bloom scheme to raise more money than they need to stage what they believe will be a surefire Broadway flop and plan to cook the books to pocket the difference. When the show, "Springtime for Hitler," is a smash hit, the frustrated Bialystock exclaims, "We got the wrong play, the wrong director, the wrong cast. Where did we go right?"

Implicit in that reaction is the mistaken notion that there is a formula for Broadway success. In fact, investing in Broadway plays is risky business and often elicits the same emotional response actors experience on opening night—terrifying and exhilarating all at once.

"The stock market has its ups and downs, but theater isn't like that," says three-time Tony Award-winning producer Hal Luftig, whose credits include the Billy Joel/Twyla Tharp musical "Movin' Out," "Angels In America," "The Diary of Anne Frank," "Jelly's Last Jam," "Moon Over Buffalo," and "Thoroughly Modern Millie."

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So where do you begin if you really want to invest in Broadway?

SQUARE ONE: THE PRODUCER

Although it's tempting to invest in a play that appeals to you, it's important to first look for a producer with an exemplary track record, says Barry Weissler who, with his business and life partner Fran Weissler, is the recipient of five Tony Awards and, with what he estimates as a 75 percent success rate, may boast the best track record on Broadway.

Shows produced by the Weisslers include "Chicago," which will celebrate its 10th year on Broadway this November, "Sweet Charity" with Christina Applegate, "Othello" with James Earl Jones and Christopher Plummer, "My One and Only" with Tommy Tune and Twiggy,

"Cat on a Hot Tin Roof" with Kathleen Turner and Charles Durning, "My Fair Lady" with Richard Chamberlin, and "Grease!" with Rosie O'Donnell and Brooke Shields.

Says Weissler, "We know the product the consumer will buy, we know how to produce it, and we know how to work within an economic framework. Once you've found successful producers, look at the length and breadth of their work and decide what interests you."

Also important, notes McCann, are the artistic track records of the director, choreographer, composer and lyricist. "In the old days, you always knew you could count on a Rodgers and Hammerstein show," she says. "However, today there are so many new composing talents out there who have had just one hit, it takes a little bit more savvy to choose." Where to start? Most commercial producers belong to the League of American Theatres and Producers and the organization's Web site (<http://www.livebroadway.com>) provides a wealth of information. In addition, the Theatrical Index, published semi-monthly by Price Berkeley, lists all the shows playing on Broadway as well as all those in development along with information on producers, agents and publicists.

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Additionally, as producers are always looking for investors, they have their own marketing programs to raise money. Recently, Luftig staged a reading for "Legally Blonde," a new musical version of the film, scheduled to open on Broadway in April 2007. "I needed to see the material on its feet. I needed to hear the songs sung by someone other than the composer, the dialog read by someone other than the director. Actors' Equity (the actors' union) allows you to hire a group of actors and rehearse for two weeks. At the end of two weeks, you are allowed to invite an audience, people you think might be interested in coming on board as

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GET IN ON THE NEW YORK GROUND FLOOR

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John Lieberman, a CPA associated with Perelson Weiner LLP in New York, says these bus-and-truck shows that can add significantly to an investor's returns were impossible 25 years ago. Accordingly, he says today's investors are wise to look for live performances, such as "Riverdance," that can be easily replicated. "Today it's possible to take a Broadway show, scale it down, and put it into a truck. Shows that do okay on

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IT'S A NUMBERS GAME: SPREAD YOUR WEALTH

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9/1/2006

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