

King of Pop's estate has rebounded since death

By RYAN NAKASHIMA (AP) – 2 days ago

LOS ANGELES — The money is rolling in. The bills are being paid. And all those people who said Michael Jackson might earn more in death than in life are being proved right.

Like the estates of Elvis Presley and Yves Saint Laurent, Jackson's has grown immensely since he died on June 25, 2009.

Without Jackson's lavish spending sprees, and with the help of new revenue pouring in from nostalgia over the reign of the King of Pop, estate co-executors John Branca and John McClain have dramatically turned around Jackson's finances.

A kingdom that was on the verge of collapse from more than \$500 million in debt now looks to be able to support his three children and his mother and donate healthily to children's charities.

The estate has earned more than \$250 million in the year since he died. Executors used some of that to pay off \$70 million in debt, including the \$5 million mortgage on the Jackson family compound in Encino, part of Los Angeles. The interest payments on the remaining debt are now covered by a steady flow of cash.

"They're off to a spectacularly good start," said Lance Grode, a former Jackson lawyer and adjunct professor at the University of Southern California Law School. He added, however, "there's a long way to go before they pay off all of their debts."

A rundown of deals suggests that Jackson's fortune will be even bigger than could have been realized by a planned series of comeback concerts:

_ A posthumous deal to sell unreleased Jackson recordings with Sony Music guaranteed \$200 million over seven years. It has already brought \$125 million to the estate.

_ The film "This Is It," based on his final concert rehearsal footage, grossed \$252 million worldwide. Sony Pictures paid the estate \$60 million in advance, with an undisclosed amount more to come from DVD sales.

_ Licensing deals on merchandise sold by Universal Music Group's Bravado unit and a new dance game by Ubisoft Entertainment brought in \$26 million in advances. More is possible if unit sales are high.

_ The Mijac Music catalog of copyrights, on songs that Jackson wrote, generated \$25 million in the past year, thanks to heavy airplay on radio stations and song and album sales.

_ Music publisher Sony/ATV, the copyright holder of the Beatles' and other artists' songs, posted double-digit percentage revenue gains in the year through March. That netted Jackson's estate, which owns a 50 percent stake, \$11 million.

_ Other income, including from a rerelease of Jackson's autobiography, "Moon Walk," and sales of commemorative tickets to his canceled concerts, brought in another \$25 million.

The tally does not include a deal with Cirque du Soleil for shows inspired by Jackson's music, in which the estate will share half the costs and profits when the performances begin in late 2011. Nor does it account for a deal in the works to nearly double the estate's income from Sony/ATV. That cash goes to pay down most of Jackson's remaining debt.

According to co-executor Branca, Jackson's longtime lawyer and business manager, the new deals follow a script the two set out shortly before the singer died.

"When I met with him before he died we went through an agenda. John (McClain) and I are really executing on that," Branca told The Associated Press. "We're doing the things we think Michael would have wanted."

Several people have been paid for overdue bills after spending years trying to track the singer down. Others who haven't yet been paid say they have been treated professionally by the estate; a night and day change from his old regime.

"We couldn't (collect) until unfortunately he passed away," said Joseph Akhtarzad, a Jackson family friend who owns the Santa Monica-based Video & Audio Center. Last month, the estate settled a \$128,429 tab with Akhtarzad for electronics goods owed since 2007.

Thomas Mesereau, who successfully defended Jackson in his 2005 child molestation trial, said the estate recently paid his law firm \$341,452 for services provided after the trial, when Jackson moved to Bahrain. The firm revived its claim in September because it gave up dealing with Jackson's previous managers.

If Elvis is any example, a moderate level of earnings could flow into Jackson's estate for decades.

Sony Music said more than 31 million Jackson albums have sold worldwide since he died, a stratospheric number for a music industry in decline.

With 8.3 million albums sold in North America, he was the top-selling artist in 2009, easily topping Taylor Swift's 4.6 million. It marked the most albums sold in a year since Usher topped 8 million in 2004, according to Nielsen SoundScan.

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FILE - In this Sept. 24, 2009 file photo, Michael Jackson fans arrive to buy tickets for the "Michael Jackson's This Is It" film, at L.A. Live in Los Angeles. (AP Photo/Jae C. Hong, file)

