

STRUCK BY STARDUMB

FERRARIS, restaurants, villas in Dubai, and loisa bling is the signature whiff of a celebrity today. And, lest we forget, add a diamond grill and some more bling to that list. But fame has several trappings, the greatest of them all being infamy. History is replete with instances of how the mighty have fallen. Celebrities surrounded by success and its excesses have often gone down the bankruptcy route.

The latest example being Mike Tyson who filed for bankruptcy. He now has to earn money through exhibition matches and wait for a court verdict on his case against his manager Don King. Perhaps, if the \$300,000 that he spent in limousine rides would have been invested in assets, he would breathe easier after his time in the slammer. Perhaps, if he had a financial planner or if his manager had not swindled him.

Gaurav Mashruwala, a certified financial planner, makes a pertinent observation when he says, "celebrities today end up creating wrong assets".

And when it comes to wrong assets, nothing could be more glaring than Michael Jackson's sprawling 26-acre Neverland ranch. In its heydays it was abuzz with arcades, a ferris wheel, roller-coaster, exotic animals, amusement park and trains. "Celebrities should look beyond assets that need constant maintenance, and look at a strategic asset allocation that will diversify risks in various asset classes," says Mr Mashruwala. By creating a wrong asset, Jackson has to pay millions to creditors, house-hold staff, aside from lawyers and court settlements.

Celebrities should think like high net worth individuals with a limited career span and invest in assets that can generate income later. These can be along the lines of an additional house which has been properly valued, bonds, stocks, certified art, real estate and various funds. "While celebrities traditionally have an asset skew towards real estate, to-

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day there are quite a few productive asset classes such as equity, art, commodities and other structured solutions," says Rohit Sarin, partner, Client Associates, a private wealth management firm.

Trust is a much vaunted word in the celebrity circle and many have been duped by their closest aides (read secretaries). Celebrities fall into the trap of fraudulent business plans or are cheated by people close to them

Ali Khan, Amzad Ali Khan family, Mallika Sherawat, Kareena Kapoor, Ayesha Takia and a few cast members from the film 'Rang De Basanti'.

But a word of caution from financial planners — keep your wealth manager and celebrity manager separate. One of the few most critical decisions that celebrities in both cricket and Bollywood must make is to pick the best celebrity manager and the best wealth manager. "Today, celebrities have a tremendous amount of insecurity about their short career span and need to have separate professionals working in tandem for them," emphasises Mr Sarin. There are still others who have looked at corporatising their brand name, perhaps without the much-anticipated success. Production ventures, restaurants, perfumes, clothesline, pens, cars, you name it and it's been done. "There are certain things that celebrities do well and they should concentrate on that. They should not expect their name to sell something without a sound business plan," adds Mr Blah.

The newer lot is obviously much savvier. "But Bollywood, because of its increased global exposure, is far ahead of the curve," explains Mr Blah. Sports is replete with instances of celebrities living and dying in penury. C K Nayadu, Joginder Singh, Michael Kindo, Rajeev Mishra, Eknath Solkar, Sohan Lal and the charismatic George Best, have all faded in poverty. Obviously the likes of Best in the UK and Mehmood in India have vices that shackle them. While Mehmood is known to love doling out the moolah at the races, Best captures it best when he says, "I spent a lot of money on booze, birds and fast cars, the rest I just squandered."

— Jackie Shroff and Amitabh Bachchan are two examples. But the trend is changing and secretaries and agents are increasingly being replaced by professional managers who try and capitalise on the celebrities' brand value.

"Stars earlier did not capitalise on their wealth-creation opportunities, but that is slowly changing because we sit with stars and chalk out strategies for them," says Anirban Das Blah, VP, marketing Globosport. Sports management agencies such as Globosport and Percept D'Mark are increasingly foraying into the field of celebrity management by signing stars such as Saif and Soha

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