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## Soul Singer James Brown Seeks Loan to Pay Off Bonds (Update4)

July 28 (Bloomberg) -- James Brown, the singer known as the ``Godfather of Soul," wants to buy back from investors \$20 million of bonds secured by royalties from his 50-year music career.

Brown, 73, is seeking a \$25.2 million loan through Royal Bank of Scotland that would be used to redeem the bonds and generate cash for him, according a lawsuit he filed in New York State Supreme Court in Manhattan. The suit, filed July 24, seeks to block Los Angeles banker David Pullman, who sold the bonds seven years ago, from controlling royalty payments on such songs as the 1965 hit ``Papa's Got a Brand New Bag."

Royalty-backed bonds, first issued in the late 1990s, amount to about \$200 million of the \$1.1 trillion in asset-backed securities, according to Moody's Investors Service. Rock star David Bowie and the late Motown musician Marvin Gaye are among artists whose work has been securitized.

``There aren't that many of them because of the music business changes over last couple of years," said Jay Eisbruck, an analyst at Moody's in New York who covers such debt. ``It's hard to project out the royalties on a catalog."

The suit accuses Pullman of attempting to scuttle the loan Brown is seeking by asserting that he has exclusive rights to create securities based on the singer's music.

Brown was ``actually stunned" by Pullman's claim, according to the musician's lawyer, Marc Jacobson of Greenberg Traurig LLP in New York. ``We don't think there is any merit to Mr. Pullman's position."

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Pullman, who arranged the first music-bond sale in 1997 for Bowie, said in an interview that he has exclusive right to refinance the bonds through the remainder of Brown's life or for 40 years after the bonds are paid. The bonds have a maximum maturity of 20 years and are priced using 10-year government debt as a benchmark, Pullman said.

Brown sold \$26 million in 7.98 percent bonds in 1999 through New York-based Pullman Group LLC. Duff & Phelps Credit Rating Co. rated Brown's bonds A-, the fourth-lowest investment grade. Duff & Phelps is now a division of Fitch Ratings.

TIAA-CREF, the largest U.S. retirement-fund manager, bought the issue in a private placement and still owns it, Pullman said. Stephanie Cohen Glass, a New York-based spokeswoman for TIAA-CREF, didn't immediately return a telephone message.

Brown's catalog includes ``Cold Sweat," ``Hot Pants," ``Please, Please, Please" and ``I Got You (I Feel Good)."

``These are great assets," Pullman said. ```I Feel Good' makes more money now than it did when it came out in 1966."

Brown's spokeswoman, Helena Barton of Intrigue Music in New York, declined to comment. Brown is performing in Stockholm and Copenhagen this weekend, according to his Web site.

The case is James Brown v. the Pullman Group, Supreme Court of the State of New York for New York County.

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