



Can't Take My Eyes Off Of You: The Untold Story of How a San Diego VC Backed Broadway's Jersey Boys

Bruce V. Bigelow 12/31/08



Among San Diego's venture capitalists, I'd say that Kevin Kinsella ranks among the foremost riskophiles. Since the formation of his first Avalon Ventures fund some 25 years ago, he has shown a willingness to take chances where even angels fear to tread—and an uncanny knack for making the right bet. Kinsella's success in backing—and often founding—early stage ventures such as Sequana Therapeutics and Aurora Biosciences (which was acquired by Boston's Vertex Pharmaceuticals) prompted The New York Times to crown him “the P.T. Barnum of biotech.”

The title is especially fitting these days, since Kinsella has been basking in the extraordinary success of his investment in the musical “Jersey Boys,” which opened on Broadway in late 2005. It may be one of the great, untold stories of venture lore, and Kinsella shared it with me during a long-distance call from Hawaii just before Christmas.

For those who don't get out of the office much, Jersey Boys re-enacts the mostly true story of three working-class Italian tough guys from New Jersey and a fourth from the Bronx who became The Four Seasons, one of the best-selling groups in pop-music history.

The show, which is still playing strong at New York's August Wilson Theater, went on to win four 2006 Tony Awards, including best musical. The play was such a runaway hit that additional productions were created, so it's possible now to see Jersey Boys at theaters in London, Toronto, Chicago, and Las Vegas, with a traveling show in Denver that is scheduled to open in Boston this July.

“The investment in Jersey Boys is certainly among the best I've ever made,” says Kinsella—comparable to some of his biggest home runs at Avalon Ventures. Yet he says it's also true that the overall track record for bankrolling theatrical productions has been abysmal. The statistics for such investments have been so bad, in fact, that Kinsella says a lot of people who invest in Broadway shows are more like benefactors who just want to be part of the scene.

That's certainly true for Kinsella, whose father, the late actor Walter Kinsella, appeared on stage in the 1930s and on episodes of such TV series as “Martin Kane, Private Eye,” and “Alfred Hitchcock Presents.”

The venture capitalist says he grew up around the theater, and he has been watching musicals since he was 8 years old. Kinsella and his wife, Tamara, also are longtime supporters of the La Jolla Playhouse, where ambitious theater productions are often put together and refined for openings on Broadway.

Kinsella began his Jersey Boys odyssey on an October evening in 2004 at Barbarella's, an informal restaurant in La Jolla. The Kinsellas had tickets for a full-costume, “technical rehearsal,” but he says all they knew about the show at the time was that it was a musical about the Four Seasons. With a 9 p.m. curtain following a late dinner, Kinsella recalled, “My wife said to me, you're going to fall asleep. And I said, ‘If I fall asleep in the first act, we'll go home at the intermission.’”

Instead, Kinsella says, “I was mesmerized from the first downbeat,” which by the way, introduces a French version of the Four Seasons’ hit, December 1963 (the song with the memorable refrain “Oh what a night.”) Kinsella says he was so smitten by the show that he sought out director Des McAnuff afterward to offer his enthusiastic financial support. McAnuff arranged for the Kinsellas to meet with the producer, Michael David.

Kinsella says his “VC instincts came into play” at the meeting, because David was “refreshingly honest”—in contrast to some promises he’s heard about many business propositions. David “told us he’d won a boatload of Tonys, but he’d never had a mega hit. He said, if you’re looking to make a lot of money, this probably isn’t your best bet.”

Kinsella won’t say exactly how much he invested in Jersey Boys. Initially, it was “a six-figure amount” needed to help move the production to Broadway. He says he later made an additional “seven-figure commitment” in 2005, after another investor unexpectedly backed out. Kinsella was so enthusiastic, in fact, that other prominent San Diegans, including San Diego Xconomists Ivor Royston of Forward Ventures and Drew Senyei of Enterprise Partners Venture Capital, were among those who made their own separate investments in the show.

Meanwhile, Kinsella says, “The show opens in La Jolla, right, and it kills them. That’s a good term on Broadway. It was the most successful musical in the history of the La Jolla Playhouse. Many people saw it multiple times. The run there was extended three times.”

One reviewer [wrote at the time](#): “The performance of Sherry on American Bandstand is Jersey Boys’ first show-stopper—literally. When the song ends, La Jolla audiences have been erupting into prolonged ovations. The crowd is transported in time back to 1962, and the original Four Seasons are faithfully reproduced. It’s an amazing piece of theater.”

Kinsella says the experience prompted a number of San Diego’s other Jersey Boys investors to bankroll other shows, notably the Broadway musical “Cry Baby,” which opened in New York earlier this year after a run at the La Jolla Playhouse. “The critics were unmerciful and it closed two months later, and they lost all their money,” Kinsella says.

Meanwhile, Jersey Boys is the only Broadway show that Kevin Kinsella and his wife have invested in. He says demand remains huge in U.S. cities, and the show could continue its run for a decade. “We’ve seen the show 85 times,” Kinsella says, “and our spirits soar every time.”

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