

## **Music Business Contracts & Their Descriptions**

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## A. "Music Business Partnership Agreements"

1. An Agreement for when you are sharing responsibilities and/or income with another person[s] as some form of a "Partner". It could be as part of a Production and/or Record Company and/or Management Company, for examples.

This is the contract people don't think about until it's often too late! It's an Agreement between any two or more people sharing the money and responsibilities of running one or more companies - including "offshoots"! [Example: Production Company that also owns a Publishing Company].

Whether it's two partners to fifty, this type of Agreement [should] distributes responsibilities, shares, money, protection to each partner, expansion, etc., etc.

I've heard this story so many times: "Geeze, I didn't think I needed something like this", or, "I've known this guy for years" or, "She's my Sister!" etc., etc.

Simply put, people "change"! It could be when money comes into the picture, or responsibilities, or outside pressures, like girl/boyfriends, spouses, etc.

2. It should be agreed-to and signed before you start moving ahead with your projects.

## B. "Band Partnership Agreement"

1. A Band Agreement is a legal partnership document between members of a Group or Band, preparing them business-wise and legally for any situation they will run into regarding their Band and their members...

2. A necessary item in this "DIY Age" – the Band Members will be owning everything, at least at first, including, possibly: writing, publishing, merchandising, record label, etc.

3. It solves many problems before they start – everything will be clear to all, including, but not limited to:

Money splits – creative and business parts; Responsibilities; Band Name Ownership; Who Makes any/all Creative, Business & Legal Decisions; Who can sign papers and collect the money, Adding/Subtracting Band Members;

Who owns Band Equipment, Office stuff, etc.; Settling a decision if a decision can't be made; and much, much more...

4. Makes the Band/Group look, and actually *be* Professional – “your house will be in order” which will make the right people and companies more apt to deal with you – and keep the dangerous ones away...

#### C. Artist/Management Agreement

This is an Agreement between an Artist and Manager, including responsibilities, monies, etc. This gives the Manager the legal right to represent the Artist. The Manager's job is to do everything he/she/they can to guide the Artist's career in whatever means necessary.

#### D. Associate Manager Agreement

This is a mini-partnership Agreement between 2 or more people sharing the responsibilities and profits, usually equally, in regard to the Managing of one or more particular Artist[s].

#### E. Assistant Manager Agreement

This is basically a non-partnership Agreement between two or more people, where one person(s) has control and the other one or more work as assistants, receiving a "piece of the action" for handling their responsibilities in regard to Managing one or more particular Artist[s].

#### F. Producer/Management

1. Producer signing with a Manager. [This has become very popular in the last 10 years.] The Manager guides the career of a Producer and will help Producer get sessions and shop products and handle the business...

2. Basically the same contract as an Artist/Manager, in that both usually have the same aspirations or possible career courses.

#### G. Artist/Producer Agreement

1. An Agreement directly between an Artist and Producer, where an Artist is hiring the Producer.

2. Besides the money and “points” angles, when a Producer is representing an Artist to others, they need the legal right to do so or there could become numerous problems later.

3. Often also involves Publishing.

#### H. Artist/Production Company Agreements

1. A deal between a Production Company and an Artist, wherein the Production Company:

- a. retains all rights to the Artist while shopping for a deal with a Record Company, or
- b. decides to do it all themselves, and act as a Label [Often accompanied by Publishing, and sometimes, Personal Management Agreements, nowadays – and yes, keep the Agreements separate – not as one document!].

2. Should be agreed-to and signed before you start spending a lot of time and money recording the Artist.

#### I. Artist/Record Company Agreements

1. An Agreement between Artist and Record Company: includes everything from royalties to paybacks, from videos to merchandising, from responsibilities to liabilities, etc. , etc. If you read between the lines, the initial contract between a Record Company and a new Artist is usually slanted very much towards the benefit of a Record Company.

2. Most often, if it's a small or Independent Record Company, Publishing Agreements are also involved and there's no chance of a monetary "advance". Majors aren't "allowed to", due to monopoly-like situations, directly ask for Publishing; though they often attain it through other means.

3. Sometimes, Management and other Agreements are also involved.

#### J. Artist Development Agreements

1. An Agreement that's become very popular over the years. This type of Agreement in a "down cycle" right now due to the money crunch, but is still practiced by some Production & Record Companies.

2. In effect, usually either a Producer, Production Company or a Record Company "ties an Artist up" for around 18 months or so while...

- a. Recordings are being made,

b. Everything else, ["packaging", for example] is ready regarding an Artist's career,

c. It also gives them time to decide to what extent they want to become involved with the Artist.

d. They might not want to become more involved unless a Single is put out and sells well

Options could be...

(1). Signing them to one or more of their Companies [usually Publishing, Management, and/or Production/Indie Label,

(2). Dropping them,

(3). Placing them with one or more other companies, such as a Major Label,

(4). "Selling" them to another Company,

...or whatever else is decided.

#### K. Songwriter/Publisher Agreements - Per Song

This is an Agreement between a Songwriter and a Publisher where the Publisher [the business entity] only wants one, two, or three [usually] of the Writer's [the creative entity] Songs to place with an Artist[s].

#### L. Songwriter/Publisher Agreements - Exclusive

1. This is an Agreement between a Songwriter and a Publisher wherein the Publisher wants the Songwriter to write exclusively for that Publisher. It usually includes all unpublished Songs that have been written by that Songwriter up to that point in time, as well as all s/he will write for the next two to five years.

2. This is usually also presented when there is to be an Artist/Production or Artist/Record Company Agreements.

#### M. Co-Publishing

1. A Contract where 2 or more People/Companies split the proceeds of Publishing Income, and sometimes, Ownership of Songs.
2. There are four main types:
  - a. An "Exclusive" one, where the Songwriter owns their own Publishing Company.
  - b. An "Exclusive" one, where the Songwriter does not own their own Publishing Company, but still receives a share of the Publishing Income.
  - c. A "Per Song" one, where the Songwriter has their own Publishing Company.
  - d. A "Per Song" one, where the Songwriter does not have their own Publishing Company, but still receives a share of the Publishing Income for their Song[s].
3. Co-Publishing Agreements usually [should] go hand-in-hand with a Songwriting Agreement, if the person wrote the Song[s], also.

N. "Beats" Agreements – Selling/Buying:

1. The Leasing [letting someone use the tracks for recording, but the Beat Maker keeps ownership of the Track] and Selling of "Beats" [recorded instrument tracks] have become very popular in the last 7 years or so. I *don't* recommend Leasing – Major People won't want to become involved with these, because there could be multiple Artists out there with the same tracks.
2. Re: Selling of Beats, the "Producer" [as they like to call themselves] usually also want 1/2 of the Songwriting and Publishing credits and royalties.
3. There is way too much to go into here re: all the situations and related problems that may occur with this type of Agreement. See my **Producing** and **Songwriting** Courses for more details.

O. Producer/Production Company & Producer/Record Company

1. When a Producer is hired by a Production or Record Company to Produce an Artist for them.

2. Producer may bring an Artist to the Company or Company might bring an Artist to Producer.

P. Production Company/Record Company

1. When a Production Company signs an Agreement with a Record Company, usually under one of the following two main circumstances:

a. Where a Production Company has an Artist signed to them that a 3<sup>rd</sup> Party Label wants.

b. as a "Slash Label" – exclusively, or per project [example: Sire/WMG (Warner Music Group)] where the Label is involved with one or more or all of the Production Company's Artists. Often the Production Company uses them for "P&D" [Promotion and Distribution], staff, or just for Money reasons.

2. In any case, the Label will ask the Artist to sign a "letter of inducement" directly with them in case the Production Company goes out of business or the contract between the Production Company and an Artist expires.

Q. Musician Session Release

Whenever a Musician plays at a Recording Session, whether they're getting paid, not getting paid, or getting a percentage of the Artist's money, they should sign one before they play.

This prevents many problems down the road like, "Take me off of Your Recording!" (for whatever reason). It also covers many other important items like, pay, who owns the recording, times and dates of sessions, requirements, etc...

R. Singer Session Release

Whenever a Singer sings at a Recording Session, whether they're getting paid, not getting paid, or getting a percentage of the Artist's money, they should sign one before they sing.

This prevents many problems down the road like, "Take me off of Your Recording!" (for whatever reason). It also covers many other important items like, pay, who owns the recording, times and dates of sessions, requirements, etc...

S. "Featured Artist" Session Release

Whenever a Singer/Rapper performs at a Recording Session, whether they're getting paid, not getting paid, or getting a percentage of the Artist's money, they should sign one before they sing.

This prevents many problems down the road like, "Take me off of Your Recording!" (for whatever reason). It also covers many other important items like, their crediting, pay, who owns the recording, times and dates of sessions, requirements, etc...

T. Licensing a Song to Artist to Record (Mechanical & DPD & Synchronization)

Either "1<sup>st</sup> Issue" or "Compulsory" License – gives the Artist to cover the Song, non-exclusively, under certain restrictions, with Licensor (one issuing License) retaining ownership

U. Licensing Song, for TV, Film, Videogames, Commercials, etc... ("Synchronization License")

Issued to a person or Company, non-exclusively, for Synchronizing a Song with moving images, on a limited, restricted scale, with Licensor retaining ownership

V. Licensing Recording, for TV, Film, Videogames, Commercials, etc. ("Master Use License")

Issued to a person or Company, non-exclusively, for Synchronizing a Song with moving images, on a limited, restricted scale, with Licensor retaining ownership

W. Actor's Release for Music (and other) Video & Film

Whenever a Person acts at a Video/Filming Session, whether they're getting paid or not getting paid, they should sign a release before walking on set.

This prevents many problems down the road like, "Take me out of Your Video!" (for whatever reason). It also covers many other important items like, their crediting, pay, times and dates of shoots, visual "appearance" & other requirements, etc...

This also covers "Stills."

X. Artist or Record (or any other) Company/Videographer's Agreement

Whenever a Person or Company is shooting and/or editing a Film Session, whether they're getting paid or not getting paid, they should sign one before walking on set.

This covers many other important items like, pay, who owns the footage, times and dates of sessions, requirements, etc...

Y. **Non-Disclosure Agreement (NDA) (Secrecy)**

This is a Secrecy Agreement used for protection of an idea or product or project between 2 or more parties, restricting them from saying anything to anyone else about what they are hearing or seeing

Z. **Miscellaneous Others, including Entertainment-related Custom Agreements**

This simply covers all kinds of Entertainment related Agreements, including Music, Film, TV, etc., that are inside or outside the norm...

Any questions? Not sure which contract(s) is right for you?

Please contact:

[pooch@professorpooch.com](mailto:pooch@professorpooch.com)

or call: 215-483-7421

& leave a message...

*This Information was presented as an Educational Tool by an experienced Music Business Contract Specialist who's been continuously writing and negotiating contracts for over 30 years. Please do not attempt to write or negotiate your own contracts!*

*When you are offered an Agreement, or when you realize you need one written or negotiated, always see someone well-versed in the Music Business end of Entertainment Law, such as an Entertainment Attorney who specializes in the Music Business, if at all possible, regarding any Music Business Contracts, to ensure you are being properly protected!*

*An alternative is to come to someone like Mr. Spangenberg, who's lived the Music Business for 50 years, and has been immersed in Music Business Contract Law for 30 years.*

**Note:** *David J. Spangenberg is NOT an Attorney! He is an Educator who has guided and taught quite a few Attorneys, as well as many others interested in the Music Business, Contract Law as it pertains to the Music Business, including how the Industry operates, and how it's covered contractually.*