



MSP 4663 – Art & Business of Recording
CONTRACT NEGOTIATION ASSIGNMENT
Facts for Representative of Artist

The Owls – Ground-breaking new musical artist

You are an agent representing *The Owls*, and as their attorney are tasked with representing their *best interest* in business dealings.

The Owls have been at it for quite some time now. They have built a solid following on the club circuit, first in Philadelphia, then gradually all throughout the Northeast corridor, from Washington, DC to Boston. They are among the leading artists in a new sub-genre being referred to as “hip-trip” that has been getting some negative press attention recently regarding widespread use of ecstasy and a new hallucinogenic drug with the slang name of “owl poop” among both musicians and fans. The members of *The Owls* are serious artists who don’t indulge – furthermore, they’re *very* sensitive about any inference that they have anything to do with that sort of thing!

They have self-released three CD’s and have kept meticulous sales records. The first release, self-distributed and marketed only in the Philadelphia region sold 5,000 copies over the course of three years. The other two have been distributed throughout the Northeast by an independent distribution company and have sold 7,000 in two years and 10,000 in 1^{1/2} years.

You currently have offers on the table from two labels – *Altruism Records* and *Crappy Records*.

Altruism is willing to fund 3 album projects over 5 years and is offering a 50/50 split of sales after recoup with no claim at all to the artist’s publishing. However, they don’t have much of a track record. None of their releases to date have sold more than 15,000 copies worldwide. (After analysis, you have determined that the reason for this is lack of adequate funding for promotional efforts.)

Crappy, on the other hand, has countless gold and platinum disks to their credit. However, they are only offering a 1-album deal. Further, they expect an 85/15 split of royalties and 100% of the publishing for the duration of the agreement.

You are just about to begin negotiations with *Big T Records*. At one time, they had released many big hits, but it’s been about 5-years since they’ve had a hit. In your view, *The Owls* could be just what the doctor ordered, but you are concerned about their recent track record... and the fact that they’ve never released anything in the ballpark of hip-trip style.

Your job is to negotiate the BEST contract possible for *The Owls*! You will be negotiating with *Big T*’s lawyer who is a veteran contract negotiator who, word on the street has it, is a bit of a shark willing to do *whatever* it takes to get the best possible outcome for his client.