



JOHNETTA PAYE ESQUIRE

ENTERTAINMENT SEPTEMBER 19, 2016

# 'Unbreak My Heart': Mend my bank account



JPAYE



SHARE



TWEET



PIN



FRANK OCEAN WILL 'SWIM GOOD,' BUT IS HIS NEW INDEPENDENT RECORD LEGALLY ALL GOOD?



LEGAL BREAKDOWN OF WHY QUINCY TURNED DOWN ROLE ON EMPIRE

Singer Toni Braxton was finally able to break her silence this year after her 10-year gag order was complete, with both a biopic “Unbreak My Heart” and a book “Unbreak My Heart: A Memoir.” Both print and TV productions telling her side of the story were important not only for entertainment purposes but also finally giving her the opportunity to explain her side of filing for bankruptcy. And no, it wasn’t all about [Gucci silverware](#).

An artist doesn’t want to be in a situation where they’re singing “Unbreak My Heart” while making money for the label and forced to file for bankruptcy. But when a new artist, especially one who is not used to such a large lump sum of money at once, receives an advance payment, record labels may not go over the fineprint on the contracts. With those advance payments and artist budgets come responsibility. The artist may be responsible for:



- Management percentage payments
- Travel costs (including “arriving in style” rental cars and flights)
- Wardrobe costs (clothes, shoes, jewelry)
- Hair and makeup staff and costs

- Security staff payments

So while an artist of Toni's stature may notice money rolling in from a hit album, before an artist can receive royalties, all of the monies used to take care of everyday necessities that the artist hasn't paid for out of pocket must be paid back. After the record label recoups its own money from the artist's project, plus the artist/label paying off additional staff, that is when the artist will have spending money to use at his or her leisure. Of course the IRS will want its fair share, too. Keep in mind that there's also the sophomore jinx so the artist may want to avoid being too dependent on a hit album to continue to make a profit in an ever-changing, glittery music world.

As Shakespeare said in "The Merchant of Venice" (and Kanye West rapped on his freshman album "The College Dropout"): "All that glitters is not gold." Here are some clauses an artist should be aware of before signing a record contract. These clauses impact how much money an artist is able to take home for their work:

**Contract not repayable:** If the label is in over its head and spending more than it can afford, it will hold the artist's budget accountable. But if an artist's contract is written up so either the artist must handle all external expenses or has a maximum budget to spend on these everyday details, this could limit the amount of debt an artist can be in

afterward. For example, whether the artist gets to an awards show in a Suzuki Forenza or a Mercedes Benz, the fact is that the artist got there and probably paid less to arrive in the former than the latter.

**Recoupment clause:** This clause stipulates what expenses the artist has to pay back before he or she can take home a paycheck. Artists should consider negotiating a fixed budget so they know upfront how much money they will be responsible for paying back to the record label. This allows an artist to know upfront how much that really dope recording session with a super producer (ex. Calvin Harris or Dr. Dre) is going to cost the artist.

**Merchandising and tour support:** The music industry is ever evolving, and song sales are not what they used to be. Most of the money an artist makes now is from merchandising and touring. An artist will want to negotiate what percentage the record label will get from the sales of T-Shirts, mugs and other products bearing the artist's name.

Typically, the record labels provide tour support for an artist. The tour support is charged to the artist's expense account. An artist will want to decide if traveling on a luxury tour bus and in first class is an expense they want to bear. Or, if having the label fly that 20-person entourage around is necessary.



bus and in first class is an expense they want to bear. Or, if having the label fly that 20-person entourage around is necessary.

**360 clause:** An artist may want to try to negotiate a limited 360 clause. Maybe it's OK for the label to get a percentage of any film or commercial placement of a song, a book deal on the artist's music career or a film deal profiling the artist's music. Then maybe the label doesn't get a percentage of sales from a clothing line started by the artist.



Have more questions regarding record label or music contracts? Contact [J. Paye & Associates](#) today.

*Shamontiel L. Vaughn contributed to this blog. Find out more about her at [Shamontiel.com](#).*

#### RELATED ITEMS

LEAVE A REPLY