

Internal Band Agreement 101

If you are an artist in a group of more than one person, then you should have a written agreement between the members of the group addressing at least the issues in the checklist below. You might even want to consider forming a corporate entity for your group, which will protect your individual assets from liability related to group activities and address the issues below as well. The Band Agreement should be negotiated towards the beginning of the relationship, when everyone is happy with everyone else. If you wait until there are problems, it will be much more difficult, if not impossible, to address these issues.

Band Agreement Checklist

- **Band Name**
Who owns the band name? What happens to the band name if the band breaks up or a band member quits/is fired? Who, if anyone, can still perform using the name? (Everyone must still be involved? The key player(s)/founder(s) must still be involved?) (Note: You may want to seek advice on trademark law prior to deciding on a name and/or to determine if you want to apply for a federal trademark registration for the name.)
- **Money**
How will band profits/debts be distributed? (Royalties, performance fees, etc.) Do some members receive/contribute more than others? Who will pay for what? Who will be keep track of band monies? What will happen when one band member contributes more time/money than expected? Will band members receive payment for projects completed and/or be responsible for debts incurred prior to leaving? (Does this change depending on whether the person leaves or is removed?) Does the band have to “buyout” the leaving member?
- **Acquisition of Assets**
How will the band acquire gear/assets? (Instruments, PA system, lights, van, merchandise, website/domain name, etc.)
- **Business Decisions**
How will band business decisions be made? (Hiring/firing lawyers, managers, agents, spending band money, signing with a record label, etc.) Majority vote? Unanimous vote? Veto power? Tie-breaker? How can the band agreement be changed?
- **Creative Decisions**
Who owns the songs we write? (Note: You may want to seek advice on copyright law prior to deciding this.) Who decides which songs to perform/record? How is it determined who gets songwriting credit? Who decides what gigs to play?
- **Band Members**
What happens when a new member is hired or an existing member leaves the band? How can band members be fired? Can a member quit at will? What if a member becomes disabled or dies? (This may be important so surviving spouses/parents are(n't) involved with the group's business.) What are the members' responsibilities, relationship, etc.? What is required of each member?
- **Corporate Entities**
Partnership – Partnerships are easier to set up, but expose you and your personal assets to liability. You may want to start as a partnership and convert to a corporation once things get going.
Corporation – Corporations are somewhat more expensive to set up, but provide more protection and shelter your personal assets. A Limited Liability Corporation (LLC) is basically a partnership that provides the limited liability of a corporation.

Note: This checklist provides some business and legal issues you should consider if you are engaging in activities in the music business. However, the list is not exhaustive, is not necessarily in any particular order, and not every item on this list is necessarily appropriate for your situation. Please consult with an attorney in your area who has music industry experience for advice regarding your particular needs and issues. You may also want to engage the services of a Certified Public Accountant (CPA) to help you with tax preparation and entity-related decisions.

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