



NEWSLETTER

An Entertainment Industry Organization

What's in a Michael Jackson Name? Plenty Says the IRS!

By: **Michael R. Morris**

The President's Corner

Welcome, friends!

Tonight we are excited to be hosting some of the top artist managers in the business for a behind-the-scenes look at the dynamic world of talent management.

I would like to take the opportunity to thank Eric Polin and Michael Morris for all of their work in organizing tonight's panel.

In addition, I'd like to thank our panelists Jeff Jampol, Deb Klein, Larry Wade, and Seb Webber for sharing their expertise and valuable insight. I look forward to what is sure to be a fascinating discussion on the topic of artist management.

I hope you all have a great time and please join us next month for the annual CCC Holiday Party.

See you soon!

Jeremy Blietz
President, California Copyright Conference

With all of the media focus on the recently decided wrongful-death action in which a jury found AEG not liable in Michael Jackson's death, there is another court battle generating less press, but which could cost hundreds of millions of dollars. This case pits the Estate of Michael Jackson against the Internal Revenue Service ("IRS") and centers on the \$7 million taxable value of the estate's assets reported to the IRS. Undoubtedly eyebrow raising to the IRS was the valuation of Michael Jackson's name and likeness rights at only \$2,105, to which the IRS has countered at greater than \$434 million. In all, the IRS has valued Michael Jackson's estate at more than \$1.1 billion, and issued a notice of deficiency in estate taxes of more than \$505 million. And because the IRS contends the executors significantly undervalued the estate's property, it tacked on additions to tax of \$196 million for good measure!

In response to the IRS notice of deficiency on July 26, 2013, the estate filed a petition with the U.S. Tax Court, contending the valuations of the assets on the estate tax return "were accurate and based upon qualified appraisals by qualified appraisers who had extensive experience valuing entertainment industry assets." And on August 20, 2013, the IRS filed its answer, which detailed all of the proposed IRS valuations of Michael Jackson's assets, including his

name and likeness. This sets the stage for a contentious valuation battle.

No doubt, the IRS is aware that the exploitation of dead celebrity names and likeness is big business. In 2009, CNN's story "A Living for the Dead" profiled Mark Roesler and his company, CMG Worldwide, which represents the estates of such icons as James Dean, Buddy Holly and Marilyn Monroe, to name but a few. What makes the Estate of Michael Jackson's battle with the IRS of extreme interest is while the valuation of an estate's assets for federal estate

tax purposes is usually made when a person dies (there is an election of value estate assets as of six months after the date of death), any subsequent dispute with the IRS over the worth of celebrity "name and likeness" rights rarely become public.

The rights of a deceased celebrity's estate to name and likeness rights are governed by state not federal law. So unless a deceased celebrity died a resident of a state affording posthumous protection for rights of publicity, such rights literally go to the grave along with that celebrity. This happened in the hotly litigated cases involving Marilyn Monroe, where the ultimate determination of her status as a New York and not a California resident meant Monroe's rights of publicity failed to survive her (since New York has no law protecting posthumous rights of publicity).

Conversely, California has for many years statutorily protected the rights of both living and dead celebrities in their names, voices, signatures, photographs and likenesses. Cal. Civ. Code §§3344 and 3344.1. In fact, these rights extend for 70 years after death, and, like most property rights, are licensable, transferable and descendible. The holder of the decedent celebrity's right of publicity must, however, register the claim with the California Secretary of State (a simple procedure), and until that is done, damages cannot be recovered for any use prior to such registration. Cal. Civ. Code §3344.1(f)(1).

To come within this statutory protection, California law requires that a decedent's right of publicity must have had "commercial value at the time of his or her death, or because his or death." Cal. Civ. Code §3344.1(b). Indisputably, Michael Jackson's right of publicity (name, likeness, etc.) had commercial value when he died. But how much such rights were worth when he died is the pivotal question facing the U.S. Tax Court.

Determining the value of intellectual property based on projected future earnings and discounted to a present value is not an exact science. In the case of the King of Pop, his estate has generated hundreds of millions of licensing post-mortem dollars, which the IRS no doubt factored into its valuation. So now, the IRS and the Estate of Michael Jackson are locked in a hotly contested battle over just how valuable is future earnings power of Michael Jackson's posthumous celebrity rights. While the Jackson case may well settle prior to the Tax Court's adjudicating what these rights are worth, the litigation between the IRS and the Estate of Michael Jackson may well signal similar IRS scrutiny of valuations placed on other high profile deceased celebrities' name and likeness rights. Accordingly, the administrators of such estates need to be aware of the necessity to engage both qualified appraisers to value such rights and experienced tax professionals to defend against the inevitable IRS audit.

Michael R. Morris is an attorney with Valensi Rose, PLC and is based in Los Angeles, California. As a former trial lawyer for the IRS and a Certified Specialist in Taxation Law, Michael has the educational background and practical experience that enables him to provide insightful solutions to his clients' complicated tax, estate and business transaction issues. Learn more at www.vrmlaw.com.

Janis Joplin, Jimi Hendrix, Tupac Shakur, Johnny Cash: Music's Lucrative Legacies: Extending the commercial afterlife of music icons requires a careful balancing act

By: Christopher Morris

[Tupac Shakur](#) has been dead since 1996, but his star is only on the rise. Miles Davis, [Jimi Hendrix](#), [Janis Joplin](#) and [Johnny Cash](#) remain in the public eye with projects that range from biopics to hip-hop mashups to CD retrospectives to retail lines. It's all part of the careful balancing act of extending the commercial afterlife of music icons without running afoul of the most important credo: Never mess with the brand.

There's an art, and a bit of science, to managing the estates of music icons whose works resonate long after they leave the corporeal world. The enigmatic rap star Tupac Shakur has logged six top 10 albums since he was killed in 1996. His spectral image loomed large over the hipsters at the Coachella music festival last year with a much-buzzed-about hologram that was crafted for the performance by Snoop Dogg and Dr. Dre, his former label mates on the infamous Death Row Records. But that's just the tip of the Tupac-related licensing and media blitz likely to be unleashed in the coming years.

Afeni Shakur, the rapper's mother, earlier this year inked a deal with JAM, the L.A.-based firm headed by musicbiz vet [Jeff Jampol](#) that manages the posthumous careers of such artists at Janis Joplin, Otis Redding and Rick James. He's also a consultant to Michael Jackson's estate.

The oversight of those estates is far more involved than licensing the occasional track to a movie or TV program in today's long-tail, multiplatform media landscape. The challenge is to keep the icon's work and likeness in the public eye without tarnishing the artistic legacy, which is where all value lies. The first rule of dead-celeb management: Don't put out junk. In the case of musicians, that means being selective on posthumous releases, whether it's items from the vault (not every note committed to tape demands to be heard by the public) or licensing tunes for use in other media. For seminal music forces, the question of how to best manage digital sales licensing options around the world is a full-time job for label execs.

"Afeni Shakur said something very interesting to me," Jampol says. "She talked about how Tupac had a blueprint for the message he wanted to carry. That word 'blueprint' sparked a light bulb in my head. I realized if you look at what these artists said, what they did, and the art they created, they will reveal to you the blueprint. They will tell you where to go."

Afeni Shakur has been fiercely protective of her son's image since he was gunned down in drive-by shooting in Las Vegas at the age of 25. A superstar from the start of his career, Tupac has exerted outsized influence on rap and hip-hop ever since. Dr. Dre persuaded Afeni to allow the Tupac hologram for Coachella, and the response clearly underscored the depth of interest that remains in the rapper's dramatic tale. He also got a prime platform in Quentin Tarantino's "Django Unchained," which featured an anthemic theme song that was a mash-up of James Brown's "The Payback" and Shakur's "Untouchable."

Execs at [Interscope Records](#), Shakur's last label, suggested that Afeni retain Jampol's firm to ensure the estate would be carefully tended to with a long-term strategy in the same way Jimi Hendrix's family has managed his vault after waging a long legal battle to control those rights.

Among the first Tupac projects in the works is a prospective Broadway tuner featuring new music derived from his lyrics and poetry.

"My intention today is the same as it has been since 1996. I feel it is our responsibility to make sure that Tupac's full body of work is made available to his fans," Afeni Shakur tells "Variety." "As far as future strategies, I can say that I have great faith in the direction we will go with our new management in place."

Meaningful money can be accrued if an artist's assets and image are managed thoughtfully. The top 10 of Forbes' list of top-earning dead celebrities in 2012 included four music greats: Michael Jackson (\$145 million), Elvis Presley (\$55 million), Bob Marley (\$17 million) and John Lennon (\$12 million). The heirs and reps of other deceased music icons are striving to move their charges into that rarefied territory.

Joplin's Southern Comfort-soaked life story has been chased by Hollywood for years. More recently, her canon has inspired everything from "[One Night With Janis Joplin](#)," a new musical running at the Pasadena Playhouse (and probably destined to travel), and Made for Pearl, a website that sells haute couture versions of the funky clothing and jewelry that exemplified the singer's hippie-chic style.

Presley's estate is such a reliable cash machine that is a big part of the foundation of [Core Media Group](#) (formerly [CKX](#) Inc., which acquired Elvis Presley Enterprises in 2005). Miles Davis and Johnny Cash are also among the most successful examples of hugely influential figures whose estates have carefully extended their commercial afterlife.

"It's no coincidence that (these) artists ... are all enjoying a stature, a visibility, a presence that is far greater than that of many of their contemporaries, and that is because they have very active, very engaged, very supportive and collaborative estates or representation," says Adam Block, president of Sony Music's catalog arm [Legacy Recordings](#), which owns the seminal Davis and Cash catalogues. "When that exists, it brings more resources into the conversation. It makes for a much more effective effort, for both parties."

Jampol got his start in the artistic reanimation business in 2003, when he joined the late Danny Sugerman in managing the career of the Doors, a role he maintains today. The band's lead singer [Jim Morrison](#) died in 1970 at age 27 (which only added another layer to his legend) and the surviving members hadn't recorded any new music since 1978. By creating a stream of new product that kept the act vital and in the public eye, the Doors team formed the template for JAM's business plan.

"If you look at what they said, what they did, the art they created, then you can try to carry that message forward," Jampol says. "You have to stay true to who they were. We have to hew absolutely to authenticity."

JAM's work on behalf of its acts takes a variety of forms, from merchandising to finding new ways to market old music. Last month, [Concord Music Group](#)'s Stax imprint released "Lonely and Blue," a new Redding compilation that focuses on the soul singer's ballad work.

This year should see the release of a new Doors project: a limited-edition box including CD and reel-to-reel tape renderings of a hitherto unheard 1966 live performance by the band at the London Fog on the Sunset Strip.

In partnership with Tom Whalley, who signed Shakur to Interscope, JAM has taken the reins of the Tupac archive, following his spectacular Coachella comeback with a [holographic](#) doppelganger. Sony's Block says admiringly, "That was a great example of a brilliant creative exercise."

Like Tupac, Hendrix's work during his short life (he died in 1970 at age 27) was so influential that it has enjoyed remarkable longevity, thanks in large measure to the work of his family's company, [Experience Hendrix](#), which is distributed by Sony.

Just last month, a new Hendrix collection, "People, Hell & Angels," [entered the U.S. album chart at No. 2](#). It was the guitar god's highest chart placement since "Electric Ladyland" reached No. 1 in 1968. (Another collection, "[Valleys of Neptune](#)," hit No. 4 in 2010.)

Experience Hendrix, founded in 1994, is headed by Hendrix's sister Janie. The company has kept the performer's profile high nearly 43 years after his death with a stream of licensed products, including guitars and pedals, T-shirts, calendars, highend art, museum exhibitions and even an annual Experience Hendrix tour, featuring Band of Gypsys member Billy Cox and a host of name guitarists. Literally dozens of licensees employ the Hendrix brand.

“For us,” Janie Hendrix says, “it’s really about being hands-on and being on the inside and working on projects to make sure that they’re done in an authentically correct way. I think we’ve been able to continue that. . . . What we do for Jimi is definitely 24-7, and we’re constantly thinking of new ways to put him out there and have people hear his music.”

The music of jazz giant Davis, who died in 1991, has been subject to a host of repackagings and newly unearthed archival releases through Sony’s Legacy division. In January, the company issued the second volume of “The Bootleg Series,” a CD/DVD package of previously unreleased Davis performances.

But Davis’ nephew and onetime band mate Vince Wilburn Jr., who oversees the musician’s estate with Davis’ children Erin and Cheryl, hopes to keep the legend breathing with more projects like 2007’s “Evolution of the Groove,” a hip-hop-inflected remix project that included Carlos Santana among the participants.

Says Wilburn: “I’m always thinking, ‘What would Miles do? What would my uncle do?’ He wouldn’t want to play “Human Nature” and “Time After Time” in 2013. He didn’t want to go back and listen to the quintet, his old material. Miles was progressive. Miles was a forward thinker.”

Rather, Wilburn says, the estate is looking to hook up with present-day acts that are relatable.

“We want to collaborate with the right guys and put out a collaboration with hip-hop artists,” he says. “We want to reach a vast audience, a younger demographic. All we want to do is make sure that it’s something the public has never heard, that it’s marketable, and that it reaches a wider demographic. That’s our mission.”

Johnny Cash also has never left the public eye since his 2003 death. “The Legend of Johnny Cash,” a 2005 Island Records compilation of his Columbia and American recordings, remains in the top 100 of the U.S. album chart and has sold nearly 2.9 million copies to date.

Like Davis, Cash has been the subject of a “Legacy Bootleg Series,” now in its fourth volume. The country legend’s son, John Carter Cash, who oversees the posthumous output, says that in addition to further unreleased studio material and live recordings, a stage play and a feature film based around Cash’s music are in the works. The younger Cash was an exec producer on 2005’s “Walk the Line,” which focused on his father’s early years.

Echoing Wilburn’s sentiments, Cash says: “What I always try to do, in all situations, is make the same decision that my father would have made. We want to keep the integrity in place. We don’t want to cheapen the image; we don’t want to exploit the brand.”

If there is common ground for those who work with the catalogs of long-dead artists, it is the acknowledgement that a marketing or licensing misstep can severely devalue an artist’s work, sometimes catastrophically.

“Around my company, we have a few mottos,” says Jampol. “One of them I call the Hippocratic Oath of Rock, which is ‘First, [do no harm](#).’ I’ll say to my staff: ‘Listen, it’s 12:30 in the afternoon. By 5 o’clock today, you can completely ruin what it took Jim Morrison 45 years to do, so have a careful day.’ ”

Soundtrack Staples Keep Cash Flowing

Movie and TV soundtrack licensing is a bankable source of coin for the estates of music legends. The exposure also helps keep their tunes fresh in the public’s ear. Evergreen tracks like Tupac Shakur’s “California Love” have been used in practically all genres, including kidpics (“[Marmaduke](#)”), romantic comedies (“Valentine’s Day”) and action pics (“Battle: Los Angeles”).



JANIS JOPLIN

So You Think You Can Dance (2011)

Piece of My Heart

A Little Bit of Heaven (2011) *Mercedes Benz*

Taking Woodstock (2009)

Try (Just a Little Bit Harder)

Watchmen (2009) *Me and Bobby McGee*

Introducing the Dwights (2007)

Move Over, Piece of My Heart

Boston Public (2004) *Piece of My Heart*

The Dreamers (2003) *I Need a Man to Love*

Freaks and Geeks (1999) *Maybe*

Home for the Holidays (1995)

Piece of My Heart

Household Saints (1993) *Maybe*

TUPAC SHAKUR

Django Unchained (2012)

Unchained (The Payback/Untouchable)

Bucky Larson: Born to Be a Star (2011)

California Love

Battle: Los Angeles (2011) *California Love*

Marmaduke (2010) *California Love*

Iron Man 2 (2010) *California Love*

Valentine's Day (2010) *California Love*

Madden NFL 2010 (2009) *Can't C Me*

Middle Men (2009) *California Love Remix*

Notorious (2009) *Hit Em Up*

Generation Kill (2008) *It Ain't Easy*

Entourage (2007) *All Eyez on Me*

Blood Diamond (2006) *When I Get Free*



JIMI HENDRIX

Hit and Run (2012)

Voodoo Child (Slight Return)

Survivor (2010) *Fire*

Warehouse 13 (2010) *Purple Haze*

A Serious Man (2009) *Machine Gun*

Land of the Lost (2009)

All Along the Watchtower

Pirate Radio (2009) *The Wind Cries Mary*

Battlestar Galactica (2009)

All Along the Watchtower

Watchmen (2009) *All Along the Watchtower*

Entourage (2005) *Foxy Lady,*

Crosstown Traffic

Family Guy (2006) *Foxy Lady*



PANELIST BIOS

JEFFREY JAMPOL

GRAMMY® Award winner and Emmy®-nominated film producer Jeffrey Jampol, President of JAM, Inc., manages rock legends THE DOORS, the RAMONES, the Estates of JIM MORRISON, JANIS JOPLIN, PETER TOSH, RICK JAMES, OTIS REDDING and HENRY MANCINI, and is a consultant to the ESTATE OF MICHAEL JACKSON. Jampol produced, with Dick Wolf, the 2010 Doors theatrical documentary, When You're Strange, narrated by Johnny Depp, for which Jampol and Wolf won the 2011 GRAMMY® Award, and were nominated for a 2010 Emmy®. Jampol is also producing the 2014 Janis Joplin theatrical documentary along with Alex Gibney, and is a producer of the new Janis Joplin musical, A Night With Janis Joplin, which opened on Broadway October 10, 2013 at The Lyceum Theater.

2013 marks Jampol's 16th year as an Instructor of The Music Business NOW at UCLA, sponsored by The Recording Academy® and presented by CAA.

Mr. Jampol has been a panelist and featured speaker for The Darden School Of Business at the University Of Virginia, The Anderson School at UCLA, The Marshall School of Business at USC, California Lawyers for the Arts, South By Southwest Music Conference, The Recording Academy®, The Learning Annex, Los Angeles Songwriter's Academy, Nashville Music Conference, North By Northeast Music Conference, BMI, North By Northwest Music Conference, Loyola Marymount University, West Los Angeles Law School and Pepperdine School of Law.

A voting member of The Recording Academy® since 1985, Jampol sat on the Board Of Governors of The Recording Academy® L.A. chapter from 2007-2009, and is a Member of the Academy Of Television Arts And Sciences®.

DEB KLEIN

With over 25 years of experience in the music business, as well as a law degree with a concentration in entertainment law from Suffolk University, prior to joining Primary Wave, Klein oversaw the management, marketing, sales, radio and tour promotion as General Manager at Prospect Park Records for acts such as Five Finger Death Punch, Jessie and The Toy Boys. Deborah also developed and implemented the Smashing Pumpkins worldwide marketing campaign and tour for Oceania, the band's 7th Billboard top ten album to date. Deborah has also worked with Platinum artists Vanessa Carlton, Yellowcard, Flyleaf, Morphine, Sebadoh, Folk Implosion, and many others.

MICHAEL MORRIS

Michael Morris has blended his tax law expertise with a passion for music and entertainment into a practice that is unique. His practice areas are tax controversy and transactional matters; estate planning; music, entertainment and general business law.

As a former trial lawyer for the IRS and a Certified Specialist in Taxation Law, Michael has the educational background and practical experience that enables him to provide insightful solutions to his clients' complicated tax, estate and business transaction issues.

The entertainment industry is a niche in which Michael has developed a strong base of loyal clients. His interest in music and years of servicing clients in entertainment has allowed him to build a solid reputation of providing valuable and effective business solutions in such areas as copyright and contractual matters. Although Michael's core competency is within the tax arena and entertainment, over the past decade he has developed significant expertise and a clientele covering a wide range of businesses. His diverse client base includes entertainment payroll companies, skin healthcare companies, a winery, talent agents and agencies, a post production house, industry executives of major studios, recording artists, including Grammy winners, production companies and film and TV composers.

As with a number of other attorneys at Valensi Rose, Michael has the distinction of being named a "Super Lawyer" among Southern California lawyers for 2006-2013 by Law and Politics Magazine and Los Angeles Magazine. He was also designated by the Los Angeles Business Journal as one of "L.A.'s Top 100 Lawyers" in 2009.

Michael writes law-related articles, moderates industry seminars, delivers speeches and has served as the president of the California Copyright Conference. He has also served on the Planning Committee for the annual CalCPA Education Foundation Entertainment Industry Conference, which he co-chaired in 2013.

He received his J.D. from the University of Arizona College of Law, where he was awarded the prestigious Order of the Coif and wrote for the Arizona Law Review.

ERIC POLIN

Eric Polin is Sr. Vice President of Music Publishing at Universal Pictures where he oversees the administration of their film and TV music catalog dating back to 1928. Previously, he was a partner at Wixen Music Publishing where he oversaw the publishing administration of some of the top songwriter/artists in the industry. Mr. Polin is a past president of the California Copyright Conference and founder of the organization's scholarship program. He has moderated CCC panels on independent music publishing, film music, and digital distribution, and was the author of the hauntingly unforgettable CCC newsletter article entitled "The (Lost) Art of Mechanical Licensing." He has been a panelist for programs focusing on independent music publishing and on music royalties. Mr. Polin has been quoted in The New York Times, and his opinions have been published by Billboard magazine, The Hollywood Reporter, and the U.S. Copyright Office. He has worked in many areas of the entertainment industry, including motion pictures, television, home video, and music. Mr. Polin has also served as a curriculum consultant for the Musicians Institute's Associate of Arts Program in music industry studies. He holds an MBA from the University of Southern California and a BA in Economics from UCLA.

LARRY WADE

Eleven years ago, Larry Wade moved to Los Angeles from Indiana to manage the career of Philip Lawrence, who is now one third of the multi-platinum songwriting and production team The Smeezingtons with Ari Levine & Bruno Mars. As the owner of the songwriter/producer management company, Decible Entertainment, Wade, has been managing Evan Bogart & David "DQ" Quinones since the formation of The Writing Camp (TWC), a songwriting collective owned Publishing company. (TWC) publishes songwriters with the likes of Eric Bellinger who has written for artists such as Usher, Chris Brown, Justin Bieber & many others. Wade moved into television with the Bravo songwriting competition show Platinum Hit hosted by Jewel, with Kara DioGuardi as head judge. More experience in television came when Wade served as talent producer on Majors & Minors, which premiered on The Hub, where a cast of young singers 8-16 develops their talents under the guidance of established recording artists. Wade continues to wear many hats in a management/production company/publishing capacity, where he runs Decible Entertainment and serves as Executive Vice President of Music for Boardwalk Entertainment Group. He continues to work with artists including singer-songwriter ZZ Ward (Boardwalk/Hollywood Records), Wallpaper.(Boardwalk/Epic Records), MKTO (M2V/Columbia Records), Nova Rockafeller (Boardwalk/Mercury Records) & newly signed My Crazy Girlfriend (QV/Capitol Records).

SEB WEBER

Before he graduated high school, Seb Webber immersed himself in the music industry as an 18-year old in London hosting indie electro parties that merged house music and indie rock. His mentorship with DJ personality Zane Lowe led to a coveted spot as a product manager at esteemed British label XL Recordings in 2005. After working and collaborating directly with chart-topping, trend-setting artists including Adele, M.I.A., Radiohead, Basement Jaxx and Peaches, he partnered with Matt Jones to launch CrowdSurge in 2006, where he placed ticketing back in the artist's hands via groundbreaking technology that allowed for official band web sites to sell tickets to fans without the middle man. Webber exited CrowdSurge in 2011 at a company valuation of \$30 million.

He was promoted to XL's Vice President of A&R and moved to Los Angeles. Billboard Magazine dubbed Webber one of their "30 Under Thirty" music executives in a 2010 magazine feature. Webber joined the Private Equity world and set up SQE in April 2011 with a number of noteworthy artists including At The Drive In, Rusko, DJ Fresh, NASA and Brendan Canning from Broken Social Scene. In June 2012, The LA Times wrote a page feature on Webber entitled "Seeing Music's Future".

In September 2012, Webber joined Red Light Management to work alongside Bruce Eskowitz, COO. Red Light is the largest global music management firm.