



by Kell Houston

Understanding Entertainment Contracts

Those artist contracts with all the legalese and contract riders with pages and pages of specifications and requests are very difficult to pick through. All that information is very important for you to understand because you have entered into a legally binding relationship. Let's take a look at the process that you have entered into, by starting at square one.

First of all, once you have decided on a certain artist for your casino concert, the first step is the actual offer to the artist. In most cases the artist's concert rider is available to review before you actually submit your offer. This is an important point. Reviewing this rider before you make the official offer can let you know about all the hidden costs, requirements etc. This is a point where you can say no and avoid a problematic event.

If you are a casino that uses a talent buyer, the offer process starts with giving the talent buyer the written authority to act on your behalf to submit the offer. This offer needs to contain

all the major points about your concert. It needs to state the date, the venue you are using on your property, the performance times, the ticket prices and scaling of your venue, the physical address, the amount of money you are offering, the person who is authorized to sign the contract, phone numbers, a radius clause, radio stations involved, an expiration date for the offer and much more.

This offer will be reviewed by the agency and then submitted to the artist's management. Depending on many intangible things, it will be accepted or rejected. The point being made here is that once that offer is submitted, you have entered into a legally binding agreement with that artist, if they accept your offer. If you use an outside talent buyer, the same holds true for you. So you must understand that fact going into this process.

Many times the original offer will be countered. There could be a date change, a request for more money, accommodations could change, production requirements could become different because the group is now carrying much of their own gear, etc. Many times an offer is made many months out in the calendar year, so things can and do change. This is especially true with a current artist with rising star power and radio exposure. That \$20K offer could easily be rejected after a TV awards show and you could now be looking at \$50K or more. As you can see, the initial offer is typically the starting point for negotiations. Always remember the artist and their management determine the price and it's based on an old adage "supply & demand." Therefore the 300% variable price range.

Once you have confirmed the date and the price for the artist, a contract with a contract rider will be forwarded for your signature. The artist contract is always one sided and the rider can be very demanding. Here's another reminder: the delivery of this contract confirms your binding and legal agreement to the terms of your offer. It is now a hard copy and your work is just beginning. Every word, every term and sentence has to be reviewed on the actual contract to make sure all of the points are correct per your offer.

Most contracts are very straightforward and if you deal with a lot of them, they are fairly simple to navigate. The challenging part will be the contract rider which accompanies the contract. This is the multi-page document we discussed previewing prior to making your offer. This document contains basic information about what is needed and what is required by the group. It includes details ranging from advertising and marketing information to food & beverage requests, to technical specifications. This entire document is another point of negotiation. An Artist has to have an overall contract rider that



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can be applied to all venues and dates. There is a lot of information that is not applicable for your date in that rider.

So your first step is to go through that rider page by page and cross off everything that will not and does not apply to you. This can include everything from supplying airfares to exotic food requests. The production part of the rider needs to be given to your production people because they speak the language and they should also know what your venue can and cannot do. For instance the rider may call for a stage size much different than what you have in your venue. Or the artist will ask for some specific production gear that cannot be provided without cost overruns. Once you have covered all the information in the rider and made your changes, the signed contract and signed-off rider (with any changes noted) is sent back to the artist for signature.

Once the contract and rider have been sent back to the agency, you need to be very active in keeping track of getting that contract signed off and returned to you. This is a point where many managers will sit on a contract. You can help move this process along by informing them that you cannot issue a deposit for the performance date until the contract is fully executed. All artist contracts and riders are one-sided. You need to create a little balance in the relationship. Your

casino should have its own addendum/rider so that you can send back your own requirements and specifications.

The information on your addendum should contain specific points, such as your alcohol policy, dressing rooms supplied, stage dimensions, power provided, production contact information as well as all casino contact information. Any and all information you want your artist to know about doing business with your casino needs to be communicated and the casino addendum is a perfect way to do that. This will simplify the process. Also, having access to the artist's rider prior to making the original offer, as we mentioned earlier, can let you know whether you should even consider making the offer in the first place. Communication is very important and understanding exactly what you are getting into is your primary goal.

Remember that this is only the beginning. The next step is marketing, advertising and selling tickets. Then comes the fun part, the actual concert itself. If you have done your work in the early stages of this process, you should have a smooth and successful event. ♣

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