



## LAW ADVOCATE GROUP, LLP

9701 Wilshire Blvd. Suite 1000 Beverly Hills, CA 90212

Phone: 310-651-3065 Fax: 310-601-7110

[www.LawAdvocateGroup.com](http://www.LawAdvocateGroup.com)

## Doron F. Eghbali Entertainment Law

### [What To Look For In An Artist Personal Manager's Contract](#)

Thursday, June 21, 2012 by [Doron F. Eghbali](#)

Artists might elect to secure professional services of a personal manager (i.e. talent manager) to further organize their professional career and hopefully open new vistas of opportunities to themselves, to the extent practicable. Personal Managers are different from business managers. This article, to some extent, explores some of the issues to consider during negotiation of a Personal Manager's contract.

#### **SOME BACKGROUND**

Personal Managers are different from Agents but synonymous with Talent Managers. Personal Managers' duties and responsibilities encompass a rather myriad of activities related to career enhancement of the artist exclusive of procuring employment. Procuring employment is the sphere of Agents who should be licensed. Personal Managers serve as the organizer, guidance counselor, liaison to legal counsel and other entertainment professionals, among other duties.

A well-respected renowned Personal Manager could open some doors in a fiercely competitive callous entertainment industry. On the other hand, selecting a Personal Manager should be made intelligently. Some of the issues to consider in selecting a Personal Manager include the following:

- Ensure Your Personal Manager Has Some Legitimate Certification or Association;
- Ensure the Personal Manager Has Some References You Could Talk To Including Some Existing and Former Clients for Input without Personal Manager's Influence;
- Ensure the Personal Manager is Relatively Well-Connected in the Community
- Ensure You Like Your Personal Manager's Attitude, Personality; and Your Personal Manager Can Work Well with other Members of Your Team Including but Not Limited to Your Legal Counsel and Agent;
- Ensure Your Personal Manager Provides You the Level of Service You Reasonably Expect and Contract For. Sometimes, Since the Personal Manager or Its Company Has Many Other



**Law Advocate Group, LLP**

- Clients Like You, You Might Find It Difficult Connecting with Your Personal Manager While You Cannot Easily Get Out of the Contract, Either; and
- Ensure Your Personal Manager Represents Other People in the Entertainment Industry Besides Your Own Field Such As Writers, Producers and Directors.

## **1. TERM OF PERSONAL MANAGER'S CONTRACT**

Often, Personal Managers are signed up when the artist is already "successful" and needs an intelligent trustworthy counselor to prudently navigate the Artist's already flourishing career. The Personal Managers who are sought and retained for such Artists already have "established" themselves in the entertainment. Accordingly, the contract term varies from 2-7 years with 3 being the middle ground. It is very rare for such contracts to be shorter than 6 months or longer than 7 years.

Often, Personal Managers aspire to secure longer terms and Artists aspire to secure shorter term to ascertain if they can work with each other.

Nonetheless, it is advisable, often, for the legal counsel to start off with a short term and then create some conditions to be met before the Personal Manager can exercise an option to extend the term. Such flexibility would allow the Artist to exit the contract if the Personal Manager is not particularly suited to the Artist's interests and aspirations and for the Personal Manager to know what to reasonably expect.

Short-term contract is more urgent and prudent for "less established experienced" Artists entering into a contract with rather "less established" Personal Managers. The contract term for such Artists should be 6 months or to 1 year and NOT more.

### **SOME OF THE CONDITIONS TO EXTENSION OF THE CONTRACT TERM**

Even though the conditions to extend time depend largely on the negotiating prowess and acumen of the parties involved, the following might provide some guidelines, if possible to implement:

- To extend time only if the Personal Manager can secure a deal from "MAJOR LABEL" companies such as CBS, Warner Bros., or MCA within 6months - 1 year of signing the contract. In most circumstances, an independent record label would not satisfy the condition of "major label" company.
- To extend time through options exercisable by Personal Manager, Artists' counsel should seek some type of notification if Personal Manager does not want to exercise the option. Most Personal Managers seek 3 to 4 1-year options. Options are extremely important to Personal Managers, as options allow Personal Managers to reap the fruits of their labor especially for Artists with no track records. On the other hand, it is integral for Artist to receive notification if the Personal Manager does not want to exercise the option so that it would limit interruption in Artist's professional career to the extent possible. Such notification should be at least 90 days prior to the date of exercising the option.



## 2. SERVICES RENDERED BY PERSONAL MANAGER

Often, the services contractually rendered by Personal Manager do not vary unless parties have specific needs and requests. Nonetheless, there are some areas open to negotiation. Some of such areas include, but not limited to:

1. Whether Artist must be present to receive advice by Personal Manager. The definition and scope of "present" should be intelligently drafted.
2. Whether Artist must be "co-operative" with Personal Manager to receive advice. Again, "co-operative" could be a term of art.
3. Whether Personal Manager must use "reasonable efforts", "best efforts" or some other barometer. Such former terms are nebulous at best and counsel might need to supplant with terms more appreciable and ascertainable.
4. Whether Personal Manager must render services **ONLY** after being called upon for advice.

Regardless of the contractual terms and definitions, there are often two extremes: One would be for the Personal Manager to transform into the alter ego of the Artist, in effect controlling the Artist's life and deciding nearly everything for the Artist. The other extreme would be for the Personal Manager to render services only on "as-needed basis".

## 3. COMPENSATION PAID TO PERSONAL MANAGER

Generally, the compensation is open to negotiation to parties. However, compensation to Personal Manager is contingent upon Artist **EARNING AND RECEIVING** the money before doling out the portion contractually agreed to the Personal Manager. In fact, monies **EARNED BUT NOT** received by the Artist are **NOT** commissionable. Nonetheless, for monies received after the term of the agreement by the Artist **BUT** earned by the Personal Manager during the term of the agreement should be returned to the Personal Manager. Commissions paid to Personal Managers are, **GENERALLY**, anywhere between 10% to 20%, even though it is known some Artists pay up to 50% of gross monies received.

It is also common for the Personal Manager's commission to increase if the Artist receives gross monies beyond a scale. In other words, the commission is predicated on a scaling scale, the more money earned and received by the Artist, the more commission the Personal Manager receives consequently.



## DISCLAIMER

This article NEITHER supplants NOR supplements the breadth or depth of such esoteric topic. In fact, this article ONLY provides a rather rudimentary synopsis of such rarefied subject matter.

---

***DORON EGHBALI** is a Partner at the Beverly Hills Offices of Law Advocate Group, LLP. Doron Primarily Practices Business, Real Estate and Entertainment Law. Doron Can Be Reached at: 310-651-3065. For More information, Please, Visit: HERE.*