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Michael Jackson estate, Sony Music Entertainment strike distribution deal

The contract includes unreleased recordings, DVDs, video games and theater. It could be worth \$250 million.

By Chris Lee

March 16, 2010

Administrators of Michael Jackson's estate and his longtime record label, Sony Music Entertainment, Monday announced a seven-year distribution deal for as many as 10 new Jackson projects, including unreleased recordings, DVDs and perhaps even video games, valued at as much as \$250 million.

"We and Sony feel that the future for Michael Jackson is unlimited," said John Branca, a special administrator for the estate.

Rob Stringer, chairman of the Columbia Epic label group, a division of Sony, described the deal as a landmark for the recording industry. "The audio rights span across different projects," Stringer said. "There may be theater. There may be films and movies. There may be computer games -- or multimedia platforms that I don't know about today that will happen in 2015."

Jackson died in Los Angeles on June 25, 2009, of acute intoxication from the powerful anesthetic propofol as he was preparing for a series of comeback concerts in London.

Monday's deal eclipses such agreements as Bruce Springsteen's \$110-million, seven-album deal with Columbia Records signed in 2005 and British pop crooner Robbie Williams' \$150-million, five-album deal with EMI in 2002.

Although Sony enters into the new agreement at a time of plummeting album sales and widespread music industry contraction, sales of so-called "legacy acts" and Jackson's in particular, suggest the potential upside of the agreement. In the nine months since Jackson's death, more than 31 million of his albums have been sold worldwide (with two-thirds occurring overseas), according to a source with knowledge of Jackson's financial dealings who insisted on anonymity because he was not authorized to speak publicly.

Those sales and recent licensing deals have brought in close to \$250 million to the estate -- easing a substantial portion of the nearly half-billion dollars in debt Jackson owed to financial institutions at the time of his death.

The Elvis Presley estate takes in between \$50 million and \$60 million annually through

music sales and licensing deals. Jimi Hendrix's posthumously released album "Valleys of Neptune" may sell 100,000 copies in its first week of release, according to Billboard magazine.

And in addition to several recent re-releases and repackaging of the singer's CDs and movies, Frank Sinatra's estate signed a deal with Warner Music Group in 2008 to explore projects including a restaurant chain, an Old Blue Eyes-themed casino and the use of Sinatra's image to market luxury goods. The Beatles continue to thrive in the marketplace four decades after their breakup and despite the deaths of two members, John Lennon and George Harrison.

More than 60 million Beatles albums have been sold domestically since Nielsen SoundScan began tracking retail sales in 1991.

"If you look at Elvis and the Beatles, and how their brands are thriving, they only hint at what the future holds for Michael," Branca said.

Sony and the Jackson estate already have plans in place for a reissue of Jackson's multi-platinum-selling 1979 album "Off the Wall" next year that will contain a trove of new, exclusive material.

"The stuff we have in the vaults around that record is fascinating and remarkable," Stringer said. "We're going to build a whole platform with a documentary. The outtakes are fantastic! We have a lot of great stuff from around every time period [in Jackson's career]. We're plowing through everything now to understand what we've got."

As well, Jackson estate co-executor John McClain -- a 40-year confidant of the entertainer who produced part of Jackson's 2001 album "Invincible" -- is spearheading the selection of an album of previously unreleased material that could hit shelves late this year.

"John McClain tells me they've got over 60 unreleased recordings that they're choosing from," Branca said. "The first album will have around 10. There's some very recent stuff and vintage stuff that deserves to be shared with Michael's fans."

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Times staff writer Randy Lewis contributed to this report.

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