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In Recess

'Artist-Friendly'

Attorney Kirk A. Pasich formed his own record label with a focus on performers over profits.

By Shane Nelson
Daily Journal Staff Writer

When insurance recovery attorney Kirk A. Pasich first told friends and colleagues he was starting a record label, not all of the feedback was positive.

"People looked at me like I was on drugs," the Pasich LLP founder recalled, adding that many of them then posed the same question. "Everybody kept saying, 'Why would you go into a business that's in total chaos?'"

It turns out the answer is relatively straightforward. Cindy Alexander, a musician Pasich had long adored, told him to.

The singer-songwriter and breast cancer survivor made the suggestion shortly after playing for Pasich music from an album she recorded while healing from a double mastectomy and later breast reconstruction.

"After the session he said, 'You need to do something with this,'" Alexander explained, noting that Pasich and many other fans helped cover the album's recording costs with donations.

"I told him, 'I'm just happy I'm alive and that I could make the record,'" she continued. "But he said, 'No, no, no. You really need to do something with this,' and I said, 'Then you need to start a record label.'"

Alexander was the first artist signed to Blue Élan Records LLC, an endeavor Pasich launched 2½ years ago. Over the course of his 37-year legal career, Pasich has represented big names in music and entertainment, including Tom Hanks, the surviving members of The Doors, Andy Summers from The Police and Chris Cornell, the late lead singer for Soundgarden and Audioslave. But Blue Élan is Pasich's first foray into label ownership, and the insurance recovery lawyer insists the company is not your father's record business.

Skeptics looking for proof may want to consider the standard, seven-page recording contracts Blue Élan initially offers artists. The original contract was an 80-page tome, supplied by former Rolling Stones attorney Richard Lehrer.

"Richard told me, 'You can't do this. You removed all the label protections,'" Pasich explained. "And I said, 'Right. That's the point.' ... We made it the most artist-friendly contract we could find."

According to Blue Élan general counsel and chief operating officer Kimberly A.



Juliane Backmann / Special to the Daily Journal

Umanoff, a former associate in Pasich's insurance recovery practice at Liner LLP, the company wasn't overly concerned with doggedly protecting its own interests.

"We were banking on relationships and banking on artists having a good experience," she said. "From the get-go, we didn't want to force anyone to work with us who was unhappy with the experience. So if people want to walk, and the contract allows that, then so be it."

Pasich and Umanoff did away with other common provisions of larger label recording contracts, such as standard seven-year deals; advances and recording costs that have to be paid back entirely from the first music sale profits; and long-term label ownership rights over master recordings. Blue Élan typically signs artists to two-year deals "with some options," Pasich said, and the company guarantees the release of recorded music.

"And instead of charging artists \$50,000 for the recording costs, we'll split it with them," he said. "And two years after we're done, you can get all your rights back. You'll own everything: your physical recordings, the music, the masters, the compositions, the copyright, videos, artwork, the website. Whether we have made a penny off them or not, whether we have recovered a penny of the expenses we incurred or not, the artists own it all."

Longtime music and entertainment attorney David A. Helfant, who represents Grammy Award winner and now Blue Élan artist Rita Coolidge, said he was especially impressed by the label's handling of original masters, which he explained often belong

to record companies for decades after an album's release.

"Kirk really has instilled a lot of confidence and a lot of faith in the artists they've signed," Helfant said. "He's set up a creative home where their music is going to be exploited aggressively but they are not being taking advantage of, and it's tough to say that about other labels."

A classically trained organist who started lessons at 5 and later earned money playing for churches in high school and college, Pasich said he appreciates just about any music genre — though his classical background kept him from listening to rock and roll for quite a while.

"When I was graduating high school, somebody gave me Deep Purple's 'Machine Head' with [the song] 'Smoke on the Water,'" he said. "And that was my introduction to hard rock."

Pasich went on to write music reviews while at Loyola Law School, where he completed his degree in 1980, and he later managed rock bands while at Paul Hastings LLP. There was even a point when he considered moving full-time into the music industry.

"Then I had my first child," he said. "And it seemed more financially prudent to stay as a lawyer rather than become some rock and roll manager."

Fast forward nearly three decades and Pasich said he started Blue Élan, in part, because he didn't appreciate how the record business was changing, especially due to the rapidly evolving world of digital streaming, where songwriters make only "hundredths of cents on a dollar."

Owning a label has also provided the attorney a chance to return to the recording studio to produce, work he hadn't undertaken in decades. A recent project was Alexander's third album for Blue Élan, slated for release in January, where recreating the essence of her live performances was a chief aim.

"What he wanted to capture was the beauty of imperfection," Alexander said. "I've been given a lot of direction in the past, but this was Kirk saying, 'I just want you to be you. I want you to do what you do on stage.'"

Home now for 25 signed musicians ranging in age from 22 to 73, Blue Élan has grown far beyond what Pasich figured would be a three to five-artist label after five years. He conceded the company has not yet broken even overall, though it has made a profit on some of its musicians.

Pasich is hopeful, however, that in two or three years the multimillion-dollar investment will be out of the red.

"There's a lot of risk in what we're doing," he said. "We've entered into the record business at a time when nobody really knows how to make money in the record business."

Profits aside, the label earned its first Grammy nomination last year and has won several LA Music Critics awards. Meanwhile, the business is certainly pumping out music. The label has more than 20 album releases slated in the next 12 months.

And Pasich's day job appears to be as solid as ever. His insurance recovery practice group left Liner before the firm's merger with DLA Piper in late July, and the nine-partner Pasich LLP launched Aug. 1, featuring offices in Los Angeles and New York with another South Bay location likely to open in early October, according to Pasich.

Still, longtime legal recruiter and consultant Bobbie McMorro, who met Pasich more than 25 years ago, applauded the attorney for wholeheartedly pursuing his music passion.

"For 30 years, I've talked to lawyers all day, every day, 365 days a year, and mostly what you hear is how disappointed they are in some part of their life or their career," she said. "So whether Kirk has made a smart financial decision or not, he's carrying through with something he's always loved, and to me that's inspirational."