

= Sony / ATV Music Publishing =

Sony / ATV Music Publishing is a music publishing company , presently co @-@ owned by Sony Music Entertainment and the estate of Michael Jackson .

The company was originally founded as a division of Associated Television (ATV) in 1955 by Lew Grade . In 1985 , Michael Jackson acquired ATV Music Publishing for \$ 47 @.@ 5 million . Paul McCartney , who had told Jackson about the importance of owning publishing , admitted he felt somewhat undercut by the purchase , because ATV Music Publishing owned the publishing rights to most of the Beatles ' songs , although he did not enter the bidding when it came up for sale in 1984 .

In December 1995 , Michael Jackson agreed to merge ATV Music Publishing with Sony Music Publishing , a division of Sony Corporation , to form Sony / ATV Music Publishing . In 2012 an investor consortium led by Sony / ATV Music Publishing acquired EMI Music Publishing for approximately \$ 2 @.@ 2 billion . Sony / ATV Music Publishing and EMI Music Publishing now operate as one company , with the former entity administering the catalog of the latter under a complex business structure . Following the acquisition , the company became the largest music publisher in the world , with a library of over 2 million songs under its administration .

On March 14 , 2016 , Sony announced that it had reached a deal to acquire the Jackson estate 's stake in the company .

= = History = =

= = = Founding = = =

Sony / ATV was originally founded as a subsidiary of the UK 's Associated Television (ATV) . ATV operated a commercial television company , broadcasting from 1955 in London (until 1968) and the English Midlands as part of the Independent Television (ITV) network .

Business tycoon Louis Benjamin was involved with Lew Grade as part of one of the three major record companies in the UK at the time . The company was Pye Records which , along with EMI and (the British) Decca Records , accounted for the vast majority of music records sold in the UK . In 1959 , ATV acquired 50 % of Pye Records . Between them , Grade and Benjamin held most of the shares . ATV Music Publishing was created to exploit the catalogue of songs written by artists on the Pye Record label , and for the themes to ITC and ATV television programmes . The UK rights to some of the rock ' n ' roll music from the US were also bought by ATV . Grade established ATV 's headquarters alongside those of Pye Records ; off Edgware Road , beside the Marble Arch in central London .

= = = Early history = = =

The 1950s / 1960s was a good period for Grade and his brothers , Bernard Delfont and Leslie Grade , and their companies . Pye Records had major artists of the period under contract . The Searchers , The Kinks , Donovan , Mungo Jerry , and Petula Clark were some of the artists that recorded for Pye Records . Pye also had contracts with several US companies , allowing them to manufacture and distribute records in the UK . Chess Records was among those , and counted Chuck Berry as one of its top artists .

ATV Music acquired the rights to the Lennon ? McCartney song catalog , Northern Songs , in 1968 . The catalog featured almost every song written by John Lennon and Paul McCartney until The Beatles ' legal split in 1971 . Northern Songs had been co @-@ owned and administered by Brian Epstein and Dick James . Following Epstein 's death in 1967 , James put the company up for sale . Lennon and McCartney , upset that the songs they had written were not theirs legally , attempted to gain ownership of the publishing rights . Their bid to gain control , part of a long and acrimonious fight , failed . The financial clout of Grade , their adversary in the bidding war , ensured that the

music written by the two Beatles passed into the control of ATV .

ATV Music Publishing remained a successful organization in the music industry throughout the 1970s . Len Beadle , the company 's chief executive , signed up many songwriters and bought numerous song catalogs . The catalog acquisitions , along with the continuing royalties from Lennon and McCartney , ensured that large amounts of money were frequently coming in for ATV Music Publishing . Despite the success of the music publishing organization , other ventures formed by Grade were not performing as well . Pye Records , which continued to distribute music from artists such as Carl Douglas and Barry White , was failing to bring in large amounts of money . The main television arm of ATV lost its government @-@ granted license in its then @-@ current form and was restructured into Central Independent Television .

= = = Acquisition = = =

By the mid @-@ 1980s , ATV Music Publishing and Pye Records were both up for sale . The companies were bought relatively cheaply by Australian businessman Robert Holmes à Court , who acquired Associated Communications Corporation (the parent company) in 1982 , asset @-@ stripped the subsidiaries , and sacked many long serving employees before selling the companies on again . During this time , American singer Michael Jackson was recording " Say Say Say " for Paul McCartney 's Pipes of Peace album . Jackson stayed at the home of McCartney and his wife Linda during the recording sessions , becoming friendly with both . One evening whilst at the dining table , McCartney brought out a thick , bound notebook displaying all the songs to which he owned the publishing rights . Jackson grew more excited as he examined the pages . He inquired about how to buy songs and what the songs were used for . McCartney explained that music publishing was a way to make big money . Jackson replied by telling McCartney that he would buy The Beatles ' songs one day . McCartney laughed , saying " Great . Good joke . "

Jackson was first informed that the ATV catalog was up for sale in Sept . 1984 by his attorney , John Branca , who had put together Jackson 's earlier catalog acquisitions . Warned of the competition he would face in buying such popular songs , Jackson remained resolute in his decision to purchase them . Branca approached McCartney 's attorney to query whether the Beatle was planning to bid . The attorney stated he wasn 't ; it was " too pricey . " According to Bert Reuter , who negotiated the sale of ATV Music for Holmes à Court , " We had given Paul McCartney first right of refusal but Paul didn 't want it at that time . " Lennon 's widow , Yoko Ono had been contacted as well but also did not enter bidding .

McCartney had previously attempted to purchase the catalog alongside Ono in 1981 . He was offered the catalog for £ 20 million (\$ 40 million USD) and proposed the pair would each pay £ 10 million . Ono refused as she thought it was too high a price . McCartney spoke about the offer at a press conference in April 1990 , explaining that Ono " actually said ' I think we can get it for 5 . ' So I said , ' Well ok , you know , let 's see what we can do . ' And we couldn 't . " Not wanting to buy the songs himself and potentially be seen as being " grabby " for " owning John Lennon 's bit of the songs , " McCartney let the offer fall through .

The competitors in the 1984 sale of ATV Music included Charles Koppelman and Marty Bandier 's New York @-@ based The Entertainment Co . , Virgin Records , New York real estate tycoon Samuel J. LeFrak , and financier Charles Knapp . On November 20 , 1984 , Jackson sent a bid of \$ 46 million to Holmes à Court . Branca suggested the amount of the bid after having spent time evaluating the earnings of the catalog and learning of another bid for \$ 39 million . Jackson was only interested in the music copyrights , but the package also included buildings , a recording studio , some studio equipment and life insurance policies on Beatles members (presumably Lennon 's was collected in 1980) . The two sides signed a non @-@ binding memorandum of mutual interest in Dec. 1984 and Jackson 's team began a four @-@ month process of verifying ATV Music 's legal documents , financial reports , and every significant composition in the nearly 4000 @-@ song catalog .

The two sides began drafting contracts in Jan. 1985 and follow @-@ through meetings began on Mar. 16 . Jackson 's team described the negotiations as frustrating , with frequent shifts of position

by the other side . One Holmes à Court rep described the negotiations as a " game of poker . " Jackson 's team thought they had reached a deal several times , but new bidders would enter the picture or they would encounter new areas of debate . The prospective deal went through eight drafts . In May 1985 , Jackson 's team walked away from negotiations after having spent hundreds of hours and over \$ 1 million . In June 1985 , they learned Koppelman / Bandier had made a tentative agreement with Holmes à Court to buy the catalog for \$ 50 million .

But in early Aug. , Holmes à Court contacted Jackson and talks resumed . Jackson only raised his bid to \$ 47 @. @ 5 million , but he had the advantage of being able to close the deal faster , having completed due diligence of ATV Music prior to any formal agreement . He also agreed to visit Australia as a guest of Holmes à Court and appear on the Channel Seven Perth Telethon . Holmes à Court included some more assets and agreed to establish a scholarship in Jackson 's name at a U.S. university . Branca closed the deal and purchased ATV Music on Jackson 's behalf for \$ 47 @. @ 5 million on Aug. 10 . 1985 . In Oct. 1985 , Jackson fulfilled his contract provision to visit Perth , Western Australia and appear on the telethon , where he spoke briefly and met with two children .

In an analysis of the acquisition , the Los Angeles Times noted that if " Yesterday " were to earn \$ 100 @, @ 000 a year in royalties , the Lennon estate and McCartney would divide 50 % of the income ; \$ 25 @, @ 000 each . The publisher , Jackson , would receive the other 50 % ; \$ 50 @, @ 000 . It was mentioned that " Yesterday " probably earns more than \$ 100 @, @ 000 a year . The publisher would also control the use of the song in films , commercials and stage productions . Jackson went on to use the Beatles ' songs in numerous commercials , feeling that it would enable a new generation of fans to enjoy the music . McCartney , who had himself used the Buddy Holly song catalogue in commercials , felt saddened . Privately , Jackson was reported to have expressed exasperation at McCartney 's attitude ; he felt that the musician should have paid for the songs he had written . At the time , McCartney was one of the richest entertainers in the world , with a net worth of \$ 560 million and a royalty income of \$ 41 million . Jackson stated , " If he didn 't want to invest \$ 47 @. @ 5 million in his own songs , then he shouldn 't come crying to me now " .

Appearing on the Late Show with David Letterman shortly after Jackson died in 2009 , McCartney spoke about Jackson 's acquisition of the Beatles songs and the impact of it on their relationship :

And which was , you know , that was cool , somebody had to get it , I suppose . What happened actually was then I started to ring him up . I thought , OK , here 's the guy historically placed to give Lennon ? McCartney a good deal at last . Cuz we got signed when we were 21 or something in a back alley in Liverpool . And the deal , it 's remained the same , even though we made this company the most famous ? hugely successful . So I kept thinking , it was time for a raise . Well you would , you know . [David Letterman : Yes , I think so .] And so it was great . But I did talk to him about it . But he kind of blanked me on it . He kept saying , " That 's just business Paul . " You know . So , " yeah it is , " and waited for a reply . But we never kind of got to it . And I thought , mmm ? So we kind of drifted apart . It was no big bust up . We kind of drifted apart after that . But he was a lovely man , massively talented , and we miss him .

Ono was pleased that Jackson had acquired Northern Songs and called it a " blessing . " Speaking in November 1990 , Ono stated , " Businessmen who aren 't artists themselves wouldn 't have the consideration Michael has . He loves the songs . He 's very caring . " She added that if she and McCartney were to own the songs , there would certainly be arguments . Ono explained that neither she or McCartney needed that . " If Paul got the songs , people would have said , ' Paul finally got John . ' And if I got them , they 'd say , ' Oh , the dragon lady strikes again . ' "

= = = Merger with Sony = = =

After Jackson 's acquisition of ATV Music Publishing , his record label 's owner , CBS , was negotiating the sale of its record division in an unrelated deal . The record company was renamed Sony Music Entertainment in 1991 . Following hurriedly arranged meetings and disagreements over the selling price , a deal was sealed by Jackson during a concert in Tokyo . Upon seeing the success of this sale , Japanese corporation Sony sought to break away from its core business of hardware manufacturing and diversify into music , films and games . Looking for further

opportunities , the company aimed to expand its music publishing interests . The Japanese corporation , since it wanted to diversify in the media , offered Jackson \$ 90 million for a 50 % stake in the ATV catalogue via a merger with Sony Music . Through the agreement , Jackson would become one of the most important shareholders in Sony . Jackson gladly accepted ; he had essentially acquired half ownership of the Beatles ' songs for a large profit . Jackson 's own songs were not included in the deal . Sony and ATV having merged , the new company was named Sony / ATV Music Publishing and became the second largest music publisher in the world . Michael P. Schulhof , President and CEO of Sony Corporation of America , welcomed the merger and praised Jackson for his efforts in the venture . " Michael Jackson is not only the most successful entertainer in history ; he is also an astute businessman . Michael understands the importance of copyrights and the role they play in the introduction to new technologies . " He added that Jackson recognises Sony 's " leadership in developing and realizing new technologies that serve to expand the creative horizon of artists such as himself " . Administrative expertise was provided by Sony , who installed Paul Russell as chairman . Jackson was a company director and attended board meetings regularly . As each party in the arrangement held the power of veto , both sides would have to agree on a decision before it could be made . If neither party agreed on a decisions , they would not be implemented .

In May 2001 , Jackson denied rumours that he was planning to sell the Beatles ' song catalogue . Rumours had circulated that the singer was to sell them in order to finance the upkeep of Neverland Ranch and to cover legal bill expenses . The singer announced in a statement , " I want to clarify a silly rumour ? The Beatles catalogue is not for sale , has not been for sale and will never be for sale . " Sony / ATV Music Publishing continued to acquire song catalogues in the 21st century . In November 2001 , the company signed country singer Tony Martin to an exclusive songwriting and co @-@ publishing deal . Through the deal , they acquired Martin 's Baby Mae Music catalog of 600 songs , which includes Joe Diffie 's " Third Rock from the Sun " and Jeff Carson 's " Not on Your Love " . In July 2002 , Sony / ATV Music Publishing bought veteran country music publisher Acuff @-@ Rose for \$ 157 million . The venture included music publishing rights to 55 @,@ 000 country music songs , including the music of Hank Williams , The Everly Brothers and Roy Orbison , as well as the master recordings of the defunct label Hickory Records . Sony / ATV revived Hickory Records as the in @-@ house record label imprint in 2007 , with distribution handled by Sony Music 's RED Distribution . Sony / ATV also owns the masters of Dial Records , Four Star Records and Challenge Records .

In 2006 , Sony gained operational control of Sony / ATV and obtained an option to buy half of Jackson 's stake in the company at any time for a fixed price of \$ 250 million .

Digital sheet music provider Musicnotes.com announced in June 2006 that it had signed a long @-@ term distribution agreement with Sony / ATV Music Publishing . Musicnotes.com would produce and sell digital sheet music and guitar tablature for songs from Sony / ATV 's extensive catalog . " As a music publisher , we are always looking for new and innovative ways to promote our songs and songwriters , " Sony / ATV chairman and chief executive David Hockman announced in a statement .

Another company acquisition was made in 2007 , when Sony / ATV purchased Famous Music , a music publishing business with song catalogue of more than 125 @,@ 000 songs including " Moon River " and " Footloose . " The deal , sought by Viacom , included the assumption of around \$ 30 million of debt . The company purchased the business for \$ 370 million . The song catalogue also includes the hits of Eminem , Akon , Linda Perry , Björk , Shakira and Beck . With this acquisition , Sony / ATV acquired the rights to publish music from films released by Viacom 's Paramount Pictures subsidiary , which had founded Famous Music in 1928 to publish music from its films . This also included films released by DreamWorks , which Viacom acquired in 2006 .

= = = Death of Michael Jackson , takeover of EMI Publishing = = =

Following Jackson 's death in June 2009 , there were reports that Jackson had left the Beatles catalog to McCartney in his will , having added it just five months before . (Jackson was reportedly

expecting to die before McCartney despite being 16 years his junior due to various health problems .) However , it was later revealed that Sony / ATV Music Publishing would keep control of the Beatles ' songs . Upon his death , Jackson 's entertainment attorney , Joel Katz , commented on the singer 's work as a businessman . " Michael Jackson was a perfectionist and his business affairs are worldwide . Many of them are quite ongoing and will be dealt with appropriately . " Ivan Thornton , a private @-@ wealth adviser who worked with Jackson and his family , also commended the business side of the musician . " His business mind was fascinating . We 'd go to meetings with bankers and Wall Street people and once I explained the language to him , he totally got it . There was no formal education there , but his natural knack was off the charts . "

In November 2011 , Citigroup announced a tentative deal to sell EMI , with the recorded music arm going to Vivendi 's Universal Music Group for \$ 1 @.@ 9 billion and the publishing business going to a Sony / ATV @-@ led consortium for around \$ 2 @.@ 2 billion . Other members of the Sony consortium include Blackstone and Abu Dhabi @-@ owned investment fund Mubadala . In March 2012 , concessions were offered to the European Union to help win approval of the consortium 's purchase . The deal won European Union approval on April 19 , 2012 . As part of the deal , Sony / EMI divested the publishing rights for Famous Music UK and Virgin Music . These catalogues were acquired by BMG Rights Management in December 2012 for \$ 150 million .

In August 2013 , it was reported that McCartney and Ono would be able to begin to reclaim the rights to Beatles songs in 2018 , as a result of the Copyright Act of 1976 , in which the ownership of songs written before 1978 reverts to the songwriter after 56 years . McCartney and Ono (or their estates) will be able to claim full rights to all Beatles songs by 2026 .

= = = Sale of Jackson stake = = =

In October 2015 , it was reported that a clause had been triggered in the agreement between Sony and the estate of Michael Jackson , allowing Sony to make a takeover bid for the Sony / ATV stake held by the estate of Michael Jackson , or vice versa . Billboard felt that Sony acquiring the estate 's stake was the most likely outcome , noting the potential revenue the library could bring in regards to licensing for on @-@ demand music streaming services .

On March 14 , 2016 , Sony announced that it would acquire the Jackson estate 's stake in Sony / ATV in a deal valued at around \$ 750 million , pending regulatory approval . The estate will retain a 10 % stake in EMI Music Publishing , as well as a stake in Mijac Music , which holds the rights to Michael Jackson 's songs and master recordings . Sony Entertainment CEO Michael Lynton stated that the purchase would " enable Sony to more quickly adapt to changes in the music publishing business , while at the same time continuing to be an unparalleled leader in the industry and a treasured home for artists and writers . " The revenue will primarily be used to pay off the estate 's \$ 500 million in debt , with the remainder to be placed in trust for Jackson 's children . The deal is slated to be completed by late @-@ 2016 or early @-@ 2017 .

= = Value = =

The value of Sony / ATV Music Publishing has varied in reports . In 2002 , Forbes magazine estimated Jackson 's 50 % stake in the company , along with other music publishing ventures , to be worth \$ 450 million . The organization was valued at \$ 700 million in 2003 . Industry experts valued the catalogue at between \$ 600 million and \$ 1 billion in 2004 , based on the sales of rival catalogues . Charles Koppelman , a veteran music industry executive , stated that \$ 1 billion was more reflective of Sony / ATV Music Publishing 's worth . " Buyers would be lining up around the block if it were ever put up for sale , " he said . " And I 'd be in the front of the line . " The value of the company was further estimated by Ryan Schinman , chief of Platinum Rye , to be \$ 1 @.@ 5 billion .

In 2005 , Jackson 's defense attorney , Thomas Mesereau , claimed that the song catalogue had been valued at between \$ 4 billion and \$ 5 billion . Jackson 's own financial documents stated that his 50 % share of the catalogue was worth \$ 390 @.@ 6 million as of 2007 , which would have

made the entire catalogue worth \$ 781 @. @ 2 million . When Sony / ATV led the consortium that acquired EMI Music Publishing in 2012 (with Sony / ATV becoming administrator and 38 % shareholder) , it became the largest publishing company in the world , with more than 2 million songs and estimated revenues of over 1 @. @ 25 billion dollars per year . As of 2012 , Sony / ATV administers Jackson 's other publishing firm , Mijac , which includes songs written by Jackson himself (amongst others) , and which used to be administered by competitor Warner / Chappell Music .