



## **Authors Note**

 I created this because I seen too many artists get robbed in plain sight by the people they trusted with their dream.

Shit – I was one of them.

I know what it feel like to be talented as hell but nervous when it comes to paperwork. Some artists don't read. Some don't ask. But mostly all of us get lied to.

- It came to a point where I had to put my dreams to the side and understand the music industry for what it is...
   A business.
- So this right here is first-hand knowledge and experience I'm giving.
   What they not telling you I am.
   I'm giving it to you for free so you don't sell yourself short.

Bag these coins up. Apply it.
And when you win... come spend some with Sos.

It's your money on the table...
Who gonna eat with it?

**–KingPaySos** 



# 10 Contract Traps That Could Rob You

Read this before you sign anything with a smile

## 1. Recoupable Cost

#### **What it Means:**

Label gets paid back FIRST – from your royalties.

#### The Trap:

You might stream millions and still owe them money

#### **Real Talk:**

Studio time, music videos, hotel stays...
it's all on your tab unless you negotiate it out



## 2. Perpetuity

### This means forever ever

If your contract says they own your masters "in perpetuity"...

#### **That means:**

- You lose your rights forever
- Even after the deal ends
- You can't get your masters back ever

They eating off your work when you dead and gone.
That's your legacy. Gone.

Read this as: "We own your music for life. And after."



### 3. Work for Hire

"Work for hire" = You don't own it.

If a contract says your music is a "work for hire," you're basically just a worker getting paid once, and that's it.

- You don't own the masters
- You don't get royalties
- You can't claim rights later

#### **TRANSLATION:**

You just built a mansion and gave someone else the deed.

#### **Read this as:**

"Thanks for the hit. It's ours now. Bye."



## 4. Advances

## It ain't free money. It's a loan

Labels love to flash big numbers like "\$100K advance"... but here's the truth:

- That's your own money in advance
- You owe it back before you see any profit
  - It's recouped from everything you earn

So if they spend your advance on studio time, promo, travel – you gotta pay it all back first, before touching a dime.

READ THIS AS: "HERE'S YOUR MONEY... BUT YOU GOTTA EARN IT BACK FOR US FIRST."



### 5. Cross Collateralization

## They mix your money up so you never really win

If Album 1 flops, they'll take your Album 2 money to pay back the loss.

**Even if Album 2 go platinum...** 

> You still might not get paid.

Your accounts ain't separate.
Your success is tied to your past losses.

#### Read this as:

"Even when you win, you still owed us."



# 6. Exclusivity/ Exclusive Rights

What it sounds like:

"We just need exclusive rights to your music."

What it really means:
You can't drop ANYTHING without them.
No music. No merch. No features. No content collabs.
You gotta ask permission like a child in your own career.

Translation:
You signed your freedom away.

Your grind is locked up.



### 7. 360 Deals

**What it sounds like:** 

"We'll help build your brand — and support everything you do."

#### What it really means: They get a piece of everything:

- Music
- **Acting**
- **Merch**
- **Tours**
- **Brand deals**
- Even your social media earnings

They eat from **every hustle** you touch — but they ain't doing the legwork with you.

Translation:
They want a full plate... off your grind.

**You working. They collecting. KINGPAYSOS.BLOG** 

## 8. Royalty Caps/ Royalty Breaks

What it sounds like:

"You'll get 15% royalties on sales and streams."

What it really means: they nut limits on when and how

Even when you earn, they put limits on when and how much they pay you.

- Some only pay twice a year
- Some cap your earnings at a certain amount
- Some say you gotta recoup first, then they might cut a check

#### **Translation:**

You made money... but you might not see it till months (or years) later.

You broke while they banking.



## 9. Controlled Composition Clause

#### **What it sounds like:**

"We pay 75% on compositions you control."

#### **What it really means:**

If you wrote the song – they'll still pay you less than the full publishing rate.

Instead of the standard 100%, they cap it at 75% or lower. And if there's multiple writers? It gets chopped even worse.

#### **Translation:**

You get penalized for writing your own music.

They cutting your publishing down before it even hits.

## 10. Sunset Clause (Or Lack of One)

#### **What it sounds like:**

"Once the deal ends, everything goes back to you."

#### **What it really means:**

If your contract doesn't include a Sunset Clause, they can keep eating off your work forever — even after you walk away.

A **Sunset Clause** sets a limit.
Without it, they keep collecting royalties, controlling releases, and benefiting from your name **long after** you're gone.

Translation:
You left the deal...
but the deal didn't leave you.

The sun never sets on what they still a

## What We Learned

Labels speak a different language.

And if you don't translate it — you'll get trapped by it.

The 10 Terms to Never Ignore:

- 1. Recoupable Costs The label gets paid back before you do
- 2. Perpetuity They own your work forever
- 3. Cross Collateralization One L drags down your next win
- 4. Advance A loan in disguise
- 5. Work for Hire You don't own what you created
- 6. Exclusive Rights You gotta ask to release your own art
- 7.360 Deal They eat from all your hustles
- 8. Royalty Caps Delayed, limited payouts
- 9. **Controlled Composition** They underpay you for writing your own songs
- 10. **No Sunset Clause** They eat forever unless you put a time limit Real Talk:

You're not just an artist. You're a business. Know what you're signing. Own what you create

And if you don't understand it? Don't sign it.



## How to Collect ALL Your

## Money

You can't eat if you ain't registered to get paid

**Copyright Your Music** 

Go to **copyright\_gov** and register your songs.

This protects your work legally – this is your foundation.

#### Sign Up with a PRO (ASCAP or BMD)

They collect royalties from radio, venues, live shows, TV, etc. Pick one — not both — and register every song.

#### **Register with SoundExchange**

They collect digital performance royalties from satellite radio (SiriusXM), Pandora, etc.

If you don't register, you miss the check.

#### **Sign Up with Songtrust**

They collect your global publishing royalties — stuff PROs miss.
This is how you get paid from overseas streams, syncs, and more.

#### **Always Use Split Sheets**

If you collaborated? WRITE. IT. DOWN.

Even with friends. ESPECIALLY with friends.
% splits. Signatures. Locked in.

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# Real Talk: If your music is in the world, but you ain't set up right... Somebody else is collecting your bag.

# Split Sheets Saves Friendships — & Checks Perfore the sour dress Parison Sheets Saves

Before the song drops. Before the buzz.

Handle Your Business.

**What's a Split Sheet?** 

It's a document that says:

- Who made the song
- What % they own
- Who gets what when it makes money

#### **Why It Matters:**

- No split sheet = no proof
- No proof = no payout
- That's how people get cut out

**Use It Every Time You Collab. Period.** 

- **Lownload the free split sheet template**
- **KINGPAYSOS.BLOG**

Protect your percentages like your pen game.



## Remember This

#### **What We Learned:**

- Labels eat first: Recoupable costs take your cut.
- Perpetuity means forever. Don't give away your legacy.
- Work for hire means you don't own what you create.
- Cross-collateralization keeps you in debt.
- 360 deals take from all your hustle, not just music.
- Advances are loans, not blessings.
- Exclusivity can lock your whole career down.
- Royalty collection isn't automatic you must register!
- Copyright is power. Publishing is leverage.
- Split sheets protect friendships and your future bag.

### Download Resources

- Laim Your Royalties.
- Follow <u>@itskingPaysos</u>
- Tap into <u>KingPaysos\_Blog</u>

### #StaccOrStarve

This ain't just game... it's protection.



## Call to Action

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This Is Just the Beginning.

You don't need a label to move like a boss.
You just need the knowledge — and the hustle to apply it.

This ebook gave you the warning signs.

Now it's on you to protect your art, build your bag, and move smart.

**Let's Stay Connected** 

- **EXECUTION** KINGPAYSOS.BLOG
- Follow: @itsKingPaysos
- **Book me to speak, consult, or collab.**

I'm not here to hold your hand. I'm here to hand you power.

– KingPaySos

