

# Business Entities

## **How to Start and Run an Independent Music Business**

*An overview for music labels, music publishers,  
managers, promoters and venues*

1

## Prefatory Information

### **A band is:**

Creative Endeavor

Small Business

Marriage

### **Why do you need a business entity?**

Open a bank account

Contracts / Debts

Investors

Jointly Owned Property

2

## Why Business Entities

- *An ingenious device for obtaining profit without individual responsibility.* - Ambrose Bierce

*Three purposes*

- **Capital Aggregation**
- **Limited Liability**
- **Tax**

3

## Why Business Entities

### **Legal Fiction**

- **Can own, buy, or sell property in its own name, enter into contracts, borrow money**
- **Right to sue and be sued for civil wrongs**

**Tort** - Responsible for acts of employees – vicarious liability/respondeat superior (car accidents)

**Breach of Contract**

**Discrimination**

- **Has free speech (per the US Supreme Court)**
- **Can be criminally responsible but limited to financial penalties**

4

## *Business Entities*

- **Sole Proprietorship**
- **Partnership**
  - General Ps and Limited Ps
- **Limited Liability Company (LLC)**
- **Corporation**
  - S-Corp

5

## Sole Proprietorship

- **One individual**
  - May use a DBA – assumed name
- **No liability protection**
- **Taxed at personal rate**

6

Find the full text of this and thousands of other resources from leading experts in dozens of legal practice areas in the [UT Law CLE eLibrary \(utcle.org/elibrary\)](https://utcle.org/elibrary)

## Title search: Business Entities: How to Start and Run an Independent Music Business

First appeared as part of the conference materials for the 2023 Entertainment Law 101 session

"How to Start and Run an Independent Music Business"