

CANADIAN MUSICIANS

“Canada pays the bills and the rest of the world is gravy.”



The Nylons

and
their
money

BY JONATHAN GROSS

Billy Idol once said that the question he heard most from journalists was, “Well, what are you going to do with all the money?” This was true even in the earliest days of Generation X when Idol could barely afford peroxide for his hair.

“People were always shocked when I told them there wasn’t any money,” recalls Idol who didn’t start to see dividends until he had been in the business almost 10 years.

Similarly, the rock world was ‘shocked’ when it heard of the bankruptcies of Mick Fleetwood and Meatloaf, each of whom had their names on records which sold millions. C’mon how can those kind of royalties disappear? Can’t you get bulk prices on coke? Isn’t there no-fault palimony insurance?

The truth is that the only expensive habit is the business itself, that precious few artists ever make any real money and fewer than that manage to hang on to it. And when they buy something, they pay cash. Credit is only as good as your last record.

The Nylons - ‘Born To Run’

Wayne Thompson happily grabbed the breakfast bill. Too quick for any protests. And why not? He was in Los Angeles and the sun was shining on his charges, The Nylons.

The previous night Canada’s quartet of a capella ambassadors had left a soldout Roxy begging for a third encore. A scout from the *Tonight Show* booked them for 2 spots right on the spot. The *L.A. Times* loved them and Levis wanted to negotiate for the group’s vocals for a series of 501 jeans spots.

For Thompson, this was the big turn, a long way from the dark days of 1984 when The Nylons teetered on the edge of bankruptcy. Debts were up to \$450,000 owed to a variety of sources, from in-



Saga

vestors to American Express. Thompson, who had managed the Nylons since 1981, put Nylons Inc. into receivership.

"Nobody really understands what it costs to break an act worldwide with only a Canadian base," says Thompson. "Even at home we lose money. In 1982 we did a Canadian tour that lost \$140,000. This was not just us and a few microphones. We had our own semi and a crew of 14. Were we smart? I don't know. But we did learn. Our staging for The Roxy was great and fit into 2 suitcases."

"Even here we only made \$50 after expenses. Imagine what it costs to introduce the group to Japan and Australia. When the group is in the studio I still have to maintain their salaries and those of my office staff. That runs into \$6,000 a week for a few months."

Although Thompson is not angry with Attic Records he says the group has not seen a nickel in royalties even though both *Seamless* and *One Size Fits All* sold upwards of 300,000 copies each.

"I spent the first half of 1985 refinancing the group which meant turning over old investors and raising new money," adds Thompson, 39, who has nearly 20 years of experience in the business going back to his days as an agent for the likes of Edward Bear, Lighthouse and McKenna Mendelson Mainline. "I mortgaged my house for this group. American Express settled for \$25,000 on a \$31,000 debt."

Of course Thompson now leaves home without that card but, as he says, "When the Nylons are huge American Express will want to be involved." He expects 1986 to be a pivotal and profitable year. American dates are now paying upwards of \$85,000 to the band. Individually, however, the 4 principals live on salaries of \$800 per week.

"I don't care if it's just \$5,000 each, the guys are going to see dividends this year," promises Thompson who recently added the tempestuous Tanya Tucker to his roster that also includes The Canadian Brass. The Canadian Brass?

"Now there's a group that makes a lot of money," winks Thompson. No, it was not The Nylons picking up this check.

A Never Ending Saga

The word in the industry was that Saga made a lot of money. At least the principals looked like they made a lot of money. Three or four years ago, when the band was at their peak, it was not uncommon for manager Clive Corcoran to take a few of his London friends on one-night rants to Cannes at the Carlton Hotel. Ne cheap pas, that place. And there were other excesses, the stories of which are well known in the industry.

But the band could afford it. Or could they? Saga was making enough money to prompt a move offshore, to Nassau where Corcoran formed a Dutch Antilles company that would exempt the band from



Rush



Mike Levine of Triumph

tax status in Canada. The downside was that Saga had to become legal residents in Nassau and were allowed in Canada only three months of the year.

"The philosophy was to go offshore before we made it big but these kind of things are very expensive to set up," says a former employee of Corcoran. "Had the success of *World's Apart* kept up, then it might have worked, but moving the guys out of Canada really screwed up their creativity and it went downhill from there."

To backtrack a tad, *World's Apart* was Saga's biggest album and by 1982 it had sold over a million copies worldwide. On the brink of international megastardom, Corcoran and his then partner Zoran Busic had been advanced a huge sum in deutschmarks by Polygram in Hamburg. But the follow-up didn't live up to expectations and everything since has, well, stiffed. The band survives on a solid German following. Having dissolved their

Club Dead arrangement, the band is now split between Toronto and London. Corcoran and Busic split up a few years ago and Busic's investment partner, Moishe Lerman of the Thrifty's empire, was paid off. Lerman remains Busic's partner in Maze Records, still Saga's Canadian label. Nobody really knows, however, if there's going to be another Saga album.

"The last German tour did really well but this is an expensive band to put on the road," says Busic. "We had to gear up for three different productions based on our varying popularity in Europe, the U.S. and Canada."

"The band made some money but we also spent a lot of it. I don't really know what happened after *World's Apart*. Looking back I don't think the band could deal with the changes in radio and the new music that was getting played on MTV."

"The bottom line is that there really isn't one right now."

CANADIAN MUSICIANS and their money \$\$

Platinum Blondes - Rhinestone Cowboys

A musician might be the first to get laid but he's the last to get paid. If Saga made any money, most of it came from roadwork and merchandising, revenues from which they have more control.

Platinum Blonde, Canada's number one hair band had tallied sales of over 750,000 units on its first 2 albums putting their ledger at CBS Records firmly in their favour. They are owed money.

How much they see, given the recoupable budgets of videos, a 20 per cent reserve clause and terms 90 days after each 6-month period, is another matter. By the time the cheques are written the Blondes will be back in the studio incurring more recoupable costs.

"Canada pays the bills and you hope the rest of the world is gravy," says Bruce Barrow who, along with partner Tony Tsavdaris manage the group out of their TBA office in downtown Toronto. They've had the Blondes since 1982, financing the operation from Tsavdaris' earnings at his Tony's rock bars and Barrow's commissions as an agent at Platinum Artists. "Everything we've made has gone back into the band and their future in the U.S."

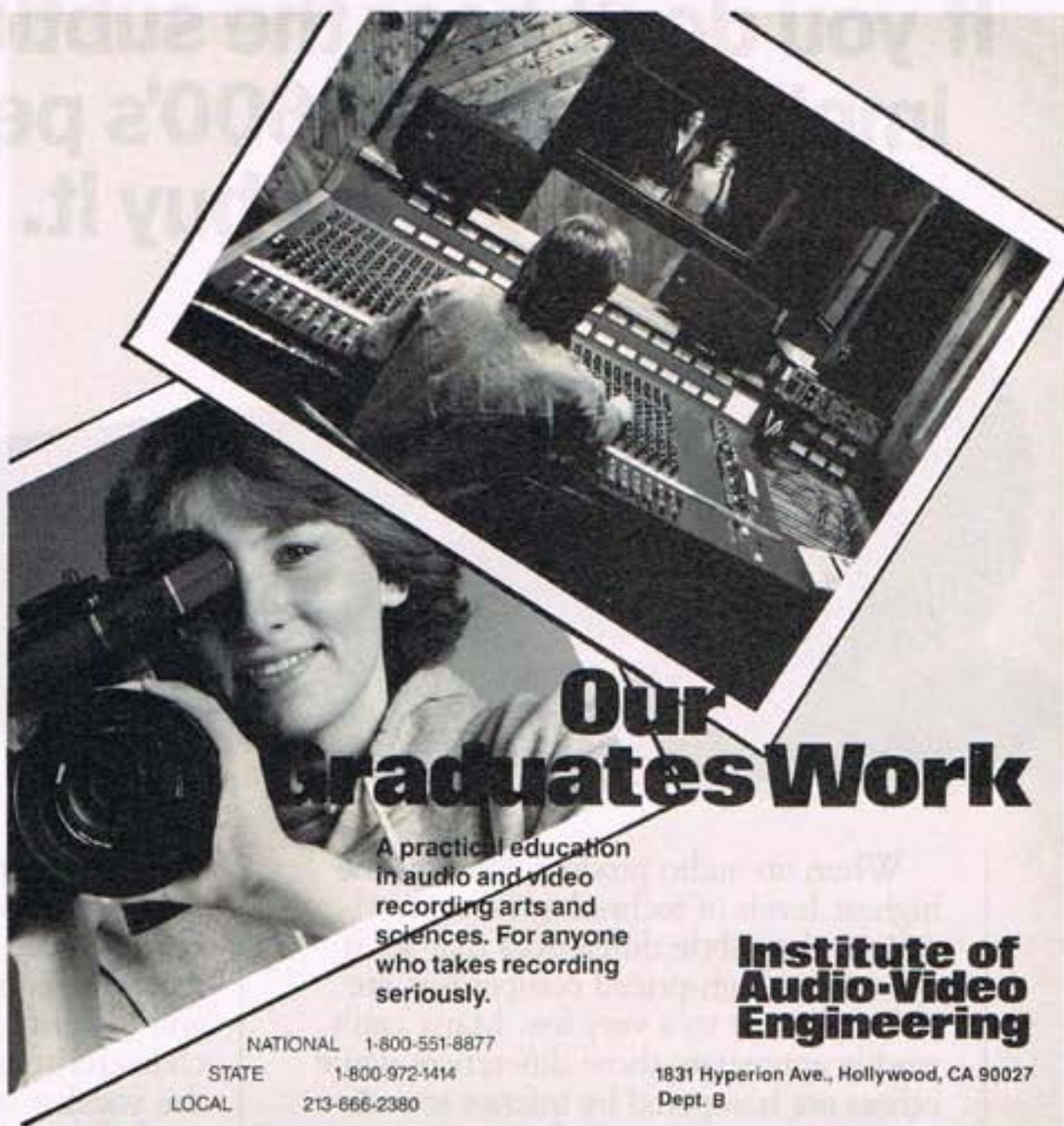
It is widely known that Epic Records in New York didn't share the Canadian office's enthusiasm for the Blondes. TBA has spent over \$100,000 on radio and tour support creating a groundswell in the U.S. they hope will inspire Epic to get involved. This kind of campaign doesn't leave much money for the musicians who live on salaries in the \$600 range.

"After last summer's tour we were able to give each guy a cheque for over \$20,000 but that was only because we did about \$5 a head on merchandising over the 40 dates," explains Barrow. "A couple of the guys are thinking about buying cars but that's about it. And we're not planning on going out on the road in a big way until next year."

"Nobody's about to get too frivolous."

The Rush Stuff

Just a few blocks away from TBA but really light years apart is the Anthem/SRO shrine on Carlton Street where the walls are paved with gold and platinum, most of it belonging to Canada's most successful rock group.



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CANADIAN MUSICIANS and their **\$\$** money

Not the Stampeders but Rush, a corporation managed by Ray Danniels. This particular day, Danniels is looking for space for the band's latest plateau, gold certification for the Exit Stage Left concert video which has sold 25,000 units stateside for over \$1,000,000 in retail value. It's a significant milestone for any band but for Rush it's just more hardware.

"The band has been making serious money since 1977 or 1978 but as many years as it's been it was just as long in coming," recalls Danniels. "Those first cheques were big but not enough to buy houses. Up until then they had had enough to pay the bills. As their manager I told Geddy, Alex and Neil to go out and buy cars for themselves.

"Not Fords or Camaros but Mercedes Benz, Porsches or Jaguars. I had my reasons. First you have to show a guy who has been living on deli trays for years that he's reached some light at the end of the tunnel. Tangible, material success. Second, the vehicle would be their responsibility, something of real value they couldn't just trash like an instrument or drum skin. And they paid cash for cars that retained their value. If worse came to worst they could sell them at very little expense. The Mercedes I bought at the same time has just been appraised for 4 grand more than what I paid."

A short time later the band bought houses in Toronto in the \$100,000 plus range. All have since moved and all profited on the sale of that property. Geddy Lee lives on a huge spread on Lake Simcoe, Neil Peart lives in north Toronto and Alex Lifeson lives downtown.

"I had the same attitude when it came to buying houses," adds Danniels. "We paid cash for property that they could maintain for years if things ever got tight. It was also a way of rewarding the wives and girlfriends that had stuck it out. I'm just lucky that I was working a group of guys who were raised with solid working class values. They didn't have to blow their money on parties to feel good about themselves."

Rush has sold over 25 million records during their career. The trio remains one of the top grossing acts on the road even though touring is limited to 65 or 70 dates a year. Pollstar recently placed them second only to ZZ Top with average box office revenues of over \$200,000. Danniels admits that new acts are not privileged with the kinds of deals groups could cut with labels and promoters in the boom days of the mid'70s. That Rush owns and administers all its publishing out of the Anthem/SRO office is a rarity in the business these days.

The bottom line puts the band in the small percentile of rockers who have earned enough not to have to worry about working ever again. The same might be true for their children. Today bandmember's investment portfolios are handled by counselors who place funds very conservatively according to Danniels. Nothing too flashy.

"Right now I'm experiencing something of a flashback with Larry Gowan," says Danniels who, in a rare situation, manages Gowan even though he records for CBS. "Larry right now has enough money to afford a house in a working class Scarborough neighbourhood. I'm advising him against it. First the kids in the block will find out soon enough and in three months drive him out. The nice thing about living in Rosedale or Forest Hill is that most neighbours aren't going to really care about your last video.

"Also, Gowan is just 25 and I don't want him thinking about mowing the lawn or fixing the plumbing. He doesn't need that responsibility. The kid's a rock star and he should have the freedom to do that. He's not Rush."

Like Barrow, Danniels is none too happy with the reception Gowan received from Columbia Records in the U.S. "I want Larry to have enough money in the bank to tide him over if he has to spend 18 months in court trying to get out of his contract."

Triumph And The Will

"If Rush are the Armani suits, then we're the torn jeans and radio station T-shirts," says Joe Owens who just left Triumph's Musicon office. "This is still a working band."

Owens came on board a few years ago, long after the power trio had established themselves as profitable rockers.

"To some people Triumph would appear to be a tad corporate," says Owens. "That reputation has grown out of the years before I was around when they managed themselves. Since I joined, however, sales are better and things are more organized.

"But the guys have established lifestyles that have carried them for years. They all drive nice cars except maybe for Mike (Levine) who has some weird machines. Rik Emmett lives in a big house because he is a private guy and has converted part of it into a studio.

"Remember that a lot of money was invested in their Metalworks studio which is where Triumph records its records. It's a successful place but with the rapid changes in technology, the place needs constant upgrading. No, Triumph does not have enough money to last the rest of their lives. But remember that they have no intention of retiring as long as there's a radio station out there ready to give them the shirt off their back." □

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