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Change in Tennessee law allows residents to buy shares of some songs

by Barry Courter

While it looks like nearly everyone in the known universe will buy a copy of Adele's "25" this Christmas, you now can actually own part of songs by artists such as Reba McEntire, George Strait and Martina McBride.

Thanks to a recent change in Tennessee law, state residents can buy shares in certain songs. Through MusicStockExchange, a publishing company, rights management system and trading platform, and its online site — MusicStockExchange.co — you get a cut of songs in which the company has purchased rights or you can buy shares in Nashville Royalty, the music company started by MusicStockExchange to acquire, create, administer and monetize copyrights.



Reba McEntire

"We think investing in Nashville Royalty's overall catalog is the best bang for your buck," says Jeff Tweel, who co-founded the companies with his son, Chase.

"Chase came up with this idea to create an online trading platform to buy and sell music publishing," Tweel says. "I've been in songwriting all my life, four decades in Nashville, and with his legal strategic planning and my background and contacts, we came up with this idea."

The original plan, hatched more than four years ago, was to create an online site where musicians could offer shares of their songs to people who wanted to invest. Federal regulations prevented that, but the federal Jobs Act of 2012 opened the door for accredited investors like the Tweels.

To date, Tennessee is currently the only state to offer such royalty investing — known as the Invest Tennessee Exemption. Tweel says more than three dozen investors have ponied up the minimum of \$100 per share for Nashville Royalty

and are seeing 12 to 15 percent returns. The money comes from royalties that are paid when the song is played on the radio, used in advertising or sung in concert.

Nashville resident Jan Richey says he bought \$1,000 worth of stock "to be able to participate in Nashville music and this seemed like a convenient way." He also sees it as a financial investment. "I think it's a great opportunity," he says.

The current catalog of almost 15 songs includes Lee Greenwood's "Ring on Her Finger," McBride's "Safe in the Arms of Love," and Restless Heart's "I'll Still Be Loving You."

Tweel says making money on the deal is nice and is the ultimate goal, but there is more to it than that.

"You can buy a piece of the music business," he says. "The cool factor of it is, 'Hey, I own a piece of a George Strait or Billy Ray Cyrus song.'"

Biff Watson, who has been a musician, songwriter, producer and publisher in Nashville for several years, says the opportunity for fans to buy publishing rights is just one of the ways the music industry is changing.

"I think we are in a wild frontier when it comes to intellectual properties," he says. "One of my artists is also writing a book and she's been approached by someone interested in investing in



Martina McBride

the rights to her book. I personally I like the idea of someone believing in a work enough to invest." Watson has also developed an app called Lyricord that lets songwriters choose

prerecorded tracks and use the app's built-in, multi-channel studio and its instruments to add their own lyrics and melody. Watson then listens to the track and, if he likes it, he puts finishing touches on it.

"The writer has 50 percent of the publishing rights to the song," he says.

It's just another new way that an individual can get into the song publishing business, he says.

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