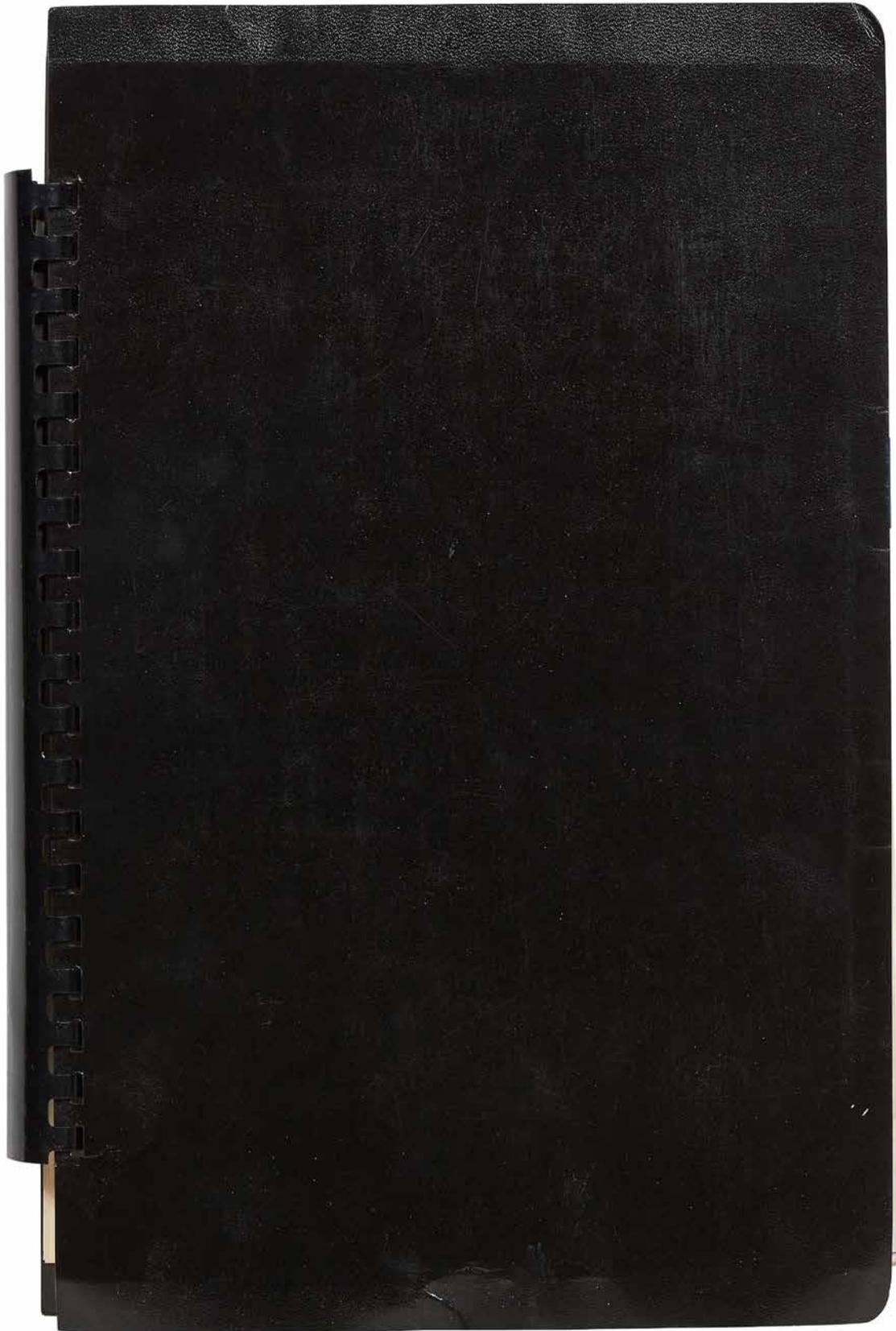




## *Contract, Partnership Agreement, and Related Correspondence for the Sale of Stax Records to Elan Enterprises*

1977

\$2500



A small archive of material relating to the sale of Stax Records to a partnership, Elan Enterprises, which seems like it was a front for Fantasy Records. Consists of (1) a letter from an attorney to Bernard “Beans” Lieberman, one of the partners, enclosing (2) a fully executed partnership agreement for Elan, signed by all the partners, and (3) a “document Book” containing all the legal documents concluding the acquisition of the assets of Stax. All items are near fine.

The Document Book is a spiral bound folio of a few hundred pages, most of them enumerating the property owned by Stax, mostly recorded and unrecorded masters and rights to many musical acts, primarily soul, gospel, and R&B performers, with a few mainstream rock and spoken word records mixed in, under several labels (Stax, Gospel Truth, Volt, Enterprise, Truth, Hip, Portee, and Respect). Among the performers listed, with the values of their masters, are Booker T & the MG's, The Staple Singers, Soul Children, Johnny Taylor, John Lee Hooker, Eddie Floyd, Little Milton, Melvin Van Peebles, Albert King, Carla Thomas, Billy Eckstein, Isaac Hayes, Chico Hamilton, The Bar-Kays, Black Nasty, Bill Cosby, Rev. Jesse Jackson, and Delany and Bonnie. There is also a photo copy of the check for \$2,050,000 made out to Stax owner Sam Nassi Associates for the purchase.

Stax Records was founded in Memphis in the late 1950s by a white brother and sister who primarily recorded soul music, it also featured integrated acts including the house band Booker T & the MG's (which included Steve Cropper, Donald "Duck" Dunn, and for a while, Isaac Hayes). After the death of their biggest star, Otis Redding, and some problematic distribution deals, they gradually headed into bankruptcy, and the catalogue was sold to Elan, as documented here, and sold almost immediately to Fantasy Records, which reactivated the label.

L K B & L ESCROW ACCOUNT		175
PAY TO THE ORDER OF Sam Nassi Associates		2-77 710
Two million fifty thousand and 00/100		\$2,050,000.00
		DOLLARS
 American National Bank and Trust Company of Chicago	<b>CERTIFIED</b> PAYABLE ONLY AS ORIGINALLY DRAWN AND WHEN PROPERLY ENDORSED	<b>AMERICAN NATIONAL BANK AND TRUST COMPANY</b> CHICAGO
⑈000175⑈ ⑆0710⑈007⑈	\$ 2,050,000.00	JUN 14 1977
		DO NOT SIGN IN THESE SPACES

The largest partner in Elan (and Fantasy Records) was Beans Lieberman's boyhood friend Saul Zaentz, who also owned Fantasy Films and won three Oscars for producing Best Pictures: *One Flew Over the Cuckoo's Nest*, *Amadeus*, and *The English Patient*. A selection of images follows. [BTC#413012]

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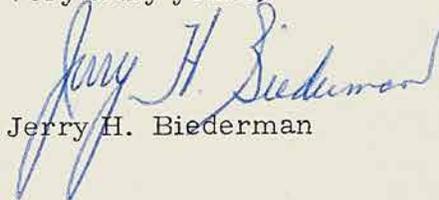
August 24, 1977

Mr. Bernard Lieberman  
80 Pearl Brook Drive  
Clifton, New Jersey

Dear Beans:

Enclosed for your files is a document book containing the documents comprising the acquisition of the assets of Stax Records, Inc. from Sam Nassi Associates by Elan Enterprises, together with a fully executed copy of the Partnership Agreement of Elan Enterprises.

Very truly yours,



Jerry H. Biederman

JHB/pl  
Enclosures

cc: Richard K. Janger, Esq.

PARTNERSHIP AGREEMENT  
ESTABLISHING  
ELAN ENTERPRISES

THIS IS AN AGREEMENT OF PARTNERSHIP effective as of the 8th day of June, 1977, by and between ALBERT BENDICH, RALPH KAFFEL, BERNARD LIEBERMAN, FRANK NOONAN and SAUL ZAENTZ (each a "Partner" and collectively the "Partners").

WITNESSETH:

WHEREAS, the Partners desire to establish a general partnership under the Uniform Partnership Act of the State of Illinois.

NOW, THEREFORE, in consideration of the mutual covenants and agreements hereinafter set forth, the Partners have agreed and by these presents do agree to be Partners in the business and for the purposes hereinafter set forth, and to abide and be bound by the following Agreement of Partnership:

ARTICLE I

Formation of Partnership and Purposes

The Partners do hereby form a partnership (hereinafter referred to as the "Partnership") for the purpose of making, protecting, enhancing and otherwise dealing with investments or any other interests in property, whatsoever, whether real, personal or mixed, and wheresoever located, including, without limitation, the ownership, reproduction, licensing, exploitation, and distribution of record masters.

ARTICLE II

Name and Place of Business

The Partnership shall be conducted and carried on under the firm

aggregate Percentage Interest of all Partners.

IN WITNESS WHEREOF, the parties have hereunto set their hands effective as of the day and year first above written.

	<u>Percentage Interest</u>
 _____ Saul Zaentz	40%
 _____ Ralph Kaffel	20%
 _____ Frank Noonan	15%
 _____ Albert Bendich	15%
 _____ Bernard Lieberman	10%

ACQUISITION OF ASSETS OF  
STAX RECORDS, INC.  
FROM  
SAM NASSI ASSOCIATES  
BY  
ELAN ENTERPRISES

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STAX RELEASED LP's

RECORD NO.	VALUE	ARTIST	TITLE
TS-2013	5,000	John Lee Hooker	That's Where it's at
TS-3017	7,500	The Sweet Inspirations	Estell, Myrna & Sylvia
TS-5516	5,000	Ipa 'N Tombia	The Warrior
TS-5505	10,000	Albert King	I Wanna Get Funky
TS-3009	10,000	"	I'll Play thr Blues for You
TS-2040	10,000	"	Lovejoy
TS-2015	10,000	"	King, Does the King's Things
TS-2010	10,000	"	Years Gone By
TS-2003	10,000	"	Live Wire-Blues Power
TS-3011	5,000	Frederick Knight	I've Been Lonely for so Long
TS-2045	2,500	Jean Knight	Mr. Big Stuff
TS-2036	5,000	The Mar-Keys	Memphis Experience
TS-2025	5,000	"	Damifiknow
TS-5501	5,000	Mel & Tim	Mel & Tim
TS-3007	5,000	"	Starting All Over Again
TS-3024	5,000	The MG's	The MG's
TS-2047	5,000	Jimmy McCracklin	High on the Blues
TS-5514	7,500	Little Milton	Blues 'N Soul
TS-3012	7,500	"	Waiting on Little Milt
TS-2021	5,000	Ollie & The Nightingales	Ollie & The Nightingale
TS-2-3006	1,000	Melvin Van Peebles	Don't Play Us Cheap
TS-3001	1,000	"	Sweet Sweetback's Badassss Song
TS-3020	5,000	Roy Lee Johnson & The Villagers	Roy Lee Johnson & The Villagers