

So Where Does The Inc Go Now

Written by Robert ID781

Friday, 28 January 2005 01:11 -

All the artists on the Inc. frequently speak of the label as family. But what happens to that family if its head Irv Gotti is convicted of the money-laundering charges facing him?

Gotti, whose real name is Irving Lorenzo, has an employment contract with the Universal Music Group. (Universal owns Def Jam Recordings, which has a joint-venture agreement with the Inc.) In it, there is a provision that he must not be convicted of any felonies, according to sources familiar with the situation. This is a standard clause and does not reflect the federal investigation, as it predates the 2003 raid on the Inc.'s offices. But should he be convicted, Gotti would be considered in material breach of his employment contract, and it would be automatically terminated.

This would have a ripple effect — because if Gotti is terminated, he'd be unable to fulfill his duties as head of the label, which would automatically dissolve the Inc.'s joint-venture agreement with Def Jam. Def Jam would have the option to buy the remaining 50 percent of the Inc. that it does not already own from Gotti at a reduced price, and effectively take control of the label. Def Jam would then own the artist contracts, the masters and the catalog.

Regardless of their individual contracts, hip hop rap artist Ja Rule and hip hop R&B's Ashanti would then become Def Jam artists, as would the other artists still on the roster, such as singer Lloyd and MCs Caddillac Tah and Black Child.

If Irv were unable to helm the label, it's possible that control of the company could revert to his brother Chris, who is the label's president, but since they are up on the same charges, that scenario seems unlikely.

"The company has gone through some negative vibes and things," Ashanti recently said of the

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label's legal difficulties, "but we're all strong. We're all fighters. I didn't have anything to do with it, but it just made us stronger, made us closer, and we're getting through."

This joint-venture arrangement between the two record labels is scheduled to last until 2007, according to sources, but now it depends on how fast the feds make their case.

[Source](#)