

The 2008 music vault fire

Universal Music Group coverup continues in response to artists' class-action lawsuit

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The social and legal fallout from the June 2008 music vault fire in Hollywood, which destroyed an invaluable popular music archive at Universal Studios and which Universal Music Group (UMG) covered up for years, is continuing.

On July 17, the *Los Angeles Times* reported on an internal UMG memo issued the previous day claiming the company had identified a total of what “could be” 22 original masters that may have been lost in the 2008 vault fire.

The *LA Times* said it had obtained a copy of the memo written by Patrick Kraus, a senior vice president of recording studios and archive management, at the behest of UMG Chairman and Chief Executive Lucian Grainge.

The memo states, “Over the past several weeks our team has been working around the clock, fielding requests from approximately 275 artists and representatives. To date we’ve reviewed 26,663 individual assets covering 30 artists. Of those assets, we believe we’ve identified 424 that could be missing or lost due to the fire, with audio assets accounting for 349 of them.”

UMG has been scrambling for the past six weeks to discredit the revelations by the *New York Times Magazine* on June 11 that the company had been concealing the massive blaze at its Hollywood storage facility in 2008. The fire destroyed an estimated half-million popular song masters and other irreplaceable original recordings.

In its response to the *Times*' revelations, UMG has continued to pursue the same public relations strategy it used to cover up the impact of the fire back in 2008, i.e., a combination of evasions, misinformation and

subterfuge. In a press statement, UMG said that the *Times Magazine* revelations contained “numerous inaccuracies, misleading statements, contradictions and fundamental misunderstandings of the scope of the incident and affected assets.”

Then on June 17, UMG's Patrick Kraus replied to a series of questions from *Billboard* magazine with more of the same. In response to a comment about the fact the fire was “far worse than was reported at the time,” Kraus said, “Based on what we know, to me [the article] was surprisingly overstated. The article painted a picture of an archive being a place where every asset is a master—which isn't always true. In fact, it's never true.”

As reported by the *Times*, among the more than 800 artists whose master tapes were destroyed in the fire are: Chuck Berry, The Andrews Sisters, Howlin' Wolf, Louis Armstrong, Joan Baez, The Eagles, R.E.M., The Who, Joni Mitchell, Charles Mingus, Liza Minnelli and The Mamas and the Papas.

The *Times Magazine* exposé included an extensive interview with Randy Aronson, former senior director of vault operations at UMG, who witnessed the fire that destroyed Building 6197. Aronson said the vault held a massive archive of original analog tapes from post-World War II music acts and that the number of destroyed masters was “in the 175,000 range.”

The UMG memo went on: “Our data suggests that 22 of those could be ‘original masters’ which are associated with five artists. For each of those lost masters, we have located high-quality alternate sources in the form of safety copies or duplicate masters. As we complete new work and we fill in gaps of work we've already done, these tallies will continue to evolve by

the hour.”

Kraus’s memo also said, “Of course, our work is just beginning. In the coming weeks and months we will continue to update our artists and internal teams with our progress.”

The *LA Times* said that the memo was distributed a few hours before the company filed a motion in US Central District Court to dismiss a class-action suit filed by a group of artists seeking damages of at least \$100 million. The artists’ lawsuit is also seeking half of the 2012 undisclosed settlement reached by UMG with its landlord NBCUniversal and its insurance company for losses from the fire.

The *LA Times* report also said the UMG motion argues the master tapes belong to the company and not the artists, so any losses incurred are the company’s. UMG further argues that its damages settlement falls outside its licensing agreement with the artists and that, in any event, the statute of limitations has expired for any claim by the artists for relief.

A group of musicians—including the rock bands Soundgarden and Hole, singer-song writer Steve Earle, the estate of Tupac Shakur and the former wife of Tom Petty—filed their lawsuit on June 21. It accuses UMG of breach of contract by failing to properly protect the tapes. In arguing for 50 percent of the company’s damages settlement, the suit says, “even as it kept plaintiffs in the dark and misrepresented the extent of the losses, UMG successfully pursued litigation and insurance claims it was recently reported to have valued at \$150 million to recoup the value of the master records.”

One of the attorneys for the artists responded to Kraus’s memo by saying, “Why not show us the sworn declarations of losses they filed in their lawsuits against NBCUniversal and their insurance company? I wonder if those are consistent with what they are now claiming?”

Many of the artists found out about the loss of their masters from news reports in June. The response of the artists has been a mixture of disbelief and anger. Courtney Love of Hole said, “Our culture has been devastated, meanwhile UMG is online with cookie recipes and pop, as if nothing happened. It’s so horrible.” Singer-song writer Sheryl Crow tweeted, “shame on those involved in the cover-up. Massive fire at UMG 11 years ago, and we’re just hearing about this

now??”

As noted previously on the *World Socialist Web Site*, the fact that UMG allowed the fire to happen in the first place, as well as its ability to carry out a cover-up for more than a decade, is the product of the profit system and a compliant media that has little interest in exposing the dirty secrets of corporate America.

As proof positive of these assertions, it is clear the legal demands of the artists and the concerns of the listening public over the destroyed archive are among the last priorities for the investors and executives of UMG, the largest music company in the world. The French conglomerate Vivendi, the corporate parent of UMG, is planning to sell up to 50 percent of the record company, which has a reported current value of between \$25 and \$50 billion.

Meanwhile, when asked by *Variety* about the exposure of the destruction of the archive and the subsequent cover-up, Vivendi CEO Arnaud de Puyfontaine said, “It happened 11 years ago and [recent] headlines are just noise.”



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