

THE **RECORD**ER



Fred Durst of Limp Bizkit performs during Sonic Temple Art and Music Festival on May 19, 2024, at Historic Crew Stadium in Columbus, Ohio. Photo: Amy Harris/Invision/AP

NEWS

Band Limp Bizkit, Fred Durst Sue Universal Music Group Over Unpaid Royalties

The acclaimed rap rock band, which is experiencing a revival through online streaming, alleges UMG deliberately concealed millions of dollars in royalties.

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Entertainment and Leisure



Michelle Morgante

What You Need to Know

- Durst contends UMG failed to pay any royalties on music by the multiplatinum band.
- The suit says UMG blamed "unrecouped" advances for the lack of royalty payments.
- Plaintiffs say UMG's practices may have concealed royalties due to hundreds of others.

Rap-rock band Limp Bizkit has filed suit against Universal Music Group, alleging the record company deliberately concealed millions of dollars in royalty payments through systemic practices that may have harmed other artists.

The complaint was filed Tuesday in the U.S. District Court of the Central District of California by Alicia Veglia of Seddigh Arbetter. It names as co-plaintiffs Limp Bizkit, frontman Fred Durst and Durst's label, Flawless Records.

The suit alleges the award-winning, multiplatinum band had never been paid by UMG for "any Limp Bizkit exploitations—ever" until recently, when

it pressed the company to provide royalty statements.

The band from Jacksonville, Florida, gained widespread popularity in the late 1990s and early 2000s, with Limp Bizkit selling millions of copies of each of its records while it was part of the label Flip Records, the suit said. Its 2000 album "Chocolate Starfish and the Hot Dog Flavored Water" sold more than a million copies in its first week.

Limp Bizkit signed an agreement with Interscope Records, which is owned by UMG, in late 2000. After a slow period in its career, the band has experienced a resurgence in popularity, particularly through streaming services, with its songs on pace to have more than 793 million streams in 2024, according to the complaint.

Durst, whose legal name is William Frederick Durst, said UMG told him over the years that the band's music had never earned enough to recoup money paid out by the company as advances and recording costs, the suit said.

Last year, however, Durst became suspicious when UMG sought to reissue the band's earlier works, including a 25th anniversary rerelease of the band's album "Significant Other," it said. Durst rejected the offer, seeing it as a "money grab" that would only benefit UMG, since he and the band "had not seen a dime in royalties on any Limp Bizkit assets at that point."

"Despite this tremendous 'come back,'" it said, "the band had still not been paid a single cent by UMG in any royalties until taking action against UMG, leading one to ask how on earth that could possibly be true."

After Durst obtained new representation in April 2024, his representatives "were shocked" to learn Limp Bizkit was not profiting from its resurgence, the complaint said. The prior owner of Flip Records informed him the label had been "receiving millions of dollars in recent

years on Limp Bizkit assets" and that the amounts being paid to it by UMG "had grown exponentially over the past few years."

Durst's representatives pressed UMG to explain its accounting and supply royalty statements, it said. The company's responses led plaintiffs to believe UMG "fraudulently reclassified" accounts as "unrecouped" in order to avoid issuing payments not only for Limp Bizkit but for Flawless Records, a label Durst owns that is completely separate from the band, per the complaint.

The suit contends the problems at UMG are "systemic" and may indicate royalties have been wrongly withheld not only from Limp Bizkit but "possibly hundreds of other artists."

A message sent to UMG seeking comment was not immediately answered. Counsel for the defendant has yet to appear.

A representative of the plaintiffs said the complaint served as their statement.

The case was assigned Tuesday to U.S. District Judge Percy Anderson and Magistrate Judge A. Joel Richlin.

In pressing for past accounting statements this year, the suit said, plaintiffs learned that UMG in fact held money that was available to be paid out. They also discovered the company had never taken steps to set up payments, such as by asking for banking information and W9 forms, which suggests UMG never intended to make payments, it said.

In July 2024, the suit said UMG Senior Vice President of Business Affairs Jason Kanejsza told the plaintiffs' manager that the issue of non-payment of royalties had been due to a "one-off" mistake with the company's software. Kanejsza, however, could not "offer any logical explanation" as to why both Limp Bizkit and Flawless Records were affected, it said.

"Plaintiffs do not believe that they were not paid due to an allegedly 'one-off' mistake or software issue, given the fact that there is no rational

explanation for how this alleged mistake affected two completely separate accounts," the complaint said. They contend that "UMG's software and systems were intentionally designed to deprive plaintiffs and potentially hundreds of other artists of their royalties and profits, and keep them in the dark about positive balances in their accounts."

Later in July, UMG's agent Scott Bauman told the plaintiffs they had not earned royalties until recently because UMG had paid about \$43 million in advances "over the years," it said. But UMG did not provide any documentation to support that claim, it said.

The complaint alleges UMG breached its contracts with Durst, Limp Bizkit and Flawless Records by failing to provide accounting statements. The rescission of the agreements has led UMG to be liable for copyright infringement and plaintiffs allege they are owed more than \$200 million as a result.

The complaint demands a full accounting of UMG's books and records to determine how much they are owed by UMG.

Lauren Spahn, a shareholder in the Nashville office of Buchalter Law and a member of its intellectual property practice group, said it will be interesting to see whether plaintiffs are able to show the level of evidence needed to prove UMG acted fraudulently.

Calculating costs and advances in recording deals can be complex, particularly when older recording agreements are being reconciled with newer royalty software, Spahn said in a statement to The Recorder.

"A layperson likely had to interpret the older agreement and input the applicable costs and expenses into the software. This is also where we see a higher likelihood of human error," wrote Spahn, who is not part of the case.

"If however, these issues stem from a fraudulent action instead of negligence or human error, it could have a huge impact on the hundreds of artists that are paid royalties from the same accounting statement."

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