

STATE OF MINNESOTA
COUNTY OF CARVER

DISTRICT COURT
FIRST JUDICIAL DISTRICT
PROBATE DIVISION

In Re:

Estate of Prince Rogers Nelson,
Decedent.

Case Type: Special Administration
Court File No.: 10-PR-16-46
Judge: Kevin W. Eide

REDACTED

**MEMORANDUM IN SUPPORT OF
OMARR BAKER AND TYKA NELSON'S
OBJECTIONS TO STINSON LEONARD
STREET, LLP'S FEE STATEMENTS
THROUGH JANUARY 31, 2017**

INTRODUCTION

Omarr Baker and Tyka Nelson (“Objectants”), by and through counsel, submit this memorandum in support of their objections to Stinson Leonard Street, LLP’s (“Stinson”) fee statements through January 31, 2017.

The Estate of Prince Rogers Nelson (the “Estate”) is arguably one of the most complex in Minnesota’s history. Bremer Trust, National Association (“Bremer”) undertook a massive responsibility to act as its Special Administrator, with Stinson serving as its counsel. But since the Decedent’s death in April 2016, Stinson has been less than forthcoming with the Non-Excluded Heirs¹ and caused confusion among various parties. As with its prior fee statements submitted to the Court, Stinson has failed to demonstrate how its legal work through January 31, 2017 benefitted the Estate. Stinson bears the burden of proving both the amount and the reasonableness of the fees for which it seeks reimbursement from the Estate. However, Stinson has failed to prove in

¹ Pursuant to the Court’s July 29, 2016 *Order Regarding Genetic Testing Protocol and Heirship Claims following the June 27, 2016 Hearing and Judgment* and subsequent orders, the Non-Excluded Heirs are defined in this proceeding as Omarr Baker, Alfred Jackson, John Nelson, Norrine Nelson, Sharon Nelson, and Tyka Nelson.

sufficient detail how it amassed an astounding \$704,462.50 in legal fees and \$2,138.62 in costs in a *single month*—let alone established how that work benefitted the Estate.

A formal, evidentiary hearing before the Court that addresses Stinson’s fees, after a proper period of discovery, would benefit the Court and the Estate. For a proper review of the attorneys’ fees and costs awarded in an Estate of this size and intricacy, a hearing dedicated solely to these issues is imperative.

Objectants respectfully reiterate the objections filed on September 21, 2016, the objections filed on January 17, 2017, the objections filed on January 30, 2017, and submit this memorandum in support of their objections to Stinson’s fee statements. Finally, Objectants request the Court (1) schedule time for discovery on these issues and (2) put all of the present and past objections to a formal evidentiary hearing.

PROCEDURAL HISTORY

Bremer was appointed as Special Administrator for the Estate in April 2016 and retained Stinson as its counsel. On October 28, 2016, the Court granted initial attorneys’ fees to Stinson and set forth a procedure for approving future fees. Under the procedure, within 30 days of the end of each month, Bremer was authorized to pay its fees. (*See Order Approving Fees and Costs and Expenses and Establishing Procedure for Review and Approval of Future Fees and Costs and Expenses (“Order”), p. 7.*) Pursuant to the Order, on a quarterly basis, Bremer was required to submit to the Court an affidavit attaching unredacted copies of all itemized billing statements. Bremer was also required to serve unredacted copies on counsel for the Non-Excluded Heirs. (*Id.*) The Non-Excluded Heirs had 10 days after service to submit written objections. (*Id.*)

In its December 2016 Petition, Bremer requested the Estate pay its legal fees through December 31, 2016. In the Petition, Bremer represented that it “will file its legal fees through

December 31, 2016 prior to the January 12, 2017 hearing.” At the time of filing its Petition, Bremer did not provide its itemized billing statements, even for the completed months of October and November 2016.

On December 19, 2016, the Court ordered that any objections to the Petition must be filed with the Court prior to or raised at the hearing scheduled for January 12, 2017. (*See* Notice and Order of Hearing on Petition for Order Approving Accounting, Distribution of Assets and Discharge of Special Administrator.) The Court’s December 19 Order did not specify whether Bremer’s request for attorneys’ fees would also be heard on January 12. The Court’s subsequent order, dated December 28, 2016, similarly did not give any indication.

On January 5, 2017, nearly twenty days after filing the Petition, Bremer served the Non-Excluded Heirs with its October and November invoices. However, it did not provide its December invoice, nor did it serve a copy prior to the January 12 hearing. At the January 12 hearing, Bremer and the Court did not discuss the request for attorneys’ fees in detail.

Following the procedure as outlined in the Court’s October 28 Order, Objectants filed an objection 10 days after receipt of the October and November invoices, on January 17, 2017. After the objection was filed, Bremer filed on January 19, 2017 affidavits in support of its own fees and Stinson’s fees, as well as Stinson’s December invoice. On January 30, 2017, Omarr Baker filed an objection 10 days after receipt of the affidavits and the December invoice, pursuant to the Court’s October 28 Order.

Objectant respectfully requests the Court schedule time for discovery and put the past and present objections to Stinson’s fees to a formal evidentiary hearing.

ARGUMENT

Objectants do not repeat their prior objections here. Rather, Objectants respectfully refer the Court to the prior objections to Stinson's fee statements (filed on September 21, 2016, January 17, 2017, and January 30, 2017) and reference in the below section only new objections to Stinson's fee statements.

A. Stinson Has Failed to Prove that Its Requested Fees Benefitted the Estate, and as such, the Fee Statements Should Be Put to a Formal Evidentiary Hearing

The services Stinson provided appear to be internally largely duplicative and redundant. It is unclear how Stinson's fees produced work that exclusively benefitted the Estate. It is well-established that Bremer, as special administrator, had powers similar to a personal representative. *See* Minn. Stat. § 524.3-617. Objectants acknowledge that Bremer has played an important role in the Estate. However, the Court should *not* approve fees that fail to comport to the standards courts have set for determining if the fees are reasonable.²

Stinson's requested fees through January 2017 are objectionable for some of the same reasons previously raised before the Court. On October 28, 2016, the Court granted Bremer's initial attorneys' fees and set forth a procedure for approving future fees. Objectants reasonably believed Stinson would modify its billing practices to ensure the work was clearly for the benefit of the Estate. But without any acknowledgment of the Non-Excluded Heirs' prior objections, Stinson continued to engage in the same billing conduct, including in the latest fees submitted

² Omarr Baker and Tyka Nelson have both requested payment of their attorneys' fees for services that benefitted the Estate. Objectants recognize that requested fees should be (1) reasonable, (2) not duplicative, and (3) for the benefit of the Estate. Objectants' intent here is not to set a double standard under which the Court approves one party's fees and does not approve another's. Rather, the purpose of objecting to Stinson's fees is to ensure the Court carefully considers *all* parties' requested fees—including those of Bremer and the Non-Excluded Heirs—under the same standard as Minnesota law requires. That is, whether the work benefitted the Estate.

through January 31, 2017. In addition to the past objections, Objectants raise the following issues for the Court's consideration.

First, Objectants dispute the more than [REDACTED] Stinson billed for transferring the Estate file to the Personal Representative. The chart below outlines examples of the time that Stinson billed for efforts to actually transition the file to the Personal Representative, Comerica Bank & Trust, N.A. ("Personal Representative" or "Comerica").³

Date	Timekeeper	Hours	Fees	Description of Efforts
01/03/2017	Johnson, Breanna (Director of Strategy & Legal Project Management)	[REDACTED]	[REDACTED]	Monitor and manage file transfer efforts with legal teams and operations groups; conduct attorney all day meeting and calls regarding same; finalize action items, milestones regarding same; update team regarding transition milestone status; process and prepare physical documents, action item memorandums and electronic files for transition to successor.
01/06/2017	Batchelor, Ashton (Legal Project Manager)	[REDACTED]	[REDACTED]	Coordinate file transfer efforts with legal teams and operations groups; process and prepare physical documents for transition to successor; consult with internal resources regarding same; revise external transition memorandum; prepare action items list for legal team regarding transition.
01/30/2017	Johnson, Breanna (Director of Strategy & Legal Project Management)	[REDACTED]	[REDACTED]	Prepare physical files to ensure confidentiality, package file boxes, complete inventory and monitor the secured transportation of physical files to successor personal representative counsel.; Manage physical file transfer process from 2 p.m. until 10 p.m. on-site at Stinson's offices.
01/30/2017	Batchelor, Ashton (Legal Project Manager)	[REDACTED]	[REDACTED]	Coordinate file transfer efforts with legal teams and operations groups; process and prepare SLS legal physical documents for transition to successor; prepare and tape boxes; consult regarding logistics for moving with Fredrikson; monitor moving of physical boxes from Stinson to moving trucks; revise action item and third party contact list; prepare final deliverables for upload to HighQ; prepare transition action item list for legal team leads.

What should have been a relatively inexpensive transition turned into an expensive ordeal. Stinson, as counsel to the Special Administrator, represented the same interests as the new Personal

³ A full schedule of time entries regarding the file transfer is attached as Exhibit A to the Affidavit of Thomas P. Kane.

Representative. Since the Decedent's death in April 2016, Stinson has spent countless hours organizing the file. Since September 2016, when Bremer represented intent to resign as special administrator, Stinson has known that a file transition was necessary and impending. And yet, in January 2017, Stinson billed more than [REDACTED] to transfer the file. Stinson must explain how the entries in Exhibit A reflect legal work that benefitted the Estate.

Second, Stinson spent approximately [REDACTED] in fees reviewing "privileged" documents for production to the Personal Representative.⁴ Attorneys' fees for the time Stinson spent reviewing "privileged" documents should not be awarded. For the purpose of approving requested fees, the question is whether Stinson's legal work *benefitted the Estate*. Any time spent transitioning files from Bremer to Comerica should *not* require a privilege review because pursuant to the Court's orders, the parties signed a Common Interest and Information Sharing Agreement ("Common Interest Agreement").⁵ If Stinson spent time reviewing Estate-related documents for privilege before providing them to Fredrikson, that time is superfluous. And if Stinson argues the "privileged" documents reviewed were outside of the Common Interest Agreement, there is especially no reason the Court should award these attorneys' fees. Any privilege Stinson does not share with Fredrikson is not related to the Estate. As a result, any privilege review Stinson argues was necessary must be related to Stinson's representation of

⁴ A full schedule of time entries regarding the privilege document review is attached as Exhibit B to the Affidavit of Thomas P. Kane.

⁵ Following the Court's January 18 order ("Order for Transitioning from Special Administrator to Personal Representative") and January 31 order ("Second Order Relating to the Transition from Special Administrator to Personal Representative"), Stinson and counsel for Comerica (Fredrikson & Byron, P.A. ("Fredrikson")) are subject to the Common Interest Agreement their clients signed. Under the agreement, Bremer and Comerica agreed that documents transferred from Bremer to Comerica "that are otherwise subject to the attorney-client privilege, work-product doctrine, common interest privilege, or other applicable privileges shall be treated as documents delivered confidentially and privileged for the common interest and defense of the Parties. **As such they shall retain their privileged character, and the privilege shall be held jointly by the Parties who have received such documents**" (emphasis added).

Bremer *outside* of its direct administration of the Estate. Stinson must explain how the entries in Exhibit B reflect legal work that benefitted the Estate.

Third, attorney Traci Bransford billed [REDACTED] in a single month.⁶ This is nearly 100 hours higher than the second highest timekeeper.⁷ With no legitimate explanation provided, Ms. Bransford continues to be involved in all aspects of Stinson's work for the Estate. Ms. Bransford has never appeared before the Court as lead counsel for Bremer. Her purported role—negotiating the entertainment deals—has been taken over by another attorney from Stinson. And yet, she continues to bill time for this work. A careful review of Ms. Bransford's time entries demonstrate that her billed time adds no value for the Estate. Stinson has divided the work for the special administration among numerous attorneys, with most attorneys working on discrete portions. Ms. Bransford, however, is involved in almost all aspects of the Estate. Her documentation does not demonstrate exactly what she did or what value she provided. Stinson must explain how the entries in Exhibit C reflect legal work that benefitted the Estate.

Objectants urge the Court to conduct a careful examination of Stinson's fees. The fees are clearly excessive—especially considering the substantial work counsel for the Non-Excluded Heirs has done to benefit the Estate. Throughout Bremer's time as special administrator, counsel for the Non-Excluded Heirs worked diligently alongside Stinson to ensure the Estate is administered fairly. This included, at times, stepping in to correct Stinson's mistakes.

⁶ A full schedule of time entries for Traci Bransford is attached as Exhibit C to the Affidavit of Thomas P. Kane.

⁷ [REDACTED]

In the Affidavit of Laura Halferty filed on February 14, 2017, Stinson requests \$704,462.50 in legal fees and \$2,138.62 in costs for a single month's work. Before the Court approves these fees, it should hold a formal hearing to ensure they are just and reasonable and commensurate with the benefit to the Estate. *See In re Weisberg's Estate*, 64 N.W.2d 370, 372 (Minn. 1954) (“[t]he courts have a duty to prevent dissipation of estates through the allowance of exorbitant fees to those who administer them”).

Accordingly, Objectants respectfully request the Court put the fees and costs to a formal hearing, after reasonable discovery. The Court, the Estate, and the Objectants deserve an explanation.

CONCLUSION

Objectants urge the Court to put Stinson's requested fees to an evidentiary hearing. Omarr Baker and Tyka Nelson are Non-Excluded Heirs to the Estate of Prince Rogers Nelson. They have every right to raise these questions about their brother's estate. It would be a discredit to the Decedent's Estate to grant Stinson's fees without at least holding a hearing on these issues.

For all the foregoing reasons, Objectants respectfully reiterate the objections filed on September 21, 2016, the objections filed on January 17, 2017, the objections filed on January 30, 2017, and submit this memorandum in support of their objections to Stinson's fee statements. Finally, Objectants request the Court allow a reasonable time for discovery and put the present and past objections to a formal evidentiary hearing.

Dated: March 8, 2017

COZEN O'CONNOR

By /s/Thomas P. Kane
Steven H. Silton (#260769)
Thomas P. Kane (#53491)
Armeen F. Mistry (#397591)
33 South Sixth Street, Suite 4640
Minneapolis, MN 55402
Telephone: (612) 260-9000
Fax: (612) 260-9080
ssilton@cozen.com
tkane@cozen.com
amistry@cozen.com

Jeffrey Kolodny, *pro hac vice*
277 Park Avenue
New York, NY 10172
Telephone: (212) 883-4900
Fax: (212) 986-0604
jkolodny@cozen.com

Dexter Hamilton, *pro hac vice*
One Liberty Place
1650 Market Street, Suite 2800
Philadelphia, PA 19103
Telephone: (215) 665-2166
Fax: (215) 701-2166
dhamilton@cozen.com

Attorneys for Omarr Baker and Tyka Nelson