

STATE OF MINNESOTA
COUNTY OF CARVER

DISTRICT COURT
FIRST JUDICIAL DISTRICT
PROBATE DIVISION
Case Type: Special Administration

In the Matter of:

Court File No. 10-PR-16-46
Judge Kevin W. Eide

Estate of Prince Rogers Nelson,

Decedent.

**ORDER AUTHORIZING PERSONAL
REPRESENTATIVE TO ENTER INTO
ENTERTAINMENT TRANSACTION**

The above-entitled matter came before the undersigned for a telephone conference on June 7, 2017, pursuant to the May 9, 2017 Letter Brief of Comerica Bank & Trust, N.A. (the "Personal Representative"), as well as the May 8 and 9, 2017 Letter Briefs of Sharon Nelson, Norrine Nelson, and John Nelson (the "Nelsons"). The Personal Representative and the Nelsons also filed supplemental Letter Briefs on June 8, 2017, following the conference. Based the submissions of the parties, the arguments of counsel during the conference, and all of the files, records, and proceedings herein,

IT IS HEREBY ORDERED:

1. The Personal Representative is authorized to enter into an entertainment transaction substantially in the form set forth in the May 24, 2017 letter attached as Exhibit A to the Personal Representative's June 8, 2017 Letter Brief.

2. Nothing herein shall be interpreted as limiting the Personal Representative's discretion to negotiate different or additional terms related to the entertainment transaction for the benefit of the Estate.

BY THE COURT:

Dated: June 9, 2017

The Honorable Kevin W. Eide
District Court Judge

NOTICE: A true and correct copy of this Order/Notice has been served by EFS upon the parties. Please be advised that orders/notices sent to attorneys are sent to the lead attorney only.

MEMORANDUM

This Court does not have the expertise to evaluate entertainment industry contracts and provide expertise as to whether a negotiated agreement has the best possible terms available in the industry. The Court must rely upon the advice of knowledgeable attorneys and advisors to provide this information. The Court has identified six heirs of the decedent and it has become evident that they have divergent views on many aspects of the Estate administration. This is true again in this instance, where three of the heirs support entering into this agreement and three oppose it. There needs to be a single entity upon which the Court can rely to make a final call on these negotiation decisions. Comerica was proposed to take this role and the Court has granted them the authority to proceed under protocols approved by the Court. Finally, there needs to be finality to this proceeding sooner rather than later. This necessitates the Court, Comerica and the heirs to sometimes take a more conservative approach to decisions, to sometimes taking “the bird in hand,” rather than taking a position that may result in protracted litigation or substantially increased fees.

As a general rule, and as provided for in the protocols adopted by the Court, the Court expects the Personal Representative to have an open discussion with the heirs about the terms of a proposed agreement, provide the heirs and their advisors an opportunity to review the terms and offer constructive advice as to how the terms can be improved or where the Estate might find another business partner that might offer better terms. With this information, the Court expects the Personal Representative to use its best judgment in negotiating the best terms available to the Estate. When the Court feels the Personal Representative has fulfilled these obligations, it will be rare for the Court to interfere with a negotiated agreement.

The Court appreciates the diligence with which counsel and the advisors for the heirs scrutinize each of the Estate’s proposed business dealings. With respect to the instant matter, the Court finds it likely that prompting by one of those advisors may have led to the inclusion of additional fees (as income to the Estate) not previously contemplated in the negotiations. That said, the Court will not second guess Comerica’s assertion that the proposed deal has been negotiated as aggressively as possible, and is as advantageous to the Estate as it could possibly be.

K.W.E.