

STATE OF MINNESOTA
CARVER COUNTY

DISTRICT COURT
FIRST JUDICIAL DISTRICT
PROBATE DIVISION

In Re:

Court File No. 10-PR-16-46
Proposed

Estate of Prince Rogers Nelson,
Deceased.

**ORDER DENYING SPECIAL
ADMINISTRATOR'S EMERGENCY
EMPLOYMENT OF ENTERTAINMENT
INDUSTRY EXPERTS**

By motion filed on June 2, 2016, and following an emergency hearing held on June 7, 2016, Bremer Trust, N.A., as Special Administrator, requests that the Court authorize the Special Administrator to negotiate with, and possibly employ, entertainment industry experts to assist the Special Administrator in the management and preservation of the Estate. Claimant Carlin Q. Williams filed a responsive motion and objection to the grant of authority requested by the Special Administrator for the reasons set forth in the Objection filed by Williams on June 3, 2016.

All appearances by parties and counsel were duly noted on the record.

The Court, having considered the arguments of all parties and their attorneys of records, and based upon all the files, records and proceedings held herein, makes the following Findings of Fact and Order.

FINDINGS OF FACT

1. The Special Administrator filed two (2) affidavits under seal in support of its' emergency motion for authority to employ entertainment industry experts to assist the Special Administrator in managing and preserving the intellectual property owned by the Estate. The object of the request is to hire "monetization" experts for the purpose of turning property interests held by the Estate into cash. The affidavits fail to describe any actual, *imminent* danger, harm or injury that will occur to any intellectual property owned or controlled by the Estate if the

monetization experts are not hired at the present time. No other factual support has been submitted by the Special Administrator in support of its' requests for the industry experts identified as Group One (Group 1) by the Special Administrator. As such there does not appear to be any factual basis for immediate hiring of such experts or immediate harm to the Estate if such actions are not taken prior to a determination of heirs.

2. The Special Administrator also seeks permission to employ experts identified as Group Two (Group 2) to assist in the development and/or commencement of a new business involving the real property and buildings known as Paisley Park in order to provide advice and counsel on how to manage public tours of the grounds, facilities and buildings located at Paisley Park. These actions serve to create a new business to be managed by the Estate, rather than to preserve and manage existing businesses owned by the Deceased at the time of his death.

3. By its Order dated April 27, 2016, the Court appointed Bremer Trust, N.A., as Special Administrator in this proceeding. The Court confirmed that appointment in its Order dated May 2, 2016. In Finding paragraph 8 of the April 27, 2016 Order of Formal Appointment of Special Administrator, the Court stated the grounds necessitating the emergency appointment of a Special Administrator, as follows: That no Personal Representative had been appointed in Minnesota or elsewhere; the Decedent had substantial assets consisting of personal and real property that required protection; the Decedent owned and controlled business interests that required ongoing management and supervision; the Decedent has heirs whose identities and addresses needed to be determined. *See* Order of Formal Appointment of Special Administrator filed on April 27 2016, Finding ¶8. In Finding paragraph 9 of said Order, the Court referenced the emergency supporting appointment without notice because immediate action and decisions needed to be made to continue

management and supervision of Decedent's business interests; and because the names and addresses of all interested parties were currently unknown. *Id.* Finding ¶9.

4. Based upon these findings, the Court appointed Bremer Trust, N.A., to serve as Special Administrator, without bond, to “preserve the estate and to secure its proper administration until a general Personal Representative is appointed by the Registrar or by the Court.” *Id.* Order ¶2. The Court further ordered that Letters of Special Administration would be issued following filing of an oath or statement of acceptance “subject to the following limitations:

The Special Administrator has the authority to manage and supervise the Decedent's assets and determine the identity of the Decedent's heirs. The appointment shall continue for the lesser of 6 months or until a Petition for General Administration is filed and Personal Representative is appointed.”

Id. Order ¶3. The Court confirmed this appointment in the Order Confirming Appointment of Special Administrator filed on May 2, 2016. As such, the formal appointment of Bremer Trust, N.A. was made pursuant to the statutory authority set forth in Section 524.3-614, wherein appointment may be made when “appointment is necessary to preserve the estate or to secure its proper administration . . . in circumstances where a general personal representative cannot or should not act.” Minn. Stat. Sec. 524.3-614 (2015). The authority of the Special Administrator has been limited by the Court in duration and purpose, as provided in Section 524.3-617. *See* Minn. Stat. Sec 524.3-617 (2015).

6. Claimant Williams has objected to the Special Administrator's requests to hire monetization experts on the grounds set forth in his Objection filed on June 3, 2016, including, *inter alia*, that retention of “monetization” experts is premature and exceeds the purpose and scope of the limited authority granted to the Special Administrator in this proceeding to manage and preserve the assets of the Estate pending the determination of heirs and the appointment of a

general Personal Representative. Said Objection is grounded in Minn. Stat. Sec 524.3-607. Minn. State. Sec. 524.3-607 (2015).

7. Williams does not object to the Special Administrator's management of the demonstrated immediate financial needs, including those matters requiring immediate management and decisions as have been addressed in sealed or confidential discussions with the Court. Williams contends that the Court's appointment of the Special Administrator clearly contemplated a short term, limited scope appointment for two defined purposes; to-wit: To manage and protect the assets of the estate and to determine the Decedent's heirs. The Court agrees.

8. While the Special Administrator has the general powers of a Personal Representative as prescribed by statute, the role of the Special Administrator in this proceeding is limited in the purpose, scope and its' duration of service. The Special Administrator is serving without bond which would protect the heirs of the Estate from any negligent acts or omissions by the Special Administrator. The Court believes it is in the interests of the Estate to determine the heirs of the Decedent and to then allow the heirs to petition for the appointment of a general Personal Representative.

9. Counsel for the Special Administrator and Williams stated on the record that DNA testing of heirs was proceeding and that results of the DNA testing would be available by the Court's scheduled hearing on June 27, 2016. It is appropriate to defer the Special Administrator's request to hire and retain monetization experts until an heir or heirs have been identified by DNA testing that demonstrates a strong likelihood of a genetic relationship to the Deceased, either as a child of the Deceased or who is otherwise considered a lawful heir related to the Deceased.

Based upon the foregoing, the Court makes the following:

ORDER

1. The request by the Special Administrator to hire and retain monetization experts, as such experts have been identified in its submissions as “Group 1” and “Group 2” and for the purposes as stated in its moving papers, is DENIED.

2. The Special Administrator is authorized to manage and protect the assets of the Estate so as to preserve and protect said assets from monetary harm or injury for the benefit of the lawful heirs of the Deceased as those heirs shall be determined in accordance with law and by the Court’s Order governing the protocol of DNA testing of heirs.

3. During its’ continued appointment, in the event the Special Administrator presents factual information to the Court that demonstrates a clear, actual, imminent injury or tangible harm to the Estate that requires the retention of an expert qualified to assist the Special Administrator in mitigation of such injury or harm or to assist the Special Administrator in performing its’ limited role in this proceeding to preserve and manage the assets of the Estate, the Special Administrator may seek appropriate relief from this Court.

SO ORDERED.

BY THE COURT:

Date: June ____, 2016

Kevin W. Eide
Judge of District Court