

**BASSFORD REMELE**

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June 28, 2017

**REDACTED**

VIA ELECTRONIC FILING

The Honorable Kevin Eide  
Judge of the District Court  
Carver County Justice Center  
604 East Fourth Street  
Chaska, MN 55318

Re: *In re Estate of Prince Rogers Nelson*  
Court File No. 10-PR-16-46  
Our File No. 8356-1

Dear Judge Eide:

We write on behalf of L. Londell McMillan in response to the letter by UMG Recordings, Inc. (“UMG”) dated June 26, 2017, requesting that the Court approve its demand, and Comerica’s motion, for rescission. We previously provided the Court with our full analysis of the Warner Brothers Records (“WBR”) 2014 contract (since this contract was really a settlement of Prince’s disputes with WBR, we have referred to this contract as the “2014 WBR settlement agreement”), and we will not repeat that analysis here. We also understand that Bremer’s full contract analysis is being provided to the Court by counsel for SNJ. Therefore, we will focus our response on the specific points raised in UMG’s letter.

As a preliminary matter, we were disappointed in UMG’s position. We know that the Court would prefer that the parties reach a business resolution of the current dispute, and that is also our preference. If the Court approves the rescission motion,

Comerica has represented that:

if the Court denies approval of the rescission motion, this will give the parties time to continue to look for a business solution.

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The heart of our quarrel with what UMG has submitted to the Court is the statement on the bottom of page 2 and the top of page 3 of its June 26 letter:

However, we wish to emphasize that for purposes of the instant motion, the Court need not (and, on the record before it, cannot) reach a determination of whether WBR's or Opposing Parties' interpretation of the 2014 WBR agreement is correct. This is because the Personal Representative's Motion is not based on resolving the dispute over the 2014 WBR Agreement, but rather, on the existence of this dispute, which was not previously disclosed to UMG, and which will prevent UMG from exercising the rights it believed it had acquired without litigation brought by WBR. (Emphasis added.)

In other words, it is UMG's position that it is entitled to rescission because of the mere existence of a dispute, without regard to the merits of the competing claim. If the Court accepts this position,

The reason that UMG is not entitled to a guarantee that its rights will not be challenged is that it did not bargain for such a guarantee in the contract with the estate. As we set forth extensively in our prior brief – and as Bremer describes on page 6 of its June 21, 2017 contractual analysis – at the time the UMG contract was negotiated, everyone understood that there was uncertainty as to the scope of rights that Prince had granted to others. Prince had only recently passed away. His death was sudden and unexpected, and his records did not clearly show all of the contracts he had negotiated, much less their full terms. *See, e.g.*, the attached email string dated August 2016 between Mr. McMillan and a UMG in-house counsel, Jeff Harleston, in which Mr. Harleston states, “Trying to figure out how to make work for us understanding that is a bit complicated.” As a result, the parties

. That provision was inserted at Mr. McMillan's urging following the seventh draft of the contract, and therefore his interpretation of what that clause means should be given great weight.

Remarkably, UMG's letter does not even mention is evidence that the contract was never intended to give UMG the kind of certainty that it now claims was a material and essential term, and which it now claims justifies rescission. To the contrary, uncertainty was built into the contract, and this fact is itself evidence that there was no fraudulent inducement. Everyone knew what they were getting – valuable rights in

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– with the possibility that

UMG also gives far too much credence to arguments that WBR makes that simply cannot be supported by the language of the 2014 WBR settlement agreement. For example, on page 3 of its letter, UMG paraphrases WBR's argument that

(UMG letter, at 3.)

As the parties all agree,

is defined in reference to

But even if )

We provided the Court with an expert declaration stating that

*See Declaration*

of Virgil Roberts dated June, 6, 2017; *see also* paragraph 5 of Londell McMillan's June 6, 2017 declaration.

UMG's only response to this is that it understands that "WBR intends to present expert testimony related to (UMG letter., at 6.)

This contention is substantially short of even hearsay testimony. It is an indication of what someone says that he or she may present in the future. UMG – the largest record company in the world – has not provided its own declaration or statement of

UMG also argues against the contention by Bremer, McMillan, and the SNJ heirs that the reference to

In support of its arguments, UMG refers to

However, Bremer, McMillan, and the SNJ heirs are not arguing that

*See also* Bremer's full contractual analysis.

We recognize that the Court does not have an easy decision. On the one hand, it is being told that denial of rescission will result in litigation against the estate. On the other hand, if the Court grants rescission,

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Moreover, it is beyond question that there is going to be litigation no matter how the Court rules on the current rescission motion.

Thus, UMG's position that mutual rescission will resolve an intractable dispute without the expense of lengthy litigation is not true. That litigation has already been commenced.

It is also clear that the only possibility of the parties reaching a business resolution is if the Court denies rescission. That would give Comerica, UMG, and WBR the time and opportunity to try to negotiate a win-win resolution of their dispute.

Thus, it is in WBR's interest as well as in the estate's interest to reach a business resolution.

For these reasons, we respectfully request that the Court deny Comerica's request for rescission.

Sincerely,



Alan I. Silver  
Robin Ann Williams

AIS:ac/Attachment

cc via e-service, with attachment:

Justin A. Bruntjen  
Randall Sayers  
Armeen Mistry  
Jeffrey Kolodny  
Mark W. Greiner  
Laura Halferty  
James Clay

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----- Forwarded message -----

From: **Harleston, Jeff** <[jeff.harleston@umusic.com](mailto:jeff.harleston@umusic.com)>

Date: Wed, Aug 31, 2016 at 3:29 PM

Subject: Re: NPG -w- UMG

To: L Londell McMillan <[llm@thenorthstargroup.biz](mailto:llm@thenorthstargroup.biz)>

Cc: "Muir, Boyd" <[Boyd.Muir@umusic.com](mailto:Boyd.Muir@umusic.com)>, "Anthony, Michele" <[Michele.Anthony@umusic.com](mailto:Michele.Anthony@umusic.com)>

Great! Me call you?

Sent from my iPhone

On Aug 31, 2016, at 12:07 PM, L Londell McMillan <[llm@thenorthstargroup.biz](mailto:llm@thenorthstargroup.biz)> wrote:

Hey Jeff: How is 3pm PST?

On Wed, Aug 31, 2016 at 8:52 AM, L Londell McMillan <[llm@thenorthstargroup.biz](mailto:llm@thenorthstargroup.biz)> wrote:  
Jeff, perhaps a call would be helpful. Thanks.

Londell

On Wed, Aug 31, 2016 at 2:40 AM, Harleston, Jeff <[jeff.harleston@umusic.com](mailto:jeff.harleston@umusic.com)> wrote:  
Londell:

Once again I apologize for not yet responding formally. We are still very interested. Trying to figure out how to make [redacted] work for us understanding that [redacted] is a bit complicated.

Are you open to a deal where [redacted]

Are you still in need of a [redacted]

I will try you on my way in to the office tomorrow morning to discuss further.

Best,

Jeff

Sent from my iPad

On Aug 30, 2016, at 6:56 PM, L Londell McMillan <[llm@thenorthstargroup.biz](mailto:llm@thenorthstargroup.biz)> wrote:

Trying again.... Please let me know what's up?!!!

Londell

On Tue, Aug 30, 2016 at 5:35 PM, L Londell McMillan  
<[llm@thenorthstargroup.biz](mailto:llm@thenorthstargroup.biz)> wrote:  
Hey Jeff:

Things are moving very rapidly now and the folks are restless. We need to move very quickly and get something before them. The details we discussed during our marathon meeting should be instructive. Please let me know what else is needed from me please.

Thanks,

Londell

On Tue, Aug 30, 2016 at 8:13 AM, L Londell McMillan  
<[llm@thenorthstargroup.biz](mailto:llm@thenorthstargroup.biz)> wrote:  
Got it, no problem.

On Tue, Aug 30, 2016 at 12:57 AM, Harleston, Jeff  
<[jeff.harleston@umusic.com](mailto:jeff.harleston@umusic.com)> wrote:  
Londell:

As I told you on Saturday, I had a meeting today with our management team to discuss all things Prince. We are still formulating a response  
I apologize for the  
delay.

Will try you tomorrow afternoon.

Best,

Jeff

Sent from my iPhone

L Londell McMillan  
The NorthStar Group  
616-444-1111