

STATE OF MINNESOTA
COUNTY OF CARVER

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

In re:

Estate of Prince Rogers Nelson,
Deceased.

Court File No. 10-PR-16-46

[REDACTED]

**MEMORANDUM IN SUPPORT OF
MOTION TO APPROVE PAYMENT OF
ATTORNEYS' FEES AND EXPENSES FOR PERIOD
NOVEMBER 16, 2016 THROUGH JANUARY 31, 2017**

Holland & Knight LLP (“**H&K**” or “**Petitioner**”), former counsel of record for Tyka Nelson (“**Tyka**”), hereby submits this memorandum in support of its Motion for an order approving payment of certain of Tyka’s attorneys’ fees and costs from the Estate of Prince Rogers Nelson (the “**Estate**”) for services performed by H&K during the period November 16, 2016 through January 31, 2017 (the “**Second Application Period**”) relating to H&K entertainment services as Heirs’ Representative and certain non-entertainment services.

FACTUAL BACKGROUND¹

A. H&K Services As Designated Heirs’ Representative

[REDACTED]

[REDACTED]

[REDACTED]

¹ On December 12, 2016, H&K submitted a fee application for the period September 23, 2016 through November 15, 2016 (the “**Initial Fee Application**”). The Factual Background, memorandums and affidavits submitted in support of the Initial Fee Application are incorporated herein by reference, as are capitalized terms defined in the Initial Fee Application. Redacted H&K invoices supporting both the Initial Fee Application and the Second Fee Application are submitted herewith. Finally, H&K was substituted out as counsel of record on January 4, 2017 but continued to provide limited advice regarding entertainment deals being negotiated by the Estate.

[REDACTED]

² [REDACTED]

³ On or about November 10, 2016, Frank K. Wheaton replaced Ken Abdo as the second Representative. During the Second Application Period, Mr. Wheaton worked closely with Mr. Labate and other H&K attorneys to complete Long-Form Agreements with GMR and UMG and to analyze and comment on other entertainment opportunities.

[REDACTED]

1. [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

4 [REDACTED]

2.

[REDACTED]

3. [REDACTED]

4. [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

5. Transition to Comerica as Personal Representative

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

B. H&K Non-Entertainment Services

1. Search for Successor Special Administrator / Administrator

As set forth in extensive detail in the Initial Fee Application, H&K led efforts to contact and organize a group of personal representative candidates and schedule of a panel of interviews with all non-excluded heirs and their counsel. H&K attorneys also participated in and conducted interviews and had further discussions regarding the advantages and disadvantages of various candidates with all counsel and the non-excluded heirs. From those efforts, Comerica was selected as the candidate on which the parties could agree.

As a result of these interviews, H&K filed a petition to appoint the successor personal representative and prepared the necessary paperwork. Only H&K filed a petition to appoint just Comerica, which was the action and order entered by the Court. All other petitions included requests for co-successor administrators and were not granted. In addition, H&K filed a petition to determine the heirs of the Estate. The petition is beneficial to the Estate as a whole because this mechanism will determine the heirs; it is not beneficial to only one non-excluded heir. The petition remains pending, and it is our understanding that it will be ruled upon when the claims of all those not included in the non-excluded heirs category are decided.

Following the extensive process to select a corporate successor Special Administrator, H&K learned for the first time that Londell McMillan was being proposed as co-successor administrator. At the request of the non-excluded heirs supporting Mr. McMillan, H&K participated in an interview and listened to Mr. McMillan's three hour pitch. After this meeting,

ARGUMENT

I. Minnesota Law Provides for the Payment of Attorney's Fees, Costs and Expenses Where the Services Have Benefitted the Estate

Minnesota law allows for the payment of attorney's fees from the Estate where "the services of an attorney for any interested person contribute to the benefit of the estate, as such, as distinguished from the personal benefit of such person." In such cases, the "attorney shall be paid such compensation from the estate as the court shall deem just and reasonable and commensurate with the benefit to the estate from the recovery so made or from such services." Minn. Stat. § 524.3-720; *see also In re Estate of Van Den Boom*, 590 N.W.2d 350, 354 (Minn. Ct. App. 1999) ("Van Den Boom [a remainder beneficiary], as an interested person, acted for the benefit of the estate by keeping a major asset intact. His attorney is entitled to fees.").

The Court uses the following factors to determine whether attorneys' fees sought in a probate proceeding are just and reasonable:

- (1) the time and labor required;
- (2) the experience and knowledge of the attorney;
- (3) the complexity and novelty of problems involved;
- (4) the extent of the responsibilities assumed and the results obtained; and
- (5) the sufficiency of assets properly available to pay for the services.

Minn. Stat. § 525.515(b).

As previously noted by the Special Administrator in its July 29, 2016 fee petition:

"Where, as here, the Court has extensive experience with a probate matter and there is a voluminous court file recording the work of counsel, the Court is on firm ground to exercise its discretion to determine an award for the reasonable fees and costs. *In re Bush's Estate*, 230 N.W.2d 33, 38-42 (Minn. 1975) (affirming attorney fee award where the Court was intimately familiar with the estate dispute and work performed by the attorneys); *In re Estate of Weisberg*, 64 N.W.2d 370, 372 (Minn. 1954)(affirming attorney fee

award and holding that the size of the total estate is important factor when determining reasonable fee awards).”

The Special Administrator is correct that the Court is well aware of the extraordinary nature of this proceeding and the complexity of the various issues facing the Estate, including one of the most unique collection of assets in Minnesota history, much of which requires significant effort and expertise to monetize. Additionally, the sheer number of individuals claiming to be heirs of the Estate has posed particular challenges for the Special Administrator and the siblings of the decedent who have been left uncertain of their legal status as the Court sorts through the various legal claims and the Estate attempts to conduct its business.

Given the size, nature, and complexity of the Estate and the number of interested persons involved in this matter, H&K has managed significant undertakings that have benefited the Estate and its ultimate beneficiaries. These efforts, chiefly the assistance provided during the sophisticated and complex negotiations of entertainment deals advanced by the Special Administrator, ultimately improved the final agreements that were entered into by the Estate.

While H&K’s efforts will benefit the Estate by helping it achieve the best “deals” possible, Tyka individually has not benefited from H&K’s efforts, particularly since Tyka is not yet an adjudicated heir. H&K’s efforts that related to probate matters, as more fully described above and in the accompanying affidavit, also benefitted the Estate as a whole and not Tyka individually. Moreover, in the event a will or child of the decedent was (or is) discovered during these intervening months, H&K’s efforts will have provided no benefit to Tyka whatsoever. Even if Tyka is an heir, H&Ks efforts and expertise assisted all of the ultimate heirs. Accordingly, H&K seeks reimbursement from the Estate for its efforts.

CONCLUSION

For the foregoing reasons, Petitioner respectfully requests that the Court authorize and direct the Administrator to pay \$415,377.00 in attorneys' fees (specifically \$187,502.50 in entertainment related fees and \$227,874.50 in non-entertainment related fees) and \$568.00 in costs to Holland & Knight LLP from the assets of the Estate.

Respectfully submitted,

Dated: March 3, 2017

HOLLAND & KNIGHT LLP

/s/ Robert Barton

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