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STATE OF MINNESOTA

COUNTY OF CARVER

DISTRICT COURT

FIRST JUDICIAL DISTRICT
PROBATE DIVISION

In the Matter of:

Estate of Prince Rogers Nelson,

Decedent.

and

Tyka Nelson,

Petitioner.

Court File No. 10-PR-16-46
Case Type: Special Administration

[REDACTED]

THE SPECIAL ADMINISTRATOR'S REPLY TO OBJECTIONS BY OMARR BAKER, TYKA NELSON, AND ROC NATION TO THE SPECIAL ADMINISTRATOR'S PETITION FOR DISCHARGE

Bremer Trust, N.A. ("Bremer Trust"), has served as the Special Administrator of this Estate since it was appointed on an emergency basis just days after Mr. Nelson's death. In its nine months as Special Administrator, Bremer Trust assisted the Court in organizing the Estate, raised money for the payment of estate taxes, and set the Estate up for a proper hand off to a longer-term personal representative. Among other things, the Special Administrator conducted an exhaustive search for a will, organized the records of dozens of Mr. Nelson's business entities, inventoried and began to value all of Mr. Nelson's assets, established and followed a protocol for determining heirs, processed nearly 900 invoices and claims, helped establish Paisley Park as a museum, enforced Mr. Nelson's intellectual property rights, and entered into important new entertainment deals to raise money for the Estate and cement Mr. Nelson's musical legacy. On January 23, 2017, the Special Administrator (with agreement of Comerica) filed the requisite state and federal estate tax filings and an initial payment of $12 million in estate taxes.

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Now, two out of the six non-excluded heirs ("NEH") claim for the first time that Bremer Trust breached fiduciary duties such that Bremer Trust should not be discharged. The alleged breaches are narrow; they relate only to the Special Administrator's role in the family tribute concert and the accountings filed with this Court. The alleged breaches are also baseless; they reflect a misunderstanding of Minnesota law and ignore that: the estate administration is ongoing; Mr. Baker and Ms. Nelson ("Objectants") were complicit in the family tribute concert they now complain about; and Comerica (the incoming personal representative) retains all rights to pursue (or resolve) any legal claims related to the tribute concert.

In addition, Roc Nation's "Limited Objection" to Bremer Trust's request for a discharge ignores that any supposed claims that Roc Nation has against the Special Administrator will simply transfer with the transfer of the management of the Estate to Comerica, as its personal representative.

All the objections should be rejected and Bremer Trust should be discharged.

BRIEF FACTUAL BACKGROUND

A. The Family Tribute Concert Iterations

After Mr. Nelson died, there was a desire by several family members to hold a family tribute concert. As early as May 15, 2016, Tyka Nelson spoke publicly about planning a "family tribute" for August.[1] The Special Administrator made it clear that it was not in the concert promoting business, and did not desire to take an active role in the endeavor. The Special Administrator asked the potential heirs to plan the event themselves. (Halferty Aff. ¶ 5.)

[1] Emily Krauser, *Prince's Sister Tyka Nelson Announces Plans for Family-Authorized Funeral in August*, ET (May 16, 2016), available at http://www.etonline.com/news/188765_update_prince_sister_tyka_nelson_announces_plans_for_family_funeral/ .

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By late May of 2016, Tyka Nelson had one proposal for the family tribute concert and Alfred Jackson had a competing proposal. (Halferty Aff. ¶ 6.) Ms. Nelson's then-counsel called counsel for the Special Administrator to see if the Special Administrator could assist, as the involved family members could not reach agreement. The Special Administrator offered to ask its entertainment experts to opine on the proposals. (*Id.* ¶ 7.)

In June, the Court approved the Special Administrator's hiring of L. Londell McMillan and Charles Koppelman as entertainment advisors (the "Advisors"), and the Special Administrator forwarded the two competing proposals from family members to the Advisors. Mr. Koppelman then sought and received a third proposal from Jobu Present ("Jobu"). The Advisors presented two competing choices for the tribute concert during an in-person meeting with all family on June 30, 2016, at Stinson's Minneapolis office. (Halferty Aff. Ex. A.) In follow-up correspondence on July 3, 2016, counsel for the Special Administrator explained its limited role:

> the Estate's role is very desirably limited in this deal. We are not driving the day-to-day operations of this event nor are we incurring the risks of it. For these reasons we have negotiated sizable guarantees and rights for approval...As you are all aware, the estate also needs the funds.

Ms. Halferty also explained that "The [Jobu] numbers are substantially better than any other proposed on both the guarantee and the splits." (*Id.* Ex. B.)

The family was not able to unanimously agree on one of the two options. On July 5, 2016, counsel for three of the siblings stated "We look to Charles and Londell to make a recommendation so that the tribute planning can progress." (*Id.* Ex. C.) Ultimately, the Special Administrator accepted Jobu's proposal on July 7. (Silton Aff. Ex. A.) It did so primarily because the Advisors found Jobu an acceptable alternative to promote the family tribute concert and Jobu pledged a higher guaranteed income to the Estate (which was then very short on cash).

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(Halferty Aff. ¶ 11.) A short form letter of understanding was executed by the Estate and Jobu (the "Letter Agreement"). The Letter Agreement detailed the [redacted] guarantee in ticket sales at U.S. Bank Stadium but little else; it explained that a "formal agreement" detailing all terms would later be negotiated and executed by the parties. (Silton Aff. Ex. A.) No formal agreement was ever executed. (Halferty Aff. ¶ 12.)

[redacted] (Halferty Ex. D.) By July 28, 2016, the press reported that the family was putting on a tribute concert on October 13 at U.S. Bank Stadium.[2] During the entire period of the Estate's relationship with Jobu, the Special Administrator had regular calls with the Advisors to check on the status of the tribute concert. (Halferty Aff. ¶ 16.) It was through those calls that the Special Administrator became aware [redacted] The Advisors then reached out to their contacts to help secure performers like Stevie Wonder. (*Id.* ¶ 14.) On August 24, 2016 Jobu's counsel informed the Advisors that Jobu was ceasing involvement with the Tribute, [redacted] (Silton Aff. Ex. B.) On August 29, 2016, Jobu's counsel wrote to counsel for the Special Administrator (*id.* at Ex. C) confirming that Jobu was "terminating its relationship with the Estate" [redacted] The letter set forth several purported bases "affecting Jobu's desire and ability to move forward as the promoter of the Concert." As of that time, Jobu had paid the Estate slightly more than [redacted] as an advance against the [redacted] payment for Jobu's ticket-sale guaranty. (Halferty Aff. ¶ 15.)

[2] Jay Gabler, *Prince's Family Announce Official Tribute Concert Oct. 13 at U.S. Bank Stadium*, The Current, Local Current Blog (July 28, 2016), available at http://blog.thecurrent.org/2016/07/princes-family-official-tribute-concert-oct-13-at-us-bank-stadium/.

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All of the family members wanted the tribute concert to take place. However, there was no clear path forward. There were only artists who had agreed to perform and fans who had arranged to be present in the Twin Cities on October 13. In an effort to rescue the concert, Mr. McMillan called multiple potential concert promoters to see if they would take over for Jobu.[3] (Halferty Aff. ¶ 17.) No national promoter agreed to do so. Finally, a local promoter suggested by Ken Abdo (Rand Levy of Rose Productions) agreed to promote the concert along with Mr. McMillan. (*Id*.)

After that, the Special Administrator was not involved with planning or organizing the family tribute concert that finally took place on October 13, 2016 at the Xcel Center, other than normal approvals of licensing requests and permissions. The Special Administrator made clear that Mr. McMillan's work on the family tribute concert after August 30, 2016 was outside of his duties as an advisor to the Special Administrator. (Halferty Aff. Ex. E.) Furthermore, the Estate was not a party to the final "Tribute Agreement" that set forth the relevant parties' rights and obligations with respect to the October 13 family tribute concert. (*Id.* Ex. F.) The show was announced on September 15, sold out on September 19th (in less than ten minutes), and took place on October 13. According to settlement statements shared with the Special Administrator, the family negotiated for and received over [redacted] dollars from the family tribute Concert. (Halferty Ex. H.)

[3] This was happening at the same time that counsel for the NEH began to threaten to block the entertainment deals recommended by the Advisors and to move to nullify the Advisor Agreement. Indeed, one of the reasons that the time spent by Stinson lawyers on tribute-related issues is so high is that counsel for the NEH were using their threat of opposition to all the entertainment deals and Advisor Agreement leverage to gain monetary and other concessions regarding the tribute. (E.g. Halferty Aff. Ex. G, noting "the status of the Official Family Tribute...may impact our position about the Experts"; and Objection Ex. 2 noting that the Jobu payments have "an impact on [the NEH's] negotiation with the experts regarding how much to settle with them for.")

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B. The Jobu Dispute

The August 29, 2016 letter from Jobu's counsel demanded that the Estate repay [redacted] that Jobu claimed [redacted] it had paid to the Estate and its Advisors, as well as damages, costs, and expenses in the amount of [redacted]. (Silton Aff. Ex. C.) Counsel for the Special Administrator responded, taking exception to Jobu's factual allegations and asserting an unwarranted breach of the Letter Agreement. (*Id.* Ex. D.) At that point, the Special Administrator was unwilling to repay Jobu the advances it had made against the Letter Agreement or reimburse any expenses. (*Id.*) Because the Special Administrator believed that litigation—whether started by Jobu or the Estate—could adversely affect whether a tribute concert would proceed, the Special Administrator proposed a standstill of all litigation until at least the end of October 2016, as well as the possibility that mediation would precede any litigation. (*Id.*)

The next day, Friday September 9, 2016, Jobu responded with another letter. (Halferty Ex. J.) This letter came from new counsel for Jobu, who stated he had been retained specifically to commence "immediate litigation" related to the tribute concert. [redacted] it was agreed that no litigation would be commenced before September 16, 2016 (after the concert was announced). (*Id.* at Ex. K.)

On September 15, 2016, counsel for the Special Administrator and Jobu spoke by phone. The Special Administrator again raised the issue of a litigation standstill until after a family

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tribute concert took place. [redacted] (*Id.*) Counsel also agreed to mediate the dispute at a time in the future after a family tribute concert had taken place, and that no litigation could be commenced by either Jobu or the Estate unless and until an impasse had been declared at mediation. This agreement was memorialized by an exchange of written emails between counsel. (*Id.*) The return of Jobu's payment was then disclosed to counsel for Objectants. (Crosby Aff. ¶ 4; *see also* Halferty Aff. ¶ 30 and Ex. N (showing access to November statement for "Prince Tribute LLC" which showed the return of funds); Objections Ex. 2 (disclosing details about the initial payments).) At present, the understanding is that a mediation will take place sometime after Comerica begins its term as personal representative. (Crosby Aff. ¶ 5.)

C. Objectants' Access to Estate's Financial Information

The Special Administrator and its counsel at Stinson Leonard Street used a [redacted] website to share confidential documents with NEH attorneys and others in a secure manner. A [redacted] webpage called "BTNA – Potential Beneficiaries & Counsel" was created on August 23, 2016, after the number of potential heirs decreased as a result of Court orders. (Halferty Aff. ¶ 25.)

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The "BTNA – Potential Beneficiaries & Counsel" webpage was used to share documents with NEH attorneys.[4] [redacted] records show that NEH attorneys had access to this page and that they viewed documents on this page. (*Id.*) In particular, the following individuals from the law firms of Cozen O'Connor and Holland & Knight (who have recently represented by Mr. Baker and Ms. Nelson) were granted access to the "BTNA – Potential Beneficiaries & Counsel" webpage on [redacted] and accessed the page recently:

NAME	DATE ACCESS GRANTED	LAST [redacted] SITE ACCESS DATE
Chris Bellini	8/26/2016	Not logged in
Edgar Rapoport	8/26/2016	1/9/2017
Herbert B. Fixler	8/26/2016	11/2/2016
Jeff Kolodny	8/26/2016	Not logged in
Steven Silton	9/12/2016	1/23/1017
Thomas Kane	8/25/2016	11/7/2016
Frank Keldermans	11/30/2016	12/20/2016
Jorge Hernandez-Torano	9/25/2016	Not logged in
Lisa Kpor	11/18/2016	1/18/2017
Robert Barton	9/25/2016	12/20/2016
Robert Labate	10/2/2016	1/9/2017
Stacie Nelson	9/25/2016	12/5/2016
Vivian Thoreen	9/25/2016	9/25/2016

(Halferty Ex. L.)

[4] Another [redacted] page provided direct access to documents to NEH. (Halferty Aff. ¶ 26.)

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In total, between August 23, 2016 and January 23, 2017, Cozen O'Conner individuals accessed documents on this [redacted] page more than 200 times, and Holland & Knight individuals accessed documents on this [redacted] page more than 600 times. (Halferty Aff. Exs. M, N.) The types of documents available to NEH counsel on [redacted] included the following: existing entertainment agreements of Mr. Nelson; proposals from potential partners for new entertainment agreements; reports of unpaid claims; significant licensing requests; bank statements; inspection reports of real property; royalty reports; draft press releases; consulting agreements; agreements related to Paisley Park; drafts and red-lines of court-approved entertainment agreements; and bank statements of the various business entities. (*Id.*) Reports showing which attorneys for Objectants accessed which documents on [redacted] and when are attached to the Affidavit of Laura Halferty at Exhibits M and N.[5]

D. The Objections

Omarr Baker and Tyka Nelson submitted objections on January 11, 2017. As noted by the Special Administrator's January 12, 2017, Response, many of the issues raised initially by Objectants (especially with respect to the Advisors and counsel hired by the Special Administrator) had already been resolved by the Court. Objectants had the opportunity to cross-examine witnesses for the Special Administrator on any topics related to the Accounting or Tribute during the hearing on January 12.[6] Furthermore, Objectants had the opportunity to cross-examine Mr. McMillan regarding the family tribute concert on January 12.

[5] During the January 12, 2017 hearing, Mr. Silton referenced unspecified problems with the [redacted] site. The last time that Cozen O'Conner individuals requested technical help with [redacted] however, was on October 25, 2016. (Halferty Aff. ¶ 31.) Mr. Silton accessed the site many times in January. (Halferty Ex. N.)

[6] During the January 12 hearing, the Special Administrator's witnesses, Ms. Fasen and Ms. Hauck, directly addressed many of the concerns in Objectants' initial Objections. For example, they testified that it is acceptable practice to list real estate at the tax-assessed value (Objection ¶ 5b), that the real estate at 1119 Morgan Avenue N. was not owned by the Estate at the time of death (Objection ¶ 5n), the reason for the double asterisk on some personal property (Objection ¶ 5s), that the "Compensation of Representatives" (Objection ¶ 5x) is the Special

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The Objectants filed a second set of "supplemental objections" on January 19, 2016. These objections allege a need for additional information as well as an alleged breach of fiduciary duty and incomplete accountings.

In addition, on January 16, 2017, Roc Nation LLC and Aspiro AB filed a "Limited Objection" to the Special Administrator's request for discharge. The "Limited Objection" represents that Roc Nation and Aspiro AB "intend to eventually" seek fees and costs in the federal copyright action against them and argues that a discharge "could arguably improperly foreclose" them from doing so. Limited Objection at 3, ¶ 7.

ARGUMENT

I. Minnesota Law Requires The Special Administrator Act Prudently.

Minnesota statutes define the fiduciary duty of a Special Administrator of an estate as to "observe the standards of care in dealing with the estate assets that would be observed by a prudent person dealing with the property of another." Minn. Stat. § 524.3-703(a).[7] Minnesota courts have described the duty as to act in the estate's best interest. *See Goldberger v. Kaplan, Strangis and Kaplan, P.A.*, 534 N.W.2d 734, 739 (Minn. Ct. App. 1995). This standard of care—that of a prudent person—is not heightened unless the personal representative or special administrator has a special skill or expertise in the task being performed. *See* Minn. Stat. § 524.3-703(a) (providing that if the personal representative has the needed special skill or expertise, the representative "is under a duty to use those skills").

Administrator's fee, and that "stocks bonds and other securities" were valued at $0 because the Special Administrator found no evidence that Mr. Nelson owned any publicly-traded securities (Objection ¶ 5ff (vi)). (Halferty Aff. ¶¶ 32-33).

[7] This statutory provision refers to a "personal representative," but also applies to a special administrator. *See* Minn. Stat. § 524.3-617.

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This standard of care necessarily assumes that a personal representative may not always have the special skill or expertise needed to accomplish a certain request or task in the administration of an estate. *See In re Estate of Anderson*, No. A15-1513, 2016 WL 3582414, at *3 (Minn. Ct. App. July 5, 2016). In those instances, the law allows a personal representative to rely on advice from professionals. A personal representative, "acting reasonably for the benefit of the interested persons," may "employ . . . agents . . . to advise or assist the personal representative in the performance of administrative duties." Minn. Stat. § 524.3-715(21). A personal representative may "act without independent investigation upon [the employed agent's] recommendations" and "instead of acting personally, [may] employ one or more agents to perform any act of administration, whether or not discretionary." *Id.* In *Anderson*, for example, the personal representative did not have skills or expertise in selling real estate, so he consulted his attorney as the expert, and the court held that (1) the personal representative was still subjected to the prudent-person standard of care, and (2) the personal representative did not breach his fiduciary duty by relying on his attorney's expert advice "because a 'prudent person dealing with the property of another' would rely on his attorney's advice." *Id.* at *3.

Missouri has adopted a nearly identical statutory standard with regard to a personal representative's right to employ agents in administering the duties of the personal representative and the duty of reasonable care in selection, instruction, and supervision of the agent. Mo. Rev. Stat. § 473.810(14) ("[A]n independent personal representative, acting reasonably for the benefit of the interested persons, may properly: . . . (14) employ . . . agents . . . to advise or assist the independent personal representative in the performance of his administrative duties; act without independent investigation upon their recommendations; and instead of acting personally, employ one or more agents to perform any act of administration, whether or not discretionary"); *In re*

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Estate of Gangloff, 743 S.W.2d 498, 502 (Mo. Ct. App. 1987). In interpreting that statute, the Missouri Court of Appeals court noted that "[i]f a trustee uses reasonable care in the selection, instruction and supervision of an agent, 'it is generally held that the trustee is not liable to the beneficiary for the negligence or inefficiency or criminal conduct of the agent or employee.'" *Id.* (quoting G. Bogert, *The Law of Trusts & Trustees*, Sec. 557 (2d ed. Rev. 1980)). "[U]nless such delegation or reliance is unreasonable, the personal representative should not be held liable for the errors, omissions or malfeasance of the estate's agents." *Id.*[8]

II. The Special Administrator Did Not Breach Its Fiduciary Duty With Respect to the Family Tribute Concert.

In the context of the critical work of this Estate—organizing records for dozens of business entities, inventorying and valuing assets, and monetizing Mr. Nelson's intellectual property in order to meet estate tax obligations—putting on a concert was not a high priority for the Special Administrator. Furthermore, concert promotion was outside the professional experience of Bremer Trust and its counsel. Nevertheless, because it was very important to Mr. Nelson's family, and his family was initially unable to come to consensus on critical aspects of a family tribute concert, the Special Administrator asked its Advisors to assist the family in selecting a promoter. However, when the Jobu withdrew as promoter, the NEH worked directly with the co-promoters of the tribute concert, and reaped the financial rewards. Objectants'

[8] As an analogy, the Court can also look to the law regarding the fiduciary duty of a trustee. Like a personal representative, a trustee may obtain and consider the advice of others on a reasonable basis. Restatement (Third) of Trusts § 77 cmt. b (2007) ("As necessary or appropriate to informed decisionmaking, care may also call for obtaining and considering the advice of others on a reasonable basis ... It is ordinarily satisfactory that information or advice be obtained from sources on which prudent property owners or managers in the community customarily rely.") In addition, the appropriateness of the trustee's reliance on that advice is determined based on the information known at the time of the reliance, not on hindsight. *Id.* at cmt. a ("[T]the prudence of a trustee's conduct is to be judged on the basis of circumstances at the time of that conduct, not with the benefit of hindsight or by taking account of developments that occur after the time of the action or decision. Also, whether a breach of trust has occurred depends on the prudence or imprudence of the trustee's conduct, not on the eventual results of managerial or other decisions.") Even in the more extreme case of actual delegation of trust duties, a trustee who exercises the requisite reasonable care "is not liable to the beneficiaries or to the trust for an action of the agent to whom the function was delegated." Minn. Stat. § 501(c).0807(c).

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allegations of breach fail because they and the other potential heirs asked the Special Administrator and its Advisors to intervene and Objectants were intimately involved in the event planning; therefore, Objectants should be estopped from basing any allegations of breach related to the tribute concert.

Even if, however, the Court considers the substance of the breach allegations, they fail miserably. The limited steps taken by the Special Administrator were prudent and in the best interest of the Estate. For example, the Special Administrator agreed to become involved with the family tribute concert only after the idea of such a concert had been discussed, but the family reported they were unable to make it happen, and the failure of a concert could have had negative consequences for the Prince brand. In addition, the Special Administrator selected Jobu as the promoter after the family could not agree on a promoter, relying on the advice of its Advisors and keeping in mind the Estate's cash needs. And finally, the Special Administrator determined that avoiding a public suit with Jobu before the concert was announced, tickets sold and the event held was important, and the Special Administrator reserved all rights when it returned the initial [redacted].[9] All of those steps were prudent, were taken in good faith, and were in the best interest of the Estate based on the information available at the time the decisions were made. Furthermore, the Special Administrator cannot be liable for following the advice of its counsel or its court-approved Advisors. *See* Minn. Stat. 524.3-715(21); *In re Estate of Anderson*, No. A15-1513, 2016 WL 3582414, at *3 (Minn. Ct. App. July 5, 2016).

[9] Objectants were made aware that the Special Administrator and Jobu have reserved all rights with respect to potential claims under the Letter Agreement during the hearing on January 12, 2017. (Halferty Aff. ¶ 34.) Despite that knowledge, Objectants argue that "the Special Administrator breached its fiduciary duty by paying the [redacted] back to Jobu Presents." It is illogical that one could breach a fiduciary duty by keeping all potential claims and defenses open for the incoming personal representative to address.

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To the extent Objectants are complaining about the actions of the Advisors with respect to the family tribute concert, that is only relevant between June 30, 2016, when the Advisors included Jobu as one of two options for the family to consider, and approximately August 30, 2016, when Mr. McMillan began to act independently in an attempt to rescue the tribute concert. Objectants [redacted] allege that the Advisors misrepresented aspects of the tribute concert (Supplemental Objection at 9-10) and that Mr. McMillan wrongly retained money from Jobu.[10] However, because the Special Administrator acted reasonably in selecting the Advisors, delegating the oversight of the tribute concert to them, and supervising their attempts to make the family tribute a reality during those two months, the Special Administrator cannot be held liable. *See* Minn. Stat. § 501(c).0807(c); *In re Estate of Gangloff*, 743 S.W.2d 498, 502 (Mo. Ct. App. 1987) ("If a trustee uses reasonable care in the selection, instruction and supervision of an agent, 'it is generally held that the trustee is not liable to the beneficiary for the negligence or inefficiency or criminal conduct of the agent or employee.'")

III. The Special Administrator's Accounting Complies With Minnesota Law.

Minnesota Statutes Section 524.3-608 states that "[t]ermination does not … relieve the [personal] representative of the duty to preserve assets subject to the representative's control, to account therefor and to deliver the assets." Objectants misread the statute as providing that "the Special Administrator cannot be discharged from liability without providing a full accounting." Supplemental Objections at 5. The statute does not support Objectants' reading. Instead, it simply requires that a personal representative account for the assets and deliver them at termination. The Special Administrator has accounted for the assets by filing both the accounting through November 30, as well as the "stub" accounting through December 31, 2016.

[10] Just as all claims with respect to Jobu are in a "standstill," so are any claims with respect to Mr. McMillan's payment from Jobu.

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In the instance where the administration of an Estate is not complete, and the assets are numerous and complex, there is no legal requirement that the interim administrator submit a "final" or "full" accounting with valuations on all Estate assets, nor would such a requirement make sense.

IV. Objectants Do Not Need Additional Information.

Objectants continually contend in their initial and supplemental objections that they need more time to review the Special Administrator's petition and "additional information" before a discharge is appropriate. Tellingly, however, Objectants had from January 3 until January 19 to review the Special Administrator's Accounting, and unlimited cross-examination of the Special Administrator's witnesses on January 12, and yet their supplemental objections identify no error or inaccuracy in the Accountings. (Indeed the accountings filed balance to the penny.)

Furthermore, Objectants have more information than the unredacted accountings and exhibits filed with this Court. They have had significant access to the Estate's financial documents for months. Despite that access, Objectants raise no substantive issues with the accountings submitted by the Special Administrator. The absence of any substantive complaint belies their current demand for further information and another hearing.

In addition, the specific "missing" information raised by Objectants is immaterial. For example, Objectants complain that the most recent unpaid claims report on [redacted] is dated October 19, 2016 (Supplemental Objections at 6), but that is because the claims period closed in September, and there was no need to update the report after that time. (Halferty Aff. ¶ 35.) In addition, the October 19, 2016, report is the updated version of the "paid invoices" report dated September 8, 2016. (*Id.*) Objectants also complain that they do not have access to statements for the business entities for December of 2016. (*See* Supplemental Objections at 7.) December

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2016 bank statements for Decedent's entities were not available until approximately January 9, 2017, at which time [redacted] was no longer being updated, in anticipation of a potential transition on January 12. (Halferty Aff. ¶ 36.)

Objectants mis-state the testimony of Ms. Fasen at the January 12 hearing, alleging that the Special Administrator "failed" to account for licensing of the Decedent's music. Supplemental Objection at 7. In fact, what Ms. Fasen testified is that the monetization of the Estate's intellectual property can only be recorded on a probate accounting when there is actual income. So, for example, no income is reflected from [redacted], because the [redacted] deal is not executed and the Estate had not received any income during the interim accounting period (through 12/31/2016). (Halferty Aff. ¶ 37.)

Many of Objectants concerns about the accounting stem from fundamental misunderstandings about what type of accounting is required in a probate proceeding. Only a "checkbook" accounting is required. *See* Gen. R. Practice 417.02; Halferty Aff. ¶ 38. Furthermore, in this case, the Special Administrator informed all potential heirs and received court approval before selling any assets. And those assets that have not been sold will simply be transferred to the personal representative on February 1. Therefore, any alleged error in valuation has no real impact and can be updated in the coming months by the personal representative.

V. Roc Nation and Aspiro AB's Limited Objection Is Baseless and Unnecessary and Should Be Rejected.

Roc Nation and Aspiro AB's "Limited Objection" to the Special Administrator's Petition for Discharge has no cognizable basis and should be rejected.[11]

[11] Roc Nation filed a "Statement of Unsecured Claim" in this matter on November 7, 2016. The "Statement of Unsecured Claim" referenced Roc Nation's "relevant licensors, licensees, assignors and assignees, inclusive of Wimp Music AS and Aspiro AB (collectively, 'Roc Nation')," but identified the "claimant" as "Roc Nation LLC."

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As a preliminary matter, the "Petition of Roc Nation LLC for Allowance of Claim and Additional Relief" is pending before the Court. The Special Administrator has argued that Roc Nation does not even state a claim under the Probate Code such that Roc Nation (or Aspiro AB) has standing to object to the Special Administrator's request for discharge. Moreover, even if Roc Nation or Aspiro had standing to object, their "Limited Objection" is baseless and should be rejected.

The "Limited Objection" contends that a discharge "*could arguably* improperly foreclose Objectors from pursuing relief to which they are entitled, namely the recoupment of costs and attorneys' fees that may be awarded to them in connection with the Federal Copyright Action." Limited Objection at 3, ¶ 7 (emphasis added). The "Limited Objection," however, does not provide any argument for why this could be so. Instead of providing any authority or rationale for this contention, the "Limited Objection" simply asserts that the federal copyright action is purportedly "frivolous." *Id*. at 4, ¶ 8. Contrary to this assertion, the federal copyright action is far from frivolous.[12] In their court pleadings answering the copyright complaint, Roc Nation and Aspiro admitted the use of copyrighted material by the Tidal music streaming service. The only defense to this admitted use of copyrighted material is purported implied and oral agreements, and this defense has not been proven and has significant factual and legal challenges.

Further, and in any event, a discharge of the Special Administrator does not limit Roc Nation and Aspiro AB's ability to request costs and fees in the separate, federal action. Roc Nation and Aspiro AB remain free to request costs and fees against the plaintiffs in the federal action even if Bremer Trust is discharged in this probate matter. Those plaintiffs are NPG

[12] Both Roc Nation and Aspiro AB responded to the Complaint in the federal copyright action with answers rather than motions to dismiss. Nor has either Roc Nation or Aspiro AB taken the actions that would be required to file a motion for sanctions under Rule 11 of the Federal Rules of Civil Procedure that would be warranted by a frivolous lawsuit.

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Records and NPG Music Publishing—not Bremer Trust. Bremer Trust is not requesting a release for the NPG entities. Thus, Roc Nation and Aspiro AB's attempt to justify their objection based on preserving their ability to "enforce" any award should be rejected. Any supposed claim against NPG Records and NPG Music Publishing will remain even if Bremer Trust is discharged.

In short, Roc Nation may attempt to prove the oral and implied agreements it claims it has as a defense to the federal copyright lawsuit. But Roc Nation's defenses to that lawsuit do not provide any reason to deny Bremer Trust's request for discharge.

CONCLUSION

The Objections filed by Tyka Nelson, Omarr Baker and Roc Nation fail to provide any reason why this Court should not discharge Bremer Trust. Bremer Trust acted prudently in selecting Jobu to promote the family tribute concert, it acted reasonably in delegating the oversight of Jobu's efforts to the Advisors, and after that was not successful, Bremer Trust acted prudently in entering into a standstill agreement with Jobu. Bremer Trust's interim accountings are as complete as they can be at this stage in the estate administration—they account for all the Estate's known assets—and the Objections raise no errors or substantive concerns about the accountings. Bremer Trust has served the Estate well for nine months, always acting in the Estate's best interest, and it deserves not to have the gray cloud of potential litigation hanging over it indefinitely.

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Respectfully submitted,

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