

STATE OF MINNESOTA  
COUNTY OF CARVER

DISTRICT COURT  
FIRST JUDICIAL DISTRICT  
PROBATE DIVISION

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In the Matter of:

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

Estate of Prince Rogers Nelson,  
Decedent.

**COMERICA BANK & TRUST, N.A.’S  
RESPONSE TO REQUEST TO ORDER  
FINANCIAL VALUATION  
DOCUMENTATION**

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Comerica Bank & Trust, N.A., as the Personal Representative of the Estate of Prince Rogers Nelson (the “Personal Representative”), submits this Response to Alfred Jackson, Omarr Baker, and Tyka Nelson’s Request to Order Financial Valuation Documentation. Specifically, Mr. Jackson, Mr. Baker, and Ms. Nelson suggest that they require at least \$100,000 in Estate funds to retain financial and business experts to create financial models and cash flow projections for the Estate. The Personal Representative respectfully opposes the request for three reasons.

First, there is a reason that Mr. Jackson, Mr. Baker, and Ms. Nelson did not cite any statutory or caselaw authority in support of their request—there is none. Minnesota’s Uniform Probate Code simply does not envision or provide any mechanism for heirs or beneficiaries of an estate to utilize estate funds for any purpose prior to the distribution of the assets of the Estate, much less so that heirs can create duplicative financial statements and models to “confirm” those already prepared by the Personal Representative and provided to the Heirs. Indeed, the IRS and MNDOR may challenge whether such a payment is a valid administrative expense of the Estate

(which may be paid before taxes under Minn. Stat. § 524.3-805) and instead classify the payment as a distribution to the Heirs.

Second, the premise of the request—that the Personal Representative is withholding financial information or other records from the Heirs—is false. Under the Probate Code, a personal representative is responsible for preparing an inventory and, in certain instances, an accounting, both of which have been provided to the Heirs in this Estate (the Personal Representative is in the process of preparing a supplemental inventory and an interim accounting for approval by the Court, and intends to continue submitting interim accountings to the Court for approval on a regular basis until the Estate is closed). Minn. Stat. §§ 524.3-706, 524.3-1001. In this Estate, the Personal Representative has gone far beyond the requirements of the Probate Code and has shared with the Heirs an unprecedented level of financial records of the Estate and its managed entities, including detailed monthly account statements, royalty statements, the Estate’s entertainment agreements, a cash flow projection, and financial statements for the Estate’s managed entities. With only limited exceptions, where the Estate itself does not have a right to the information or it is barred from sharing the information by contract,<sup>1</sup> whenever the

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<sup>1</sup> For example, one of the advisors for Mr. Jackson, Mr. Baker, and Ms. Nelson requested that the Estate provide him with the source financial spreadsheets David Dunn utilized to model an entertainment transaction, the results of which (including detailed financial reporting) were provided to the Heirs and filed with the Court on April 4, 2018. While the Personal Representative provided the advisor all Estate royalty data provided to Mr. Dunn, the Estate does not have any rights to the non-Estate source data utilized in connection with Mr. Dunn’s report, which belongs to Mr. Dunn’s firm and consists of proprietary information collected from other private sources unrelated to the Estate. Instead, the Personal Representative arranged for an all-day meeting between Mr. Dunn, advisors for certain of the Heirs, and Justice Gilbert in Baltimore where the parties walked through the financial data in detail. Similarly, as is standard for appraisals, the Personal Representative’s agreements with the appraisers hired to appraise assets for estate tax purposes prohibit those appraisals being provided to any third-parties and make the Personal Representative liable for any such disclosures. The purpose underlying that prohibition is the appraisers’ concern that the appraisals will be used for purposes other than

Heirs have requested financial records or other information related to the assets of the Estate, the Personal Representative has promptly provided it. Simply stated, there is no need for the Heirs to utilize estate resources to “confirm” the information provided by the Personal Representative and if the advisors for certain Heirs want to create their own financial models for purposes of their loans to the Heirs or otherwise, they can pay for that work themselves.

Third, to the extent that the Mr. Jackson, Mr. Baker, and Ms. Nelson intend to create appraisals of Estate assets, the Personal Representative has previously prepared appraisals and submitted them to the IRS. Duplicative appraisals would potentially be detrimental and conflicting and may be discoverable in the event of litigation involving the estate tax return.

The Personal Representative appreciates that the Heirs have a legitimate basis for requesting financial information related to the Estate, but the information provided has far exceeded what is required by the Probate Code or what is customarily provided by a corporate fiduciary (*i.e.*, account statements). The Personal Representative does not believe that Mr. Jackson, Mr. Baker, and Ms. Nelson’s Request is in the best interests of the Estate.

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those intended (*i.e.*, estate tax purposes), which is particularly acute here since the advisors requesting the appraisals are also lenders for certain of the Heirs.

Respectfully Submitted,

Dated: June 22, 2018

/s/ Joseph J. Cassioppi

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