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April 3, 2020

Honorable Kevin W. Eide
Carver County District Court
604 East Fourth Street
Chaska, Minnesota 55318

VIA E-FILE

Yvonne.Shirk@courts.state.mn.us

Re: ***In the Matter of: Estate of Prince Roger Nelson***
Court File No.: 10-PR-16-46

Your Honor:

In our capacity as the Second Special Administrator ("SSA") we submit this letter in accordance with Your Honor's request at the conclusion of the telephone conference held on March 26, 2020. We have addressed two issues that we believe were raised during the telephone conference.

First, Your Honor asked counsel to indicate their belief as to the procedural manner in which the Court should proceed with the Estate's motion for refund of excessive fees pursuant to Minnesota Statute Section 524.3-721. It was our sense during the telephone conference that Your Honor was considering initially having an evidentiary hearing on, effectively, a temporary injunction pursuant to Minnesota Rule of Civil Procedure 65.02 with respect to whether or not the Advisors, NorthStar Enterprises Worldwide, Inc. (providing the services of Mr. McMillan) and CAK Entertainment, Inc. (providing the services of Mr. Koppelman), should pay into escrow or otherwise the fees that have been the subject of the Estate's motion. The alternative is to bypass a hearing on a temporary injunction and proceed to an evidentiary hearing on the final merits of the motion. I discussed yesterday with counsel for CAK/Mr. Koppelman the Estate's position with respect to the most efficient manner in which to address the motion. Based on that call, it is my understanding that all parties are in agreement that the most efficient and prudent manner in which to proceed on the Estate's motion is to bypass an evidentiary hearing on



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a temporary injunction and proceed directly to an evidentiary hearing on the final merits. Consistent with our charge from the Court, we believe that it is in the Estate's best interest to have but one evidentiary hearing on the motion and thus, consolidate any hearing that would be held on a temporary injunction into one on the final merits.

The second issue that we address in this letter is to gain clarity as to what the Court believes will be the issue at the evidentiary hearing and on what the Estate bears the burden of persuading the Court that the fees at issue should be returned to the Estate as excessive fees under Minnesota Statute Section 524.3-721. As raised in our letter to the Court of March 25, 2020, it has been the SSA's position that the matter is relatively straightforward and that it has been incumbent on the Advisors to bring forth evidence from the already established record of the Estate that establishes their entitlement to the compensation this Court had previously and provisionally ordered refunded. As initially argued in the motion, it is the SSA's position that the issue is determined by the Advisor Agreement and the Court's Order rescinding the Universal Music Group record contract that demonstrates that the Advisors provided nothing of value to the Estate in respect of that contract and thus, the fees retained by the Advisors are excessive.

During our telephone conference, it became apparent to us that the Court sees the issue differently than does the SSA. Specifically, it is our sense from the telephone conference that Your Honor believes that the issue for consideration on the SSA's motion for refund of fees is whether or not there was an overlap between the rights of Warner Brothers under the 2014 Record Agreement with Prince and those conveyed to Universal Music Group in the Court-ordered rescinded record contract. If demonstrated that there was an overlap between the rights of Warner Brothers and those conveyed to Universal Music Group in the Court-ordered rescinded record contract, then the Advisors delivered nothing of value to the Estate and the commissions currently being retained by the Advisors are excessive and should be refunded to the Estate pursuant to Minnesota Statute Section 524.3-721.

We respectfully request confirmation that the SSA accurately understands what the Court expects of the SSA concerning its burden of persuasion at the evidentiary hearing on the motion. It is further submitted that with this clarification, the SSA and all parties that are involved in the motion will be further informed with respect to the appropriate scope and relevancy of both the evidence to be offered at the hearing and the outstanding discovery requests that were outlined in our letter of March 25, 2020 to Your Honor.

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Thank you for your time and attention.

Sincerely,

LARSON • KING, LLP

s/ Peter J. Gleekel

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