



**PETER J. GLEEKEL**

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D 651-312-6555

March 25, 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:

As Second Special Administrator ("SSA"), we write in advance of the March 26, 2020 telephone conference with this Court to frame certain discovery issues that have recently arisen since the Court set the telephone conference. As originally contemplated in this Court's March 11, 2019 Order, an evidentiary hearing on the Estate's Motion for Refund of Fees has been set for the afternoon of April 28, 2020 and the morning of April 30, 2020. The March 11, 2019 Order stated the parties were to "cooperate in establishing a schedule for any **necessary** discovery" (emphasis added). Though the parties have not discussed discovery, between March 13, 2020 and March 18, 2020 the Advisors served six subpoenas all of which seek expansive discovery in advance of the hearing. The subpoenas that have been served are:

- March 13, 2020: McMillan/NorthStar to SSA.
  - 18 document requests.
    - Every request but one begins "All documents and communications."
    - Requests regard the conflict between the UMG and Warner Brothers contracts and the subsequent rescission, among other matters.
- March 17, 2020: Koppelman/CAK to SSA.
  - Deposition notice with 12 topics for examination.
    - Topics include matters to which the SSA was not a party such as drafting of the UMG and Warner Brothers agreements (including the deals that predate Prince's death), the decision to rescind the UMG Agreement, the payment of commissions to the Advisors, and Fredrickson & Byron's investigation, on behalf of Comerica, into the UMG Agreement.
  - 16 documents requests.



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- Every request but one begins "All" and generally seek all documents, correspondence, or "other communications" regarding the UMG and Warner Brothers agreements and rescission of the UMG Agreement, among other matters.
- March 17, 2020: Koppelman/CAK to Comerica.
  - Deposition notice with 11 topics for examination.
    - Topics are identical to topics 1-11 of the notice to the SSA.
  - 13 document requests.
    - Requests are identical to requests 1-5, 7-12, and 14-15 of requests to SSA.
- March 17, 2020: Koppelman/CAK to Fredrikson & Byron
  - Deposition notice with 11 topics for examination.
    - Topics are identical to topics of notice to Comerica.
  - 13 document requests.
    - Requests are identical to requests to Comerica.
- March 18, 2020: Koppelman/CAK to UMG Recordings.
  - Deposition notice with 11 topics for examination.
    - Topics are identical to topics of notices to Comerica and Fredrikson.
  - 20 document requests.
    - 17 of the requests seek "all" and seek documents or communications.
    - Request one seeks the UMG Agreement, which the Advisors helped draft.
    - Request two seeks the Warner Brothers agreement.
- March 18, 2020: Koppelman/CAK to Warner Brothers.
  - Deposition notice with 9 topics for examination.
    - Topics are identical to topics 1-5 and 9-11 of notice to UMG.
  - 17 document requests.
    - Requests are same or similar to requests to UMG.

The subpoenas evidence a belief on the part of the Advisors that they are entitled to, and the Court contemplated, a re-litigation of this Court's July 13, 2017 Order rescinding the UMG Agreement as in the best interests of the Estate. Nearly all of the requests are targeted at the rescinded UMG Agreement, the Warner Brother Agreement, and the discussions regarding those agreements.

The fact of the matter is, the Advisors have already availed themselves of the opportunity to object to and be heard on the rescission motion. When Comerica brought the rescission motion, the Advisors each submitted memorandum and declarations opposing the motion to rescind the UMG Agreement. Stated otherwise, each of Advisor has been heard on the merits underlying this Court's Order rescinding the UMG Agreement. The hearing on their excessive fees should not afford them the opportunity to re-litigate the issues and the wisdom of Your Honor's Order rescinding the UMG Agreement. Further, with the June 16, 2016 Advisor Agreement, which governs the Advisors relationship with the Estate, the Advisors agreed to be subject to and bound by the limitations and orders imposed by this Court. Specifically, the Advisor Agreement states:

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Advisor acknowledges and agrees that the power of the Administrator is limited by laws applicable to the Special Administrator as well as orders of Court.

As this Court is aware, the November 25, 2019 Court of Appeals decision affirmed this Court's power to order the refund of excessive compensation under Minnesota Statute Section 524.3-721. This power is equitable and lies solely within the province of Your Honor. Section 524.3-721 makes clear the inquiry is limited to whether the compensation was excessive. The statute, which the Court of Appeals found unambiguous, does not contemplate the broad discovery the Advisors now seek.

In fact, Your Honor, in the March 11, 2019 Order and Memorandum on Second Special Administrator's Motion For Return of Fees, at pages four and five, set forth the parameters of what is relevant and the subject of proper inquiry at the evidentiary hearing and thus, arguably subject to discovery. A review of the six subpoenas served by the Advisors unquestionably are far a field from the limited scope of issues relevant on the fee motion.

Further, the incredibly broad discovery sought by the Advisors is inconsistent with the purpose of Section 524.3-721. "As indicated by the comment to section 3-721 of the UPC, Minn. Stat. § 524.3-721 provides for a 'quick and efficient' procedure for challenging the reasonableness of compensation paid to a specialized agent employed by the estate." *In re Estate of Nelson*, 936 N.W.2d 897, 906 (Minn. App. 2019).

The SSA does not believe any discovery need be completed before the April evidentiary hearing. It is incumbent on the Advisors to bring forth evidence from the already established record of the Estate of Prince establishing their entitlement to the compensation this Court has provisionally ordered refunded. If the Advisors persist in their efforts to conduct the expansive discovery they have caused to have been served, we will be asking the Court for an abbreviated motion deadline to address more fully and seek to quash the subpoenas they have served.

Thank you for your time and attention.

Sincerely,

LARSON • KING, LLP



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