

STATE OF MINNESOTA

DISTRICT COURT

COUNTY OF CARVER

FIRST JUDICIAL DISTRICT
PROBATE DIVISION

In the Matter of:

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

Estate of Prince Rogers Nelson,

Decedent.

**DECLARATION OF JOSEPH J.
CASSIOPPI IN SUPPORT OF MOTION
TO APPROVE RESCISSION OF
EXCLUSIVE DISTRIBUTION AND
LICENSE AGREEMENT**

REDACTED

I, Joseph J. Cassioppi, declare and state as follows:

1. I am a shareholder at Fredrikson & Byron P.A., counsel for Comerica Bank & Trust, N.A. (“Comerica”), the Personal Representative of the Estate of Prince Rogers Nelson.

2. I submit this Declaration in support of Comerica’s Motion to Approve Rescission of Exclusive Distribution and License Agreement.

3. Attached hereto as **EXHIBIT A** is a redacted copy of a portion of the license and distribution agreement dated April 16, 2014, by and between Warner Bros. Records, Inc. (“WBR”), on the one hand, and the Decedent, PRN Music Corporation, Paisley Park Enterprises, Inc., and NPG Records Inc., on the other hand (the “2014 WBR Agreement”).

4. The 2014 WBR Agreement [REDACTED]

[REDACTED]

[REDACTED]. The 1983 and 1986 agreements between the Decedent and WBR [REDACTED]

[REDACTED]

[REDACTED] The 1991 agreement

provided [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

5. Counsel for the Special Administrator informed me that the Special Administrator and its representatives did not have copies of the Decedent's pre-2014 agreements with WBR during the time they negotiated with UMG Recordings, Inc. ("UMG") and executed the UMG Agreement. Comerica obtained copies of these agreements upon request to WBR shortly after its appointment.

6. Attached hereto as **EXHIBIT B** is a copy of an October 31, 2016 email from L. Londell McMillan to Boyd Muir of UMG.

7. Attached hereto as **EXHIBIT C** is a copy of the Exclusive Distribution and License Agreement dated January 31, 2017, between the Estate and NPG Records, Inc. and UMG (the "UMG Agreement").

8. During a telephone conference with the Court on January 31, 2017, the Court approved the UMG Agreement, but ordered the parties to refrain from announcing the deal until the following Monday, February 6, 2017.

9. Attached hereto as **EXHIBIT D** is a copy of the press release that UMG issued regarding the UMG Agreement on February 9, 2017.

10. Attached hereto as **EXHIBIT E** is a copy of the correspondence that WBR's counsel sent Comerica on February 10, 2017, in response to UMG's press release.

11. Attached hereto as **EXHIBIT F** is a copy of a February 11, 2017 email from Paul Robinson at WBR to Jeffrey Harleston at UMG.

12. Attached hereto as **EXHIBIT G** is a copy of the correspondence that UMG's counsel sent to me on February 22, 2017, regarding WBR's claims. Attached hereto as **EXHIBIT H** is a copy of my letter to UMG's counsel in response.

13. The 2014 WBR Agreement contains a strict confidentiality clause, which WBR has declined to waive. As a result, Comerica has not been able to provide UMG with a copy of the 2014 WBR Agreement.

14. In response to WBR's claims, Fredrikson & Byron, P.A., as counsel for Comerica, immediately commenced an investigation to determine whether any inconsistencies exist between the rights held by WBR and those granted by the Estate to UMG. As part of the investigation, we reviewed numerous documents and communications relating to the 2014 WBR Agreement and the UMG Agreement, including but not limited to the following:

- The 1977 agreement between the Decedent and WBR;
- The 1983 agreement between the Decedent and WBR;
- The 1986 agreement between the Decedent and WBR;
- The 1991 agreement between the Decedent and WBR;
- The 2014 WBR Agreement;
- Drafts of proposed amendments to the 2014 WBR Agreement;
- The October 18, 2016 amendment to the 2014 WBR Agreement;
- Correspondence between the Special Administrator, its counsel, and/or its advisors regarding the 2014 WBR Agreement and proposed amendments thereto;
- Drafts of the UMG Agreement;
- The UMG Agreement; and
- Correspondence between the Special Administrator, its counsel, and/or its advisors regarding the UMG Agreement.

We also consulted with many individuals who were involved in or had reviewed the WBR and UMG Agreements, including but not limited to the following:

- Scott Edelman of Gibson Dunn & Crutcher LLP, counsel for UMG;
- Richard Werder and Christopher Tayback of Quinn Emanuel, counsel for WBR;
- L. Londell McMillan, who negotiated the UMG Agreement, and Charles Koppelman, the other entertainment advisor retained by the Special Administrator;
- Traci Bransford of Stinson Leonard Street LLP, who served as entertainment counsel for the Special Administrator;

- Meister Seelig & Fein LLP, which was retained as counsel for the Special Administrator in connection with finalizing the UMG Agreement;
- David Dunn of Shot Tower Capital, who was engaged as a consulting expert by the Special Administrator in connection with the valuation and exploitation of the Decedent's intellectual property;
- Rhonda Trotter of Arnold & Porter Kaye Scholer LLP, who negotiated the 2014 WBR Agreement on behalf of the Decedent; and
- Troy Carter of Atom Factory, the entertainment advisor retained by the Personal Representative.

15. Attached hereto as **EXHIBIT I** is the letter (without enclosure) I sent to WBR's counsel on March 10, 2017, with questions regarding WBR's position on its rights under the 2014 WBR Agreement. Attached hereto as **EXHIBIT J** is the letter that WBR's counsel sent in response on March 27, 2017, and the copy of October 18, 2016 correspondence that was enclosed therewith.

16. In an effort to re-negotiate the UMG Agreement and reach a mutually beneficial resolution, I conducted several telephone conversations with UMG's counsel to discuss possible settlement options. Comerica's entertainment advisor, Troy Carter, also discussed settlement with high-level business contacts at UMG.

17. Attached hereto as **EXHIBIT K** is a letter that UMG's counsel sent me on April 4, 2017, reiterating UMG's demand for either written assurances or rescission and threatening litigation.

18. Attached hereto as **EXHIBIT L** is the letter I sent to UMG's counsel on April 7, 2017, responding to UMG's demand, informing it of the preliminary results of Comerica's investigation, and seeking to open a dialogue with UMG.

19. Attached hereto as **EXHIBIT M** is a letter I sent to UMG's counsel on April 14, 2017, offering to return a portion of the advance and amend the UMG Agreement. Attached

hereto as **EXHIBIT N** is the response I received from UMG's counsel the same day, rejecting Comerica's offer.

20. Attached hereto as **EXHIBIT O** is a letter dated April 19, 2017, that I received from UMG's counsel alleging it was fraudulently induced to enter into the UMG Agreement by representatives of the Estate, including L. Londell McMillan.

21. Attached hereto as **EXHIBIT P** is a letter (without its attachment) dated April 25, 2017, that I received from UMG's counsel demanding rescission of the UMG Agreement and threatening to file a claim with this Court and in California.

22. Attached hereto as **EXHIBIT Q** is a letter I sent to UMG's counsel on April 26, 2017, extending a final settlement proposal to UMG. Attached hereto as **EXHIBIT R** is UMG's response the next day, rejecting the proposal and again threatening litigation if Comerica did not rescind the UMG Agreement.

23. Attached hereto as **EXHIBIT S** is a letter I sent on April 26, 2017, to WBR's counsel with the arguments raised by the Special Administrator against WBR's claims. Attached hereto as **EXHIBIT T** is WBR's May 3, 2017 response.

24. Attached hereto as **EXHIBIT U** is the rescission agreement that Comerica and UMG have agreed upon and respectfully request that the Court approve.

**I DECLARE UNDER PENALTY OF PERJURY THAT THE FOREGOING IS
TRUE AND CORRECT.**

Dated: May 17, 2017

/s/ Joseph J. Cassioppi
Joseph J. Cassioppi

EXHIBIT A

**ENTIRE EXHIBIT
FILED UNDER SEAL**

EXHIBIT B

REDACTED

To: Muir, Boyd[Boyd.Muir@umusic.com]
Cc: Seltzer, Michael[Michael.Seltzer@umusic.com]; Anthony, Michele[Michele.Anthony@umusic.com]
From: L Londell McMillan
Date: Mon 10/31/2016 7:32:23 PM
Importance: Normal
Subject: Re: NPG masters

I have great news for you guys to help. For clarity, [REDACTED]
[REDACTED] Afterwards, WBR shall only have [REDACTED]
[REDACTED]

This should definitely help on the economics....

Thanks,

Londell

On Mon, Oct 31, 2016 at 2:58 PM, Muir, Boyd <Boyd.Muir@umusic.com> wrote:

Agreed: I should have new financials for you. We've been working over the weekend. However, I need a couple more hours to finalize.

Question: what is the latest info on [REDACTED]
[REDACTED]

From: L Londell McMillan <llm@thenorthstargroup.biz>
Date: Monday, October 31, 2016 at 11:54 AM
To: Boyd Los Angeles <Boyd.Muir@umusic.com>
Cc: "Seltzer, Michael" <Michael.Seltzer@umusic.com>, Michele Anthony <Michele.Anthony@umusic.com>
Subject: Re: NPG masters

Hello, I am hoping we can make progress on the deals today. Please advise.

Thank you,

Londell

On Sat, Oct 29, 2016 at 12:24 AM, Muir, Boyd <Boyd.Muir@umusic.com> wrote:

Londell,

Don't worry, I have another angle.

Thanks,

Boyd

On Oct 28, 2016, at 8:33 PM, L Londell McMillan <llm@thenorthstargroup.biz> wrote:

Hello Boyd,

I do not however what we do know is that there is a large demand and passion to discover all of Prince's music. I will look to see what information exists but NPG did not have an active catalogue of available product for sale. Moreover, he did not make it available for streaming either. This is a major revenue opportunity in my opinion even the unavailability of the product. Finally, please keep in mind the term extends if the advances are not recouped.

Thank you,

Londell

On Fri, Oct 28, 2016 at 7:24 PM, Muir, Boyd <Boyd.Muir@umusic.com> wrote:

Londell,

Do you have any "global" sales information for the NPG catalogue? I'm working with my finance guys, and I think the lack of accurate information is not helping us at the moment. Without information, finance people become very conservative!

Thank you,

Boyd

L. Londell McMillan
The NorthStar Group
Chairman
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New York, NY 10036

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(646) 559-8318

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EXHIBIT C

**ENTIRE EXHIBIT
FILED UNDER SEAL**

EXHIBIT D



NEWS

THE ESTATE OF PRINCE ROGERS NELSON SELECTS UNIVERSAL MUSIC GROUP TO MANAGE ICONIC ARTIST'S RECORDINGS

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THE ESTATE OF PRINCE ROGERS NELSON SELECTS UNIVERSAL MUSIC GROUP TO
MANAGE ICONIC ARTIST'S RECORDINGS

*Deal Encompasses Prince's Grammy-Winning NPG Records, Hits from Earlier
Catalogs and Vast Collection of Unreleased Works*

SANTA MONICA, FEBRUARY 9, 2017 – Universal Music Group (UMG), the world
leader in music-based entertainment, today announced a multi-year
agreement with the Estate of Prince Rogers Nelson and NPG Records Inc.,
effective immediately, that grants UMG exclusive licensing rights to the iconic





artist's Grammy-winning NPG recordings, including a library of 25 albums and his highly anticipated trove of unreleased works.

NEWS

With this agreement, UMG becomes the home for Prince's music publishing, merchandise and much of Prince's recorded music. The deal provides an opportunity for UMG to work closely with Prince's Estate and heirs to delight and thrill fans of all ages by creating innovative new products and experiences spanning the Rock & Roll Hall of Fame inductee's many artistic outlets.

Under the terms of the deal, the Estate is licensing to UMG the 25 albums that Prince released through NPG Records, a label founded by the artist that includes Double Platinum- and Gold-certified albums *Emancipation*, *Musicology* and *3121*. The agreement also provides for UMG and the Estate to collaborate with regard to Prince's vault of prized unreleased works from throughout his career, including outtakes, demos and live recordings. In addition, beginning next year UMG will obtain U.S. rights to certain renowned Prince albums released from 1979 to 1995.

In making the announcement, Sir Lucian Grainge, Chairman and CEO of UMG, said, "Prince was one of the greatest musical talents of all time - an incomparable genius as a performer, recording artist and songwriter. It's an absolute honor to once again be selected by Prince's estate to be the home for publishing, merchandise and now for so much of his incredible body of recordings. UMG is committed to honoring Prince's legacy and vision by creating the highest quality products and experiences."

Michele Anthony, Executive Vice President of UMG, said, "Prince is a music icon and his impact on culture will continue to reverberate across the world for generations to come. Having worked with Prince on-and-off for 20 years, I was fortunate to experience his incomparable passion, creativity and pursuit of perfection. It's an honor professionally and personally to be entrusted with these cherished recordings, including his storied 'vault' of unreleased music, and to partner with his estate and heirs to preserve and expand Prince's legacy."

Industry experts L. Londell McMillan, Chairman and CEO of The NorthStar Enterprises Worldwide, and Charles Koppelman, Chairman and CEO of CAK Entertainment Inc., represented Prince's estate.

McMillan commented, "I am thrilled the NPG catalog and Prince's highly sought after unreleased recordings will reside with UMG, where we have found a partner who is passionate about presenting Prince's music with a holistic vision that



celebrates his iconic status across recorded music, publishing and merchandise and will continue to deliver the highest quality experiences that fans have come to expect. I'm looking forward to seeing Lucian and Michele achieve great things for Prince's fans, his estate and heirs."

NEWS

Koppelman said, "I'm pleased to say, with UMG, Prince's legacy is in very good hands. Lucian and his teams at Universal Music Publishing and Bravado are already generating great excitement and energy with Prince's legions of fans who are demanding more ways to experience this incomparable talent. With UMG's involvement, there will be so many more outlets around the world for experiencing the brilliance of this incomparable artist."

During a four-decade career, Prince sold more than 100 million albums worldwide, making him one of the most successful artists of all time. Prince was inducted into the Rock and Roll Hall of Fame in 2004, his first year of eligibility.

About Universal Music Group

Universal Music Group (UMG) is the world leader in music-based entertainment, with a broad array of businesses engaged in recorded music, music publishing, merchandising and audiovisual content in more than 60 countries. Featuring the most comprehensive catalog of recordings and songs across every musical genre, UMG identifies and develops artists and produces and distributes the most critically acclaimed and commercially successful music in the world. Committed to artistry, innovation and entrepreneurship, UMG fosters the development of services, platforms and business models in order to broaden artistic and commercial opportunities for our artists and create new experiences for fans. Universal Music Group is a Vivendi company. Find out more at: <http://www.universalmusic.com>.

Date: February 9, 2017

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|-------------------------|-----------------------|----------------------------------|----------------|-------------------|--------------------------|
| <p>UMG ABOUT US</p> | <p>OUR LABELS</p> | <p>SOCIAL RESPONSIBILITY</p> | <p>CAREERS</p> | <p>U-DISCOVER</p> | <p>EXPLORE OUR MUSIC</p> |
| | | <p></p> | <p></p> | <p></p> | <p></p> |

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|---|-------------|--|-----------------------|--|------|
| ☰ | & BRANDS | | FOR UMG ARTISTS | | NEWS |
|---|-------------|--|-----------------------|--|------|

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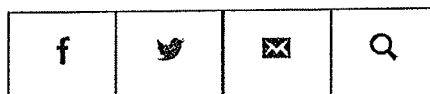


EXHIBIT E

REDACTED

quinn emanuel

PERMANENT RECORDS

51 Madison Avenue, 21st Floor, New York, New York 10017 | TEL 212-849-7000 FAX 212-849-7100

WRITER'S DIRECT DIAL NO.
(212) 849-7231WRITER'S EMAIL ADDRESS
rickwerder@quinnemanuel.com

February 10, 2017

By E-mail

Andrea Bruce, CFP
 Vice President, Manager - Trust Unique Assets
 Fiduciary Services & Operations
 Comerica Bank / Comerica Bank & Trust, N.A.
 MC 2393
 3551 Hamlin Rd
 Auburn Hills, MI 48326
abruce@comerica.com

Re: Estate of Prince Rogers Nelson (the "Estate")

Dear Ms. Bruce:

We are outside counsel to Warner Bros. Records, Inc. ("WBR"). We are communicating with you under the confidentiality provision of the April 16, 2014 agreement between WBR and Prince Rogers Nelson, PRN Music Corporation, Paisley Park Enterprises Inc., and NPG Records Inc. (the "WBR Agreement").

In light of yesterday's press release regarding the Estate's agreement with Universal Music Group (the "New Deal"), and given that Comerica is still becoming familiar with the Estate's musical assets, it is essential that we provide a high-level, but not exhaustive, summary of WBR's recorded music rights (including streaming rights) under the WBR Agreement. Such rights include, but are not limited to:

(i)

(ii)

Andrea Bruce, CFP
February 10, 2017
Page 2

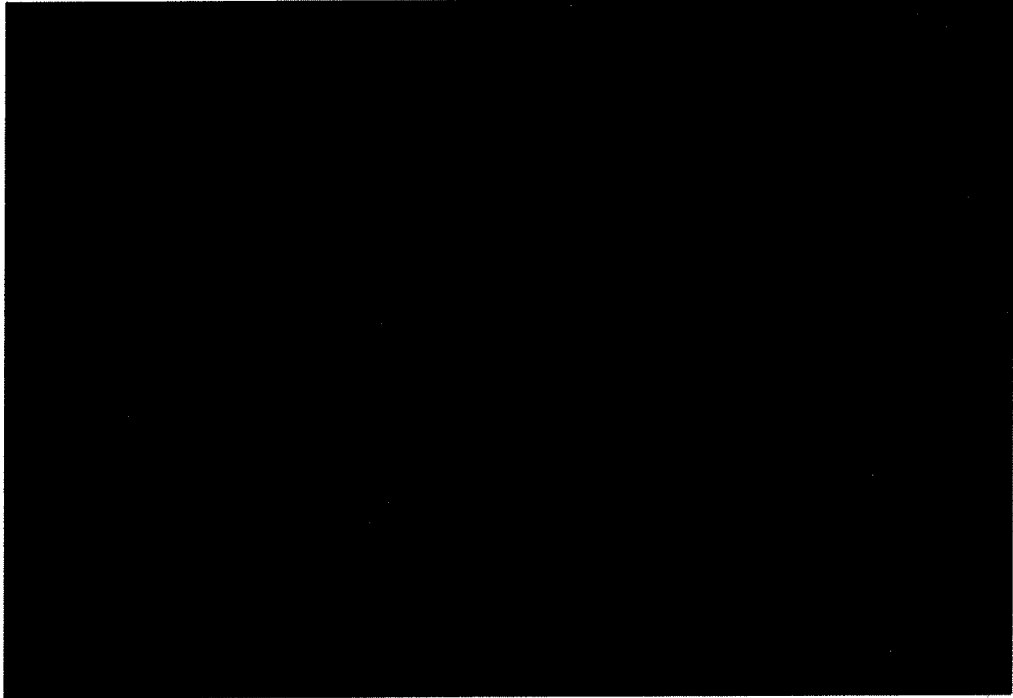
(iii)

(iv)

(v)

(vi)

(vii)



Again, in light of yesterday's press release concerning the New Deal with Universal Music Group, please confirm – as my client has no way to independently verify – that the New Deal does not infringe upon or otherwise interfere with my client's rights, including those enumerated above, and that all of my client's rights are fully protected in any transaction documents concerning the New Deal.

To the extent that the New Deal infringes upon my client's rights, including those enumerated above, the Estate will be required to renegotiate the New Deal with Universal Music Group in order to rectify matters and protect my client's rights. My client recognizes that you are new to the situation and may not yet have all the facts, but it is not my client's job to resolve these issues with Universal Music Group.

Andrea Bruce, CFP
February 10, 2017
Page 3

This letter is not an exhaustive recitation of WBR's rights and claims. Accordingly, it is subject to and without prejudice to any and all legal and equitable rights and remedies that may be available to WBR, all of which are hereby expressly reserved.

Very truly yours,



Richard I. Werder, Jr.

cc: Cameron Strang
Larry Mattera
Paul Robinson
Brad Cohen
Emio Zizza
Charles W. Hamilton
John Stout
William Berens – Dorsey & Whitney

EXHIBIT F

**ENTIRE EXHIBIT
FILED UNDER SEAL**

EXHIBIT G

REDACTED

