

STATE OF MINNESOTA

DISTRICT COURT

COUNTY OF CARVER

FIRST JUDICIAL DISTRICT
PROBATE DIVISIONFile No.: 10-PR-16-46
(Judge Kevin W. Eide)

In re:

Estate of Prince Rogers Nelson,

Decedent.

**DECLARATION OF
KYLE R. KROLL IN SUPPORT OF
UNIVERSAL CITY STUDIOS'S
PETITION FOR AN ORDER
APPROVING DEPOSIT OF FUNDS**

I, Kyle R. Kroll, declare and state as follows:

1. I am an attorney with Winthrop & Weinstine, P.A. I represent Universal City Studios LLC (“Universal”) in connection its Petition for an Order Approving Deposit of Funds (“Petition”) in this matter.

2. Attached hereto as **Exhibit A** is a true and correct copy of the Court’s October 25, 2018 Order in this matter.

3. Attached hereto as **Exhibit B** is a true and correct copy of the document described as Exhibit B in the Petition. A redacted copy is being filed publicly. An unredacted copy is being filed under seal, accompanied by a motion to seal.

4. Attached hereto as **Exhibit C** is a true and correct copy of *Knazze v. JP Morgan Chase Bank, N.A.*, No. A14-0609, 2015 WL 506495 (Minn. Ct. App. Feb. 9, 2015) (unpublished).

I declare under penalty of perjury that everything I have stated in this document is true and correct. Signed January 14, 2020, in Hennepin County, Minneapolis, Minnesota.

s/Kyle R. Kroll

Kyle R. Kroll, Esq.

Exhibit A

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.

**ORDER & MEMORANDUM DENYING
MOTION TO APPROVE CONSULTANT
PAYMENTS**

The above-entitled matter came on before the undersigned on October 22, 2018 based upon written submissions. Comerica Bank Trust, N.A., (“Personal Representative”) in its capacity as manager of Paisley Park Facility, LLC, an asset of the Estate, has moved the Court for an order finding that certain consultant payments due to the Heirs under Exhibition Consulting Agreements are outside the scope of attorney liens asserted by Lommen Abdo P.A. (“Lommen Abdo”), Skolnick & Joyce, P.A. (“Skolnick & Joyce”) and Barnes & Thornburg, LLP (“Barnes & Thornburg”); and authorizing the Personal Representative to disburse the consultant payments directly to the effected Heirs. Each of the law firms has objected to the Court making the requested finding, however Lommen Abdo does not object to the Court authorizing payment to the Heirs of the sums due for this year alone.

Based on the submissions of the parties, the arguments of counsel, and all of the files, records and proceedings herein, the Court makes the following:

ORDER

1. The Personal Representative’s motion for an order finding that the consultant payments due to the Heirs under the Exhibition Consulting Agreements are outside the scope of the attorneys’ liens asserted by Lommen Abdo P.A., Skolnick & Joyce, P.A. and Barnes & Thornburg, LLP, and authorizing their disbursement is respectfully DENIED.

BY THE COURT:

 Eide, Kevin
2018.10.25 14:50:44 -05'00'

Dated: October 25, 2018

Kevin W. Eide
Judge of District Court

NOTICE: A true and correct copy of this Order/Notice has been served by EFS upon the parties. Please be advised that orders/notices sent to attorneys are sent to the lead attorney only.

MEMORANDUM

Comerica Bank Trust, N.A., (“Personal Representative”) in its capacity as manager of Paisley Park Facility, LLC, an asset of the Estate, has moved the Court for an order finding that consultant payments due to the heirs under Exhibition Consulting Agreements are outside the scope of attorney liens asserted by Lommen Abdo P.A. (“Lommen Abdo”), Skolnick & Joyce, P.A. (“Skolnick & Joyce”) and Barnes & Thornburg, LLP (“Barnes & Thornburg”); and authorizing the Personal Representative to disburse the consultant payments directly to John, Sharon, Norrine, and Tyka Nelson. Each of the law firms has objected to the Court making the requested finding, however Lommen Abdo does not object to the Court authorizing payment to the Heirs of the sums due for this year alone.

The Exhibition Consulting Agreements at issue were entered into effective September 12, 2016 between Paisley Park Facility, LLC and each of the Heirs. Pursuant to the Exhibition Consulting Agreements, each of the Heirs agreed to provide interviews, consultation, and access to their unique information, photographs, and memorabilia for use in the museum and exhibition operated by Paisley Park Facility, LLC. In exchange, each Heir received a \$100,000 payment for the initial one-year term, plus a \$25,000 payment upon commencement of each additional year that the Exhibition Consulting Agreements are extended. The Exhibition Consulting Agreements were extended for additional one-year terms commencing September 12, 2017 and September 12, 2018. Accordingly, the \$25,000 payment to each Heir for the renewal commencing September 12, 2018 is now due.

On August 8, 2018, Lommen Abdo filed its claim for a \$214,652.11 attorneys’ lien against Sharon, Norrine and John Nelson’s interest in the Estate. On August 13, 2018, Barnes & Thornburg filed its claim for an attorneys’ lien against Tyka Nelson’s interest in the Estate without specifying the amount of its alleged lien. On August 27, 2018, Skolnick & Joyce filed its claim for a \$180,935.12 attorneys’ lien against Sharon, Norrine and John Nelson’s interest in the Estate.

Attorney's liens are governed by Minn. Stat. § 481.13 which provides:

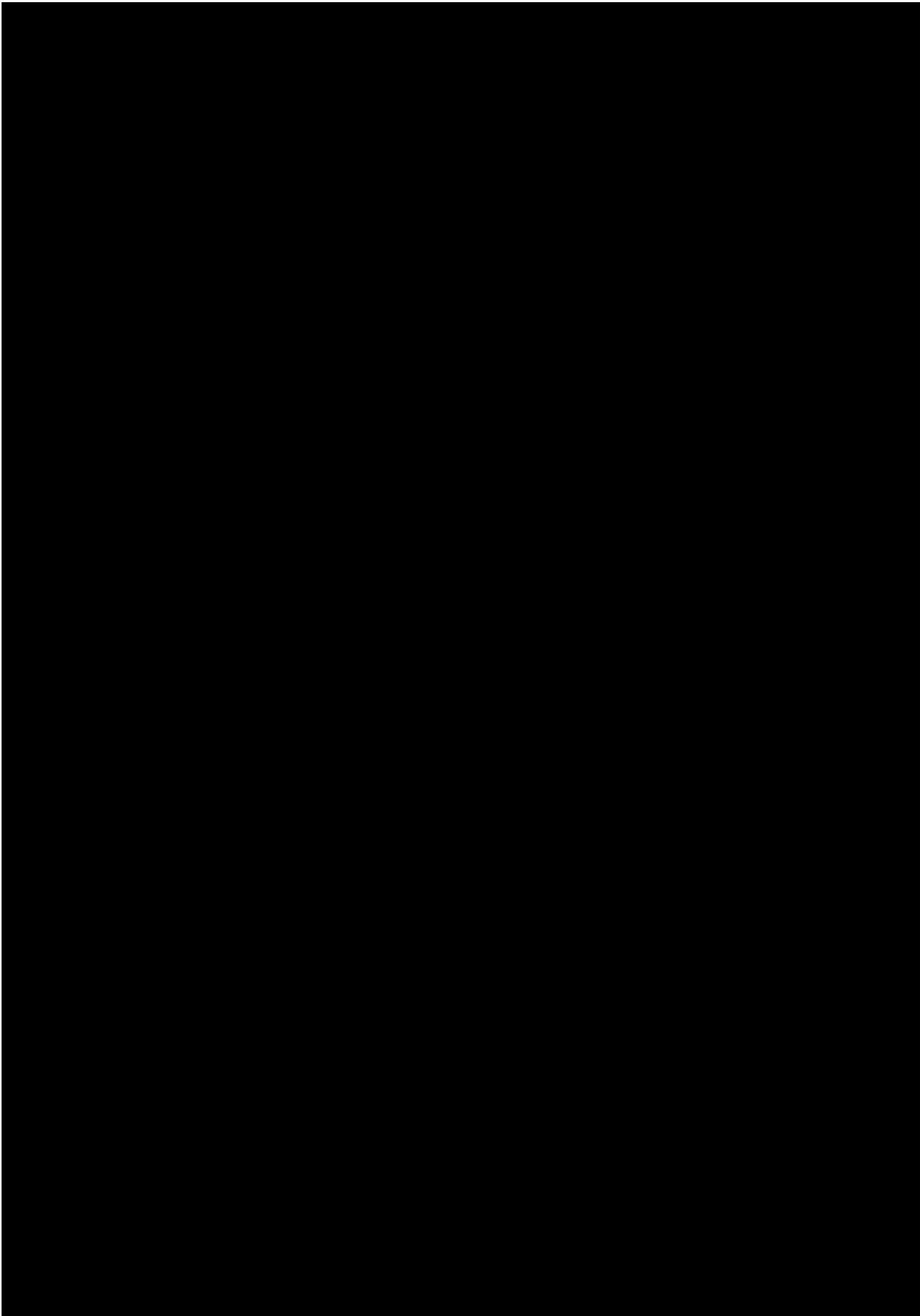
An attorney has a lien for compensation whether the agreement for compensation is expressed or implied (1) upon the cause of action from the time of the service of the summons in the action, or the commencement of the proceeding, and (2) upon the interest of the attorney's client in any money or property involved in or affected by any action or proceeding in which the attorney may have been employed, from the commencement of the action or proceeding, and, as against third parties, from the time of filing the notice of the lien claim, as provided in this section. Minn. Stat. § 481.13, subd. 1(a) (2018) (*emphasis added*).

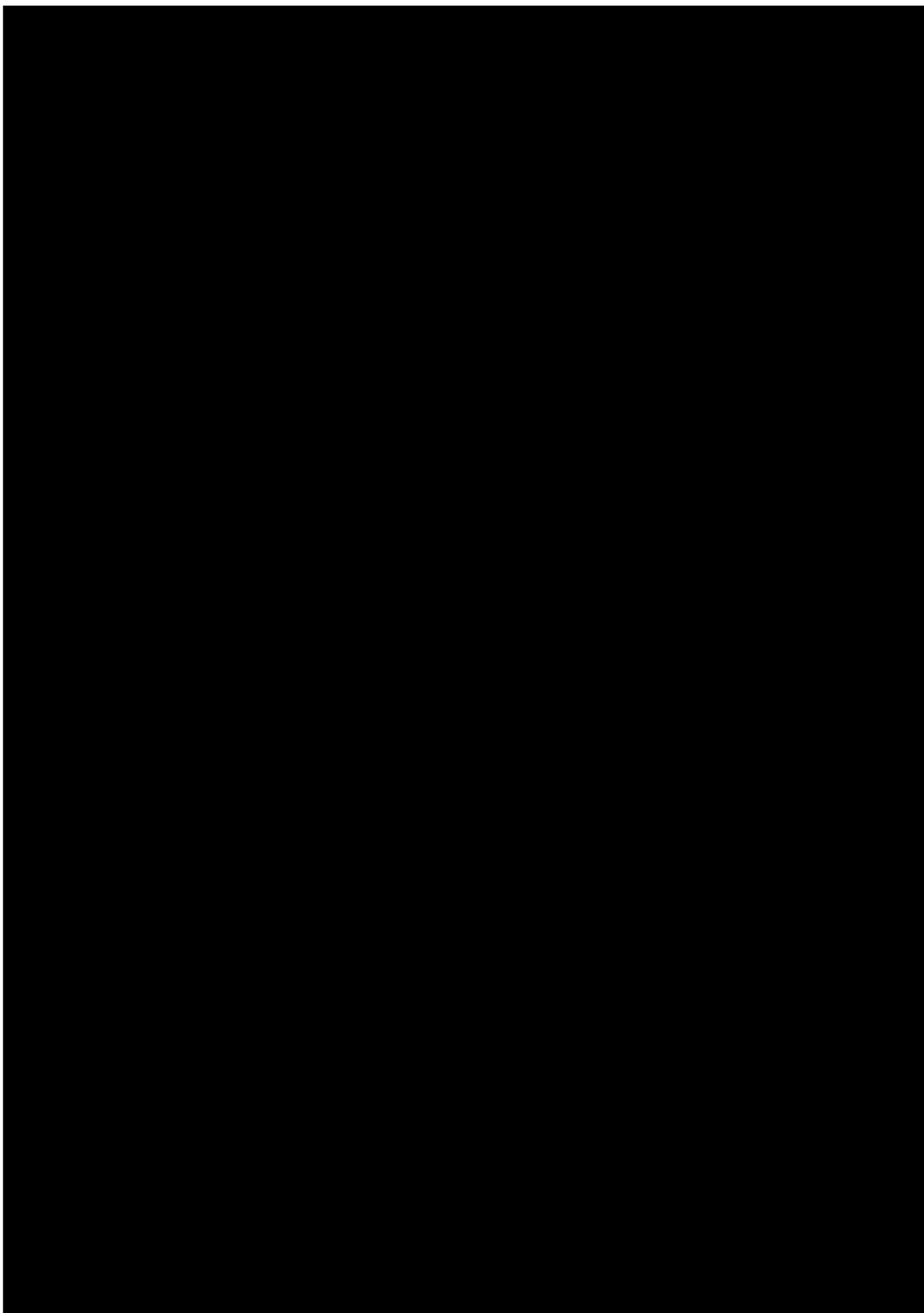
The Personal Representative argues the attorney liens do not apply to the consultant payments because the consultant payments are contractual payments between the Heirs and Paisley Park Facility, LLC, a separate entity from the Estate. The Personal Representative further argues that none of the attorney liens purport to apply to the consultancy payments. The Court is not swayed by either of these arguments. While the Exhibition Consulting Agreements may not be between the Heirs and the Estate, they are between the Heirs and an asset of the Estate, and therefore fall within the broad description of "involved in or affected by" the Estate proceeding. With this broad definition, the attorneys need not have specified in their lien notices that they intended the liens attach to the consultant payments in addition to any other of the Heir's potential interests in the Estate. As a result, the Personal Representative's motion for an order finding that the consultant payments are outside the scope of the attorneys' liens and authorizing their disbursement is respectfully DENIED.

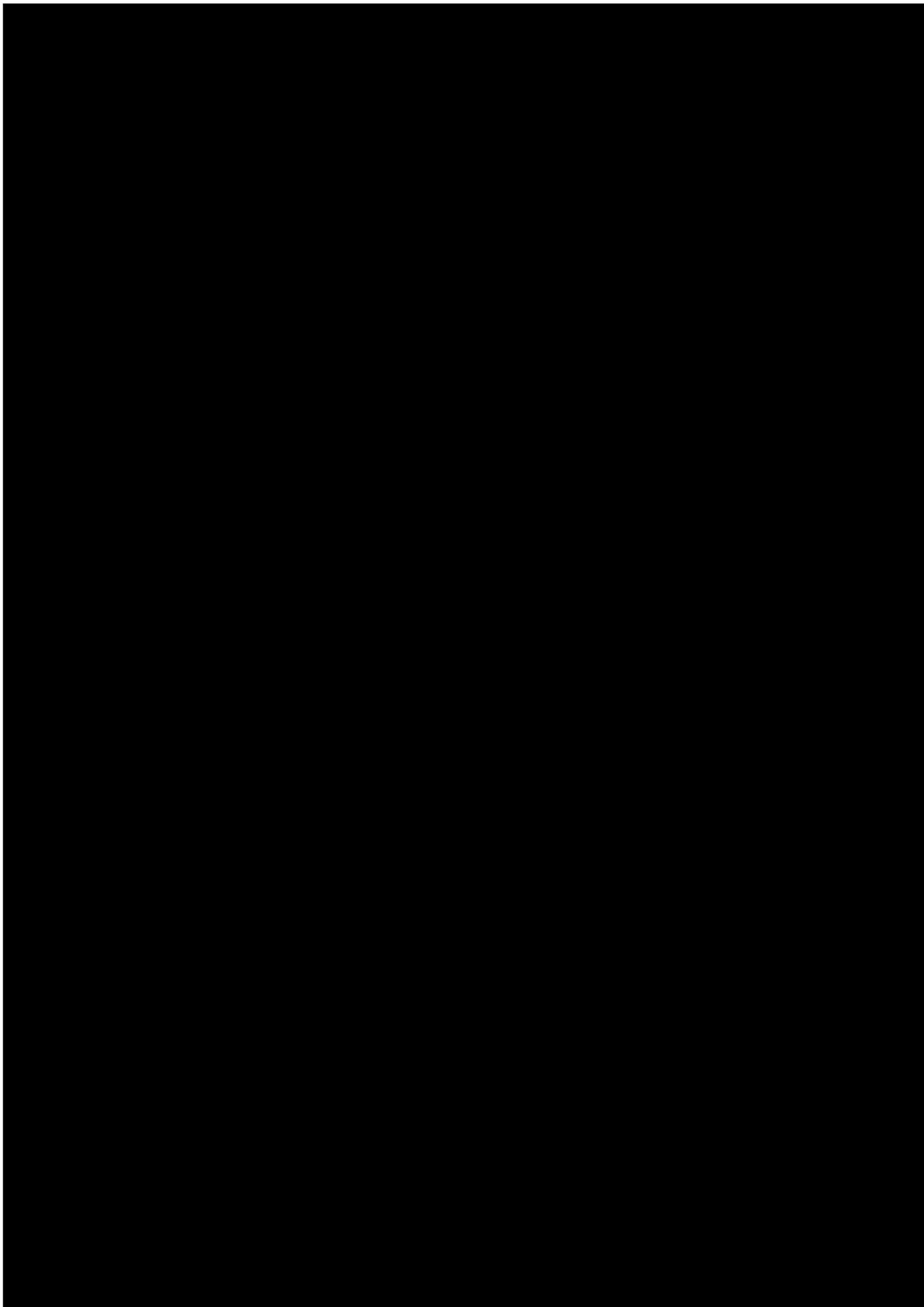
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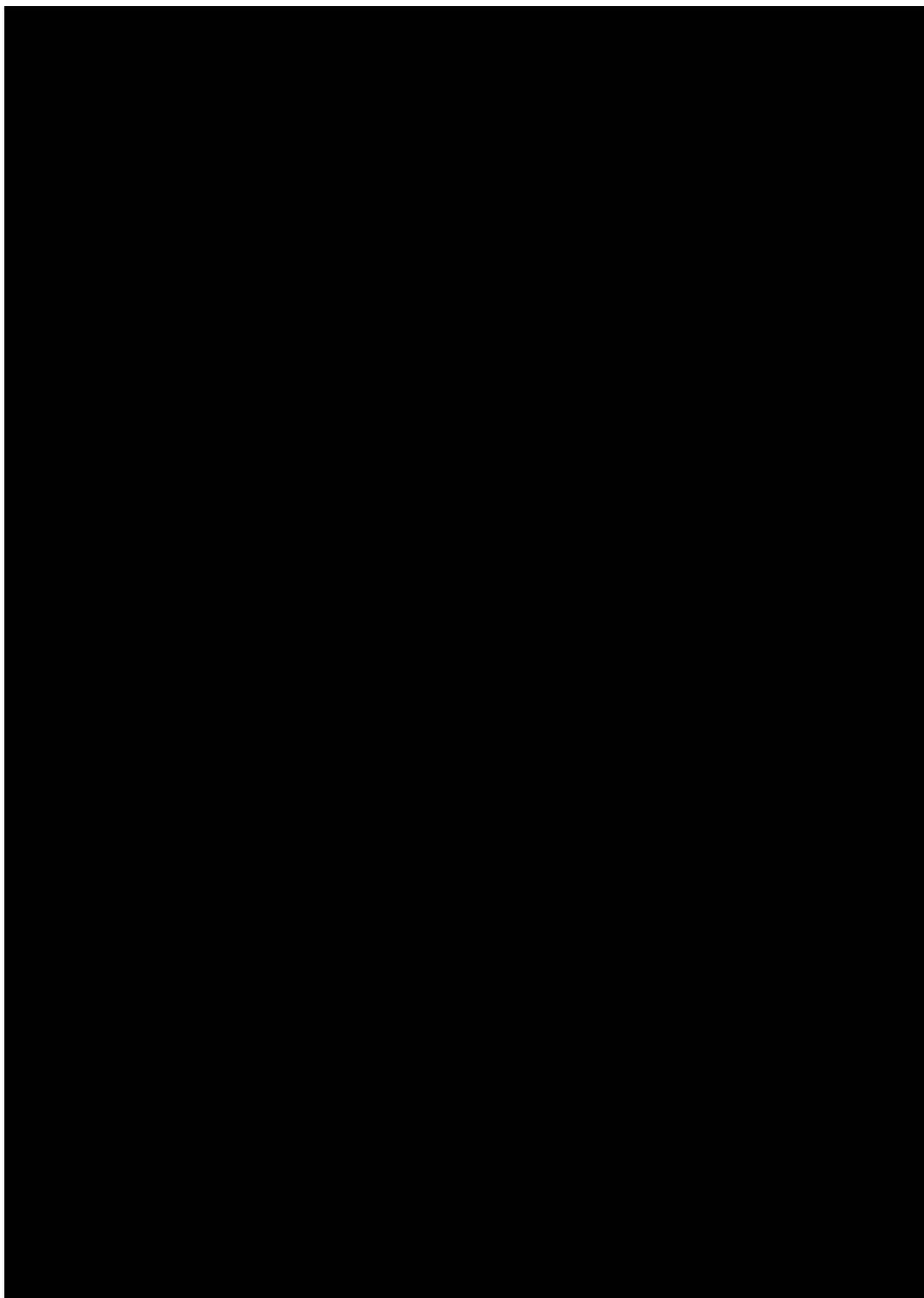
Exhibit B

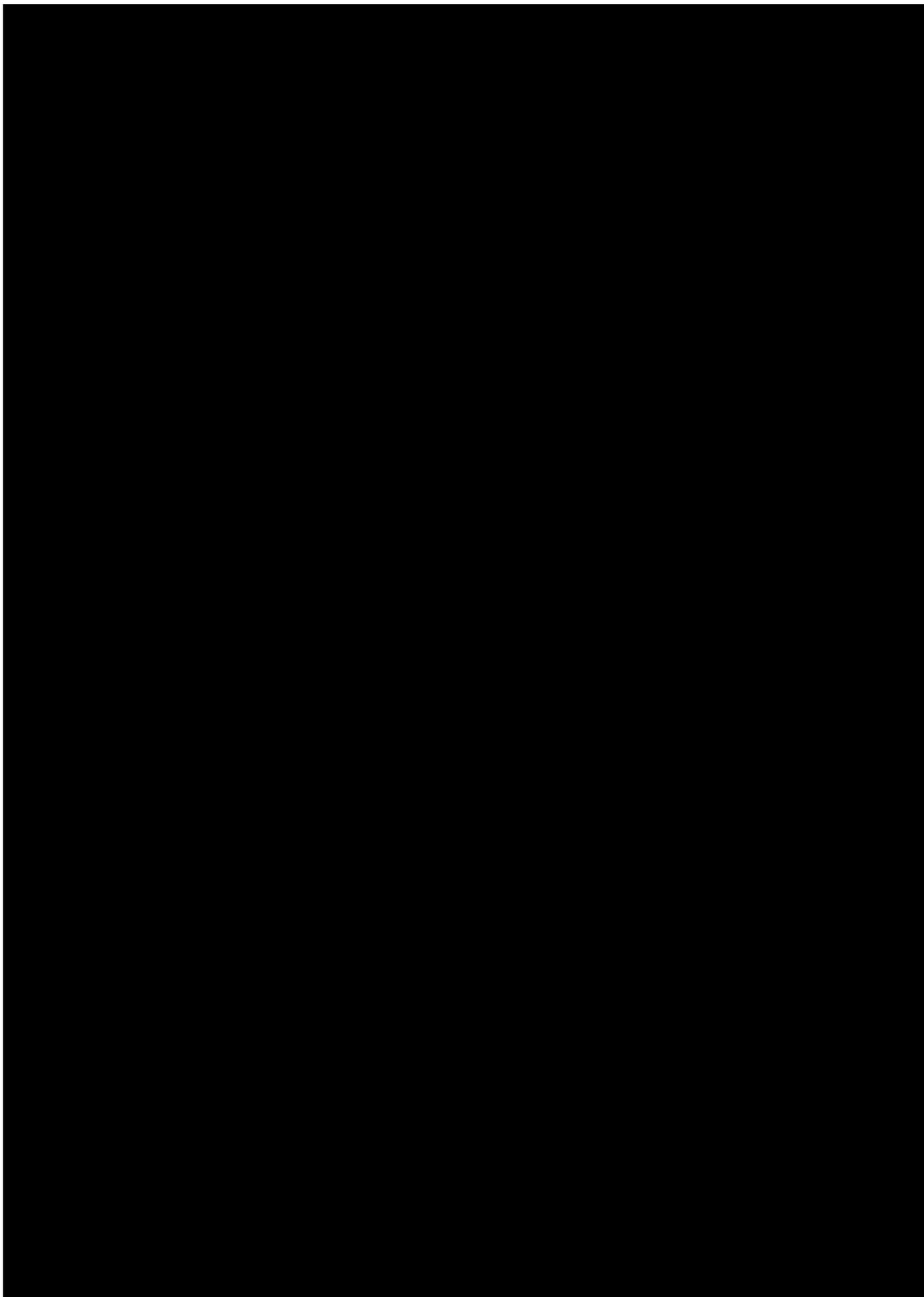
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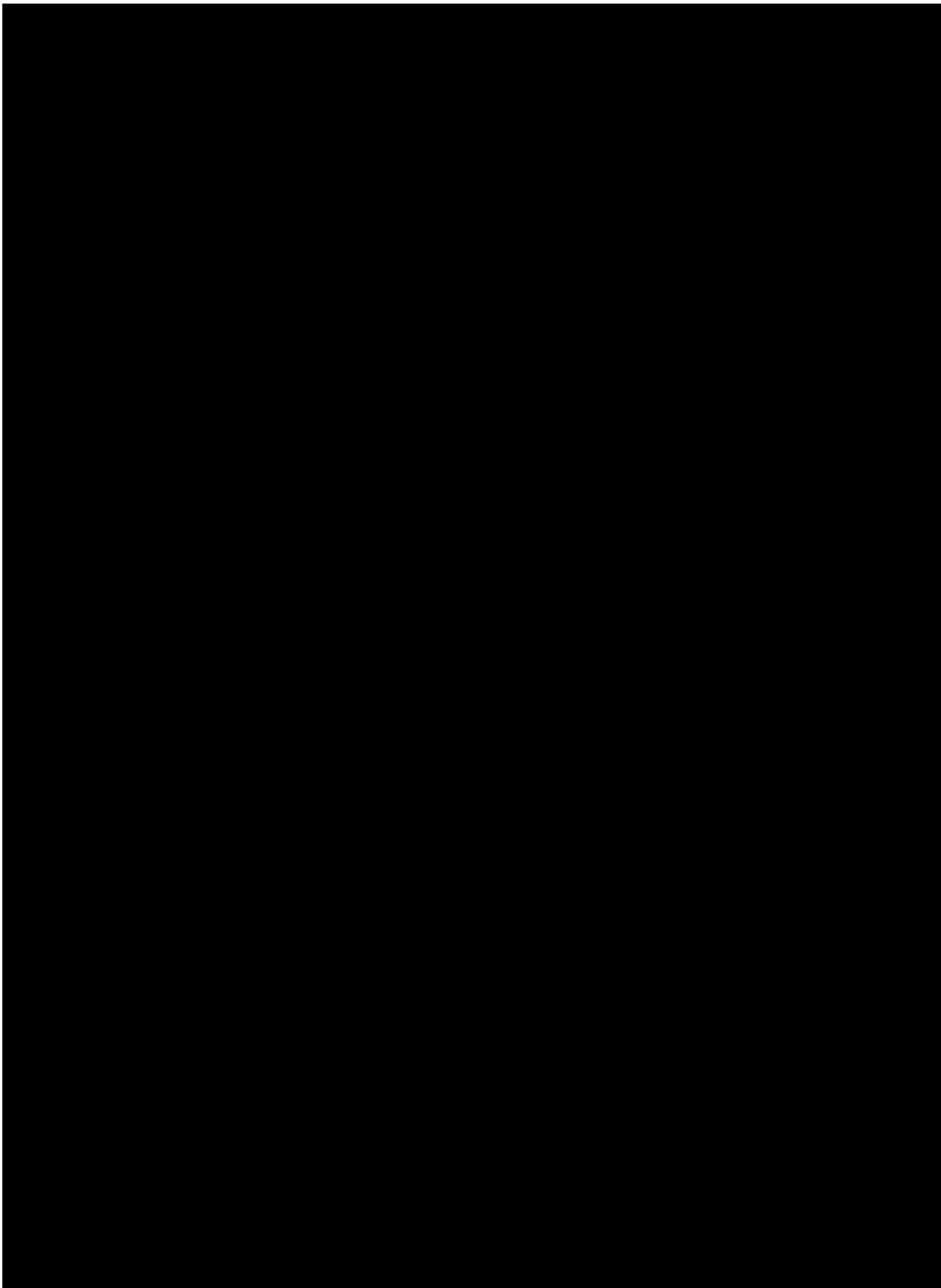


Exhibit C

2015 WL 506495

Only the Westlaw citation is currently available.

NOTICE: THIS OPINION IS DESIGNATED AS UNPUBLISHED AND MAY NOT BE CITED EXCEPT AS PROVIDED BY MINN. ST. SEC. 480A.08(3).

Court of Appeals of Minnesota.

La'Mont KNAZZE, III, Appellant,
Okhui Cho–Knazze, Appellant,

v.

JP MORGAN CHASE BANK, N.A., Respondent,
CTX Mortgage Company LLC, d/b/a CTX Mortgage
Company, and Land Title, Inc., Respondents,

andnd

Christensen Law Office, PLLP,
lien claimant, Respondent.

No. A14–0609.

|

Feb. 9, 2015.

Pine County District Court, File No. 58–CV–12–181.

Attorneys and Law Firms

La'Mont Knazze, III, Eden Prairie, MN, pro se appellant.

Okhui Cho–Knazze, Eden Prairie, MN, pro se appellant.

[Bryant D. Tehida](#), Stinson Leonard Street, LLP, Minneapolis, MN, for respondent JP Morgan Chase Bank, N.A.

[Paul J. Hemming](#), [Benjamin E. Gurstelle](#), Briggs and Morgan, P.A., Minneapolis, MN, for respondent CTX Mortgage Company, LLC.

[Carl E. Christensen](#), Christensen Law Office, PLLC, Minneapolis, MN, for respondent Christensen Law Office, PLLC.

Considered and decided by [SCHELLHAS](#), Presiding Judge; [ROSS](#), Judge; and [SMITH](#), Judge.

UNPUBLISHED OPINION

[ROSS](#), Judge.

*1 Three weeks before married couple La'Mont Knazze III and Okhui Cho–Knazze settled their four-year, foreclosure-related lawsuit against a bank and mortgage company, they ended their relationship with their attorney, Carl Christensen. Christensen filed an attorney-lien notice to cover his unpaid fees, and the bank and mortgage company deposited the settlement funds with the district court. The district court entered judgment in Christensen's favor in his attorney-lien dispute with the Knazzes. The Knazzes appeal on various theories, most of which depend on their view that Christiansen is not entitled to the judgment because he committed legal malpractice and breached his fiduciary duties. Because the Knazzes' arguments are not persuasive, we affirm.

FACTS

La'Mont Knazze III and Okhui Cho–Knazze retained attorney Carl Christensen in August 2009 to represent them in challenging a foreclosure action on their home. Christensen represented the Knazzes for the next four years in litigation against JP Morgan Chase Bank, CTX Mortgage Company, and Land Title, Inc. Christensen's attorney-client relationship with the Knazzes ended in May 2013, and Christensen provided notice to the district court that he had an attorney lien for his legal fees.

The Knazzes and Christensen dispute the nature of Christensen's withdrawal. The Knazzes say Christensen withdrew, and Christensen says the Knazzes terminated the representation. Either way, the parties agree that the Knazzes let Christensen know that they were dissatisfied with him for initiating settlement discussions with the defendants, and the relationship was soon over.

Shortly after the attorney-client relationship ended, the Knazzes settled their claims in the foreclosure lawsuit with two of the defendants, JP Morgan and CTX Mortgage, and Christensen moved for a \$2,776.68 judgment on his attorney lien. JP Morgan and CTX, aware of Christensen's lien, stipulated with Christensen that they would deposit the settlement proceeds with the district court under [rule 67.02 of the Minnesota Rules of Civil Procedure](#), rather than pay the Knazzes directly. The district court accepted the stipulated deposit.

The district court conducted a hearing and found that the Knazzes owed Christensen \$2,776.68 in fees, and it ordered judgment in that amount. The court also awarded Christensen another \$2,434.56 in fees and costs incurred in the attorney-

lien motion. It ordered the clerk of court to pay Christensen from the deposited settlement funds.

The Knazzes then moved to enforce their purported settlement agreement with the third defendant, Land Title Inc. The district court held a hearing and denied the motion because the Knazzes had provided the court with a draft settlement agreement signed only by themselves, not by Land Title. The Knazzes then moved to vacate various prior orders: they challenged the order that had adopted the stipulation between Christensen and the defendants regarding depositing the settlement funds with the district court; they challenged the order awarding the attorney-lien judgment; they challenged the order granting fees and costs; and they challenged the order denying their motion to enforce the unexecuted settlement agreement. The district court therefore conducted another hearing.

*2 Mr. Knazze appeared and argued in support of the motion that the orders should be vacated because the Knazzes' "motions ha[d] not been considered in their entirety." The district court denied the Knazzes' unclear motion to vacate as "untimely, unsupported and without merit," and it awarded Christensen an additional \$974.50 in attorney fees because it found that the Knazzes acted unreasonably by making the motion.

Attorneys for JP Morgan and CTX Mortgage asked the district court to dismiss the Knazzes' underlying action against them with prejudice according to the settlement agreement, based on their fulfillment of their payment duty under the agreement. The Knazzes had refused to fulfill their duty under the settlement agreement to sign the stipulation for dismissal. The district court dismissed the Knazzes' lawsuit with prejudice.

The Knazzes appeal on various grounds.

DECISION

The Knazzes' appeal challenges the district court's orders adopting Christensen's stipulation with the defendants, granting judgment on the attorney lien, awarding attorney fees and costs, and dismissing their suit against JP Morgan and CTX Mortgage. Although the Knazzes' notice of appeal also includes a challenge to the order denying their motion to enforce their unexecuted settlement agreement with Land Title, they have waived that theory on appeal by failing to

include any argument supporting it in their briefing. See

 [Melina v. Chaplin](#), 327 N.W.2d 19, 20 (Minn.1982).

We have closely assessed the Knazzes' remaining arguments. We see no merit in them.

The Knazzes allege numerous errors to demonstrate that the district court abused its discretion by adopting the stipulation between Christensen and the defendants directing the defendants to deposit the settlement proceeds with the court. But the settling defendants knew that Christensen had filed an attorney lien in the action. And [Minnesota Rule of Civil Procedure 67.02](#) specifically permits the defendants (as disinterested third parties to the legal-fees dispute between Christensen and the Knazzes) "to deposit the money or property into the court and be relieved of any further liability." [Auto Owners Ins. Co. v. Valadez](#), 481 N.W.2d 398, 401 (Minn.App.1992). The rule protects the defendants from becoming entangled in the Knazze–Christensen fee dispute, and the district court appropriately applied it.

The Knazzes' challenge to the source of the deposited funds—the settlement agreement itself—lacks any factual or legal merit. The Knazzes point to no evidence and include no argument supporting their theory that Christensen, acting as their attorney, coerced them into entering the settlement agreement. And standing against the unsupported theory is the fact that the Knazzes entered the settlement agreement more than two weeks after their attorney-client relationship with Christensen ended.

The Knazzes also give no good reason for us to fault the district court's decision to dismiss their lawsuit with prejudice. Parties are bound by the terms of their settlement agreements. [Theis v. Theis](#), 271 Minn. 199, 204, 135 N.W.2d 740, 744 (1965). The settlement agreement obligated the Knazzes to stipulate to the dismissal of their action against the defendants with prejudice in exchange for the defendants' payment of the settlement amount. The defendants paid the settlement amount by depositing it with the district court. The district court merely enforced the settlement agreement under the terms the Knazzes had negotiated. This is not error.

*3 The Knazzes' various challenges to the district court's attorney-lien judgment also fall short. They contend that the judgment should not have been entered because Christensen committed legal malpractice and breached his fiduciary duties to the Knazzes. But an attorney-lien action is a summary proceeding, and "the practicalities of a summary proceeding

Knazze v. JP Morgan Chase Bank, N.A., Not Reported in N.W.2d (2015)

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do not support the notion that a district court must transform an attorney-lien proceeding into a legal-malpractice trial.”

 *Thomas A. Foster & Assocs., LTD v. Paulson*, 699 N.W.2d 1, 7 (Minn.App.2005). The district court did not abuse its discretion by refusing to consider issues that might be raised as defenses in litigation over the underlying fees. See  *id.* at 8. It also properly awarded the lien judgment against the settlement proceeds in a case in which the Knazzes had been represented by Christensen for four years. See Minn.Stat. § 481.13, subd. 1(a) (2012). The Knazzes had ample opportunity to oppose the motion for the attorney-lien judgment, but they raised no legally relevant defenses.

The Knazzes next challenge the district court's award of attorney fees to Christensen, which it issued under its “inherent power.” District courts “are vested with considerable inherent judicial authority necessary to their vital function.”  *Patton v. Newmar Corp.*, 538 N.W.2d 116, 118 (Minn.1995) (quotation omitted). This authority includes the power to award attorney fees as sanctions. See  *id.* at 119 (“The task of determining what, if any, sanction is to be imposed is implicated by the broad authority provided the trial court.”); *Peterson v. 2004 Ford Crown Victoria*, 792 N.W.2d 454, 462 (Minn.App.2010) (noting that a district court's inherent authority to impose sanctions includes awarding attorney fees).

We review an award of attorney fees for an abuse of discretion. *Lappi v. Lappi*, 294 N.W.2d 312, 316 (Minn.1980). The district court must find that the sanctioned party acted in bad faith before it awards attorney fees under its inherent

authority. *Peterson*, 792 N.W.2d at 462. The Knazzes do not argue that the district court failed to make a bad-faith finding *as to them* or that the finding was clearly erroneous. They argue instead that the attorney fees should not have been awarded because *Christensen* acted in bad faith by committing legal malpractice. Because the Knazzes do not challenge the finding that they acted in bad faith by making untimely, unsupported, and meritless arguments, we will not look further into their challenge to the district court's fee-award decision.

The Knazzes present several other arguments for the first time on appeal. For example, they contend that the Christensen-defendant stipulation is invalid because Christensen and the defendants colluded in preparing it, which allegedly violated the terms of the settlement agreement. They also assert that Christensen and the defendants committed “fraud upon the court” by filing the stipulation that was signed by Christensen as “attorney for the plaintiffs.” We generally do not consider arguments that were not presented to or considered by the district court.  *Thiele v. Stich*, 425 N.W.2d 580, 582 (Minn.1988). We see no exception to the general rule here, and we therefore will not consider these new arguments.

*4 We affirm the district court's orders.

Affirmed.

All Citations

Not Reported in N.W.2d, 2015 WL 506495

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