

STATE OF MINNESOTA
COUNTY OF CARVER

DISTRICT COURT
FIRST JUDICIAL DISTRICT
PROBATE DIVISION
Case Type: Special Administration

Court File No. 10-PR-16-46

In the Matter of:

Estate of Prince Rogers Nelson,

Decedent.

**ORDER & MEMORANDUM ON
MOTION FOR ATTORNEY LIEN**

The above-entitled matter came on before the Court on January 21, 2022 pursuant to a Motion for Determination and Establishment of Attorney's Lien in favor of White Wiggins & Barnes, LLP (hereafter "WWB") filed August 4, 2021. Appearances were noted on the record. All appearances were via Zoom pursuant to COVID-19 protocols.

WWB seeks an order from the Court determining and establishing the existence of a lien against the interest of the Estate of Alfred Jackson in this Estate proceeding for compensation for legal services and costs rendered to and on behalf of Alfred Jackson during his lifetime. The WWB motion is opposed by Primary Wave Music IP Fund 1, LP (hereafter "Primary Wave"), assignee of the Jackson Estate's interest in this Estate.

Now, based upon the file and proceedings herein, and the arguments of counsel, the Court makes the following:

ORDER

1. White Wiggins & Barnes, LLP's Motion for Determination and Establishment of Attorney's Lien in favor of WWB and against the interest of the Estate of Alfred Jackson is respectfully DENIED.

2. The attached Memorandum is incorporated herein by reference.

BY THE COURT:

Dated: February 2, 2022

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

Factual Background

Alfred Jackson was one of the six determined heirs to the Prince Estate. Mr. Jackson died on August 29, 2019. Prior to his death, Mr. Jackson sold 90% of his expectancy interest in this Estate to Primary Wave. After his death, probate proceedings were commenced in Jackson County, Missouri. On March 1, 2021 the Court in the Jackson probate matter ratified and confirmed the pre-death sale of 90% of Mr. Jackson's interest in the Prince Estate to Primary Wave. It also approved a sale of Mr. Jackson's remaining 10% interest to Primary Wave. This Court recognized Primary Wave as an Interested Person in this proceeding by virtue of the transfers of Alfred Jackson's entire expectancy interest in an order filed April 6, 2021. As a result, the Estate of Alfred Jackson no longer has an interest in this Estate.

WWB is now before the Court seeking an order determining and establishing the existence of a lien against the interest of the Jackson Estate in the Prince Estate for compensation for legal services and costs rendered on behalf of Alfred Jackson during his lifetime. Alfred Jackson engaged the services of WWB in connection with this proceeding on October 2, 2018. He terminated their representation on February 7, 2019. During WWB's representation of Mr. Jackson, the firm incurred claimed fees and expenses of \$177,176.32 which were never paid. WWB did attempt to assert a claim in the Jackson Estate proceeding, however the claim was improperly filed and by the time the deficiencies were corrected, the time for submitting a claim had passed and the claim was barred. WWB now argues Minnesota's attorney lien statute applies, that a lien was created when the legal services were provided, and the lien cannot be extinguished until it is satisfied. In response, Primary Wave argues because the underlying debt was determined to be a nullity by the Missouri probate court, no lien remains.

Legal Standards

The general theory behind attorney liens is that a successful client should not be permitted the whole of any judgment secured by the services of his attorney without paying for those services. *See Schroeder, Siegfried, Ryan & Vidas v. Modern Elec. Prods., Inc.*, 295 N.W.2d 514, 516 (Minn. 1980). Attorneys' fee liens are now governed by statute as set forth in Minn. Stat. § 481.13 in relevant part as follows:

Subdivision 1. Generally.

(a) 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.

[...]

(c) A lien provided by paragraphs (a) and (b) may be established, and the amount of the lien may be determined, summarily by the court under this paragraph on the application of the lien claimant or of any person or party interested in the property subject to the lien.

Judgment shall be entered under the direction of the court, adjudging the amount due.

Subd. 2. Perfection of lien.

[...]

(b) If the lien is claimed on the client's interest in personal property involved in or affected by the action or proceeding, the notice must be filed in the same manner as provided by law for the filing of a security interest. Minn. Stat. § 481.13 (2021) (emphasis added).

Attorneys' liens in probate proceedings are also subject to Minn. Stat. § 525.491 which provides:

When any attorney at law has been retained to appear for any heir or devisee, such attorney may perfect a lien upon the client's interest in the estate for compensation for such services as may have been rendered respecting such interest, by serving upon the personal representative before distribution is made, a notice of intent to claim a lien for agreed compensation, or the reasonable value of services. The perfecting of such a lien, as herein provided, shall have the same effect as the perfecting of a lien as provided in section 481.13, and such lien may be enforced and the amount thereupon determined in the manner therein provided. Minn. Stat. § 525.491 (2021).

The statutes do not create an agreement to pay attorney's fees, but only impose a lien to protect an attorney who already has such an agreement. *See Williams v. Dow Chem. Co.*, 415 N.W.2d 20, 26 (Minn. Ct. App. 1987).

Analysis

WWB seeks enforcement of an attorneys' lien for services rendered to Alfred Jackson in connection with his prior interest in this Estate. Primary Wave argues any debt owed by Mr. Jackson no longer exists because it was not recognized by the Missouri probate court, therefore WWB is not entitled to a lien against this Estate.

The Court does not question that at the time of Mr. Jackson's death he owed attorney fees to WWB, and that payment for those fees could or would have been secured by a lien on Mr. Jackson's expectancy interest in this Estate. Once Mr. Jackson died, however, all authority over his assets and debts became subject to the exclusive jurisdiction of the Missouri probate court. Because the Missouri probate court barred WWB's claim, any lien securing that claim would also be barred.

Even if the Missouri probate court decision were to be overturned and the WWB claim allowed, a lien would no longer exist against any remaining interest in this Estate. To the extent it ever existed, a lien in favor of WWB was never perfected either during Mr. Jackson's lifetime or before his heirs' expectancy interest in the Estate was transferred to the third party, Primary Wave. As a result, the lien cannot be enforced against Primary Wave. WWB has argued pursuant to Minn. Stat. § 525.491, it needed only to have served notice upon the personal representative prior to distribution in order for its lien to be valid. That would certainly have been the case if Mr. Jackson or perhaps even his estate still had an interest in this Estate. To have the WWB lien be deemed valid as to third parties such as Primary Wave, however, the lien would need to have been previously perfected pursuant to Minn. Stat. § 481.13. Because it was not perfected, WWB cannot assert its lien against Primary Wave's interest in this Estate.

Conclusion

As with many other issues addressed in this proceeding, the WWB claim presents unique questions of law. It is undoubtedly rare that expectancy interests in an estate are sold or assigned, or that attorney fee liens become an issue for debate. Considering the unique circumstances presented, including the Missouri probate court's denial of WWB's claim and WWB's failure to perfect its lien pursuant to Minn. Stat. § 481.13 prior to the assignment of the Jackson Estate's interest in this Estate being sold or assigned to third party Primary Wave, the Court must respectfully deny WWB's Motion for Determination and Establishment of Attorney's Lien.

K.W.E.