

STATE OF MINNESOTA  
COUNTY OF CARVER

DISTRICT COURT  
FIRST JUDICIAL DISTRICT  
PROBATE DIVISION

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In the Matter of:

Court File No. 10-PR-16-46

Estate of Prince Rogers Nelson,  
Decedent.

**ORDER DENYING REQUEST FOR  
RECUSAL**

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The above-entitled matter came on before the undersigned on August 31, 2018 based upon written submissions. By letter dated August 28, 2018, counsel for CAK Entertainment, Inc. (“CAK”) requests that this Court recuse itself from considering a motion filed by the Second Special Administrator (“SSA”) seeking a refund of alleged “excessive compensation” relating to two transactions involving Jobu Presents and Universal Music Group (“UMG”). On August 30, 2018, the SSA filed a letter memorandum in opposition to CAK’s request.

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**

Counsel for CAK Entertainment, Inc.’s request that this Court recuse itself from considering the motion filed by the Second Special Administrator (“SSA”) seeking a refund of alleged “excessive compensation” relating to the Jobu Presents and UMG transactions is respectfully DENIED.

BY THE COURT:

Dated: August 31, 2018

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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

On August 21, 2017, the Court appointed the SSA to conduct an independent examination of the facts, circumstances and events relating to the rescission of the Estate's agreement with UMG, and to analyze and report to the Court whether pursuing any claim(s) related to the rescission of the UMG agreement would be in the best interest of the Estate. On February 2, 2018, the Court expanded the authority of the SSA to conduct an independent examination and make recommendations regarding whether any action should be pursued for return of the advance paid by Jobu Presents to the Estate for the right to conduct the Tribute Concert, or whether the Estate has a reasonable basis for a claim(s) against any person or entity in connection with the Jobu Presents agreement. After a hearing and upon receipt and consideration of the SSA's reports filed December 15, 2017 and May 15, 2018, the Court issued its Order & Memorandum Approving Litigation filed June 14, 2018, authorizing the SSA to pursue, on behalf of the Estate, all claims recommended in its reports.

On August 2, 2018 the SSA filed a Notice of Motion and Motion for an Order directing the former Estate Entertainment Advisors NorthStar Enterprises Worldwide, Inc. (providing the services of L. Londell McMillan) and CAK Entertainment, Inc. (providing the services of Charles Koppelman) to refund excessive compensation received related to the Jobu Presents and UMG transactions. That motion is scheduled to be heard before the undersigned on October 2, 2018.

Counsel for CAK are now before the Court asking that the Court recuse itself for the same reasons it did so in connection with the civil litigation between Jobu Presents and CAK in Court File 10-CV-17-368. In its Order for Recusal and Reassignment of the Jobu litigation filed May 22, 2018, the Court stated, "This Court does not believe it can listen to the arguments advanced in connection with this proceeding without concern that its decisions might be perceived as clouded by the information contained within the SSA's report." CAK argues the same reasoning applies to the SSA's current motion.

In recusing itself from the litigation between Jobu Presents and CAK, the Court was most concerned with the possible appearance of bias based upon its knowledge of the contents of the SSA's reports which, at least at that point, were not part of the record in the civil matter. Those reports are part of the record in this matter. In addition, all of the relevant parties have been under

the jurisdiction of the Court throughout the entire relevant period. Such is not the case with the Jobu civil proceeding.

This Court has been integrally involved in this Estate matter, including appointing Bremer Trust as Special Administrator on May 2, 2016; appointing Bremer's advisors, CAK/Koppelman and NorthStar/McMillan, on June 8, 2016; approving the UMG agreement on January 31, 2017; and approving the rescission of the UMG agreement on July 13, 2017. If there was a fraud upon the Court, or a violation of a fiduciary duty, it was a fraud or a violation of a duty on this Court. In a case of contempt, the contemnor is sanctioned by the judge before whom the contempt occurred—he or she is not entitled to a hearing before another judge. If the advisors are alleged to have been overcompensated for their work on behalf of the Estate, this Court is uniquely qualified to rule on that motion. As a result, the CAK's request that the Court recuse itself from consideration of the SSA's motion is respectfully DENIED.

Though denying CAK's request, the Court acknowledges there is a certain interplay between the SSA's motion and the Jobu Presents litigation. If the Court does order a return of the advisors' compensation relating to the Jobu matter, it would be the Court's intent to order that the fees be held in escrow until the end of the civil trial to make sure there are not inconsistent results.

K.W.E.