

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
PROTOCOL AND DISTRIBUTION PLAN
MOTIONS**

The above-entitled matter came on before the Court on January 14, 2022 pursuant to a Motion to Amend Protocols filed August 6, 2021; a Motion to Enforce Existing Court Ordered Protocols on Communications and Establish Protocols on Communications to Future Transition filed August 10, 2021; a Motion to Institute Protocols to Facilitate Closure of the Estate filed August 13, 2021; and a Motion Regarding Estate Cash Reserve, for Consideration of a Distribution Plan, and to Set a Process for a Petition to Approve a Final Accounting and Discharge filed December 31, 2021. Appearances were noted on the record. All appearances were via Zoom pursuant to COVID-19 protocols.

The parties have mediated extensively and resolved many of their outstanding disputes. Those outstanding disputes include:

- i. Funding of a cash reserve;
- ii. Establishing a plan for distribution of Estate assets;
- iii. Setting a schedule for submissions and a hearing on discharge of the Personal Representative and approval of its final accounting; and
- iv. Requiring the Estate to pay the fees of the tax advisors retained by the various Heirs.

Now, therefore, the Court makes the following:

ORDER

1. The Personal Representative's motion for authorization to take reasonable steps to ensure that the Estate has a sufficient cash reserve is DENIED. This Motion requested the Court to amend a protocol by shortening the time to seek review of the Personal Representative's proposal to raise additional funds in the event that the cash position of the Estate falls below \$5 million. For reasons

set forth in the Memorandum below, the Court is declining to change the current protocol. However, the parties should fully consider the Court's comments about how they should proceed in advance of a shortfall.

2. The Personal Representative's motion for a deadline for the members of the Heir Group to present their joint plan or proposed plans for the distribution of the assets of the Estate is GRANTED. Any joint plan, or a motion to approve a proposed plan by any member of the Heir Group shall be submitted to the Court by January 21, 2022. Any party, including the Personal Representative, may respond by January 28, 2022 and the Court will address the matter at the February 4, 2022 hearing.

3. The Personal Representative's motion for a schedule for submissions and a hearing on a petition to discharge the Personal Representative and approve its final account is RESERVED pending the Court's approval of a distribution plan. The timing of submissions and the hearing on that petition will be addressed by subsequent order of the Court.

4. The Motion by Sharon Nelson, John Nelson and Noreen Nelson to require the Personal Representative to pay the fees of the tax advisors to the various Heirs is DENIED.

5. The Motion by Sharon Nelson, John Nelson and Noreen Nelson to require the Personal Representative, the Heirs and the Court to have monthly or bi-weekly meetings to discuss the closure of the Estate and the distribution of assets is DENIED. Such meetings can be scheduled on an as-needed basis.

6. The Motion by Sharon Nelson, John Nelson and Noreen Nelson to require the Personal Representative to meet with the Heirs on a bi-weekly schedule is GRANTED as the parties have stipulated their agreement to this Motion.

7. The Motion by Sharon Nelson, John Nelson and Noreen Nelson to schedule a transition timeline and checklist is RESERVED pending the Court's approval of a distribution plan.

8. Any other motions set forth above not specifically granted are respectfully DENIED.

9. The attached Memorandum is incorporated herein by reference.

BY THE COURT:

Dated: January 18, 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

The Court accepts and supports the position of the Personal Representative that Comerica may take steps to raise additional funds, including, without limitation, by exploring extending current licensing deals, entering into new licensing deals, and/or selling Estate assets in the event that the cash position of the Estate falls below \$5 million dollars. Where the Court differs from the position of the Personal Representative is in the belief that a provision allowing a shorter protocol for notice to the Heirs and the Court is required. The Personal Representative can anticipate when large payments of estate taxes and interest will be paid out. The Personal Representative can anticipate when estate income taxes and property taxes will need to be paid. The Personal Representative has considerable experience in knowing what the operating expenses of the Estate will be and when they will need to be paid. And, if necessary, payment of these operating expenses can be delayed by several days. Therefore, much planning can be done in advance of the need for additional funds. Before finalizing any such transaction, Comerica shall provide the Heir Group (consisting of Tyka Nelson, Sharon Nelson, Norrine Nelson, the John R. Nelson Revocable Trust, Primary Wave, L. Londell McMillan, and Charles Spicer) a minimum of fourteen days' notice and an opportunity to object to the Court (consistent with the current protocol). In the event of any such objection, Comerica shall seek Court approval of the transaction, which it may request on an expedited basis depending on the availability of the Court. Such notice, discussion and opportunity to be heard can also take place in advance if it is clear that the cash position will fall below \$5 million dollars even before that event happens.

Though the Court has denied this Motion and is keeping the current protocol, the Court directs the Personal Representative and the heirs to work cooperatively and effectively with each other in developing new proposals to monetize the assets of the Estate. If a proposal is made by the Personal Representative and one or more Heirs objects to the Personal Representative's proposal, the Court will expect that Heir or group of Heirs submit an alternative proposal to raise the necessary funds. If the cash position of the Estate does, or is expected to, fall below \$5 million dollars, the question should not be whether the Estate moves to monetize assets, rather the question should be how this should be done.

K.W.E.