

STATE OF MINNESOTA  
COUNTY OF CARVER

DISTRICT COURT  
FIRST JUDICIAL DISTRICT  
PROBATE DIVISION

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In Re: Estate of:

Court File No. 10-PR-16-46

Prince Rogers Nelson,  
Deceased.

**ORDER REGARDING PERSONAL  
REPRESENTATIVE'S FEES AND  
COSTS FOR FEBRUARY 2019  
THROUGH JANUARY 2020 & PETITION  
TO LIMIT AUTHORITY OF PERSONAL  
REPRESENTATIVE**

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The above entitled matter came before the undersigned on April 19, 2019 pursuant to Comerica Bank & Trust, N.A.'s Petition for Fees and Costs for February 2019 through January 2020, and the Joint Petition to Permanently Limit Comerica Bank & Trust N.A. Powers as Personal Representative. Appearances were noted on the record.

Comerica Bank & Trust, N.A. (the "Personal Representative") was appointed personal representative of the Estate of Prince Rogers Nelson (the "Estate") effective February 1, 2017. On March 22, 2017, the Court entered the Order Regarding Application of Existing Orders and Protocols to the Personal Representative. On September 7, 2018, the Court entered an Order Regarding the Personal Representative's Fees and Costs for February 2018 through January 2019 extending the March 22 protocols (collectively, the "Fee Orders"). Among other things, the Fee Orders approved provisional compensation for the Personal Representative through January 31, 2019, with such compensation subject to a review and approval process set forth in the Fee Orders. The Fee Orders also called for the Personal Representative to petition the Court regarding its compensation for the time period beginning February 1, 2019.

Accordingly, the Personal Representative's Petition sets forth a proposal for its compensation from February 1, 2019 through January 31, 2020. Specifically, the Personal Representative requests approval of provisional compensation of \$110,000 per month (plus expenses), subject to the existing review and approval process provided in the Fee Orders. The Personal Representative proposed a monthly fee schedule for entertainment advisor Troy Carter as stated on the record. The Personal Representative also proposes that the process set forth in the March 22 Order would continue to apply to the fees and expenses of its legal counsel, with the minor change that the Personal Representative's and its counsel's fee affidavits be due at the end

of the month, rather than the 15th of the month. The Court finds this proposal appropriate, subject to review every four months as previously ordered or upon the Heirs' submission of a formal transition plan.

In their Petition, the Heirs seek an order limiting or directing the Personal Representative's authority as follows:

1. to administering and handling only assets that existed prior to Decedent's death, with no right to control, administer or handle any new assets or derivative works from preexisting assets;
2. restricting the power to enter into any agreement for a period longer than one year, except when the Court provides written approval for longer terms;
3. to implement a system to provide the heirs and their advisors with reasonable access for opportunities to hear, review, and acquire the unheard or "vault" materials;
4. to work with Heirs' representatives to ensure a system of protocols are in place to provide Heirs' with access to Estate materials while also ensuring that no additional inadvertent disclosures of intellectual property occur;
5. to allow the Heirs full information, participation and access to all tax related matters; and
6. establishing, within the next two months, a Petitioners and Court approved transition plan for the Estate Administration and or the Estates Assets.

The Heirs' current Petition and their arguments are significantly similar to prior petitions seeking removal of the Personal Representative. There is little or no specificity in the complaints by the heirs. While the Court certainly appreciates the Heirs' concerns with respect to preserving Estate assets, minimizing Estate expenses and planning for distributions, those concerns are more effectively addressed through discourse and mediation. As repeatedly presented, such motions and the need to respond to them have had the ultimate effect of significantly increasing Estate expenses. As proposed by Justice Gilbert, the Court encourages the parties to continue to expand dialog opportunities, and informally mediate administration concerns.

Comerica requires the broad authority to administer the Estate that has been granted to them and is allowed by statute. To limit their powers would create a vacuum of uncertainty as to whom would have the authority to represent the Estate in certain matters. Specifically, restricting the authority of the Personal Representative to enter into an agreement for a period longer than one year may result in the loss of entertainment deal opportunities which are necessary to raise needed funds to pay estate taxes and lead to the distribution of funds to the Heirs.

At the hearing on these motions, the Personal Representative discussed the inventory process regarding the recordings in the vault. It would be appropriate for Mr. Carter to discuss with the heirs the plans for future distribution of these recordings, the inventory of the vault, and obtain input from the Heirs on future distributions unless such are strictly at the discretion of the Estate's entertainment distribution partners.

The Court will require the Personal Representative to keep the Heirs informed of the position of the Internal Revenue Service and the Minnesota Department of Revenue, but will not require that a representative of the Heirs be present in meetings or conversations with these departments.

In the past, this Court has tried to balance the ultimate interest of the Heirs in this Estate with the ability of the Personal Representative to efficiently manage the affairs of the Estate. The Court has required a significant level of communication between the Personal Representative and the Heirs. The Court recognizes that the Personal Representative would claim that they have fully complied with this direction where the Heirs, or some of them, would claim the level of communication and trust is lacking. The Court has acquired the services of a Mediator/Moderator to assist with the level of communication and to address grievances.

The Court is still smarting from the alleged intentional and outrageous violation of the rules of non-disclosure by the Court appointed Heir's representatives who appear to have, with the knowledge and conspiracy of some of the Heirs, disseminated confidential information for the purpose of circumventing the role of the Personal Representative and to enrich themselves. Unless a viable alternative is presented by the Heirs to replace the current Personal Representative, the Court will view further discord with a leaning toward limiting the authority of the Heirs to participate in the administration of this Estate, not limiting the authority of the Personal Representative. The Court again strongly encourages the use of the Mediator/Moderator to address any grievances of the Heirs.

Having considered the Petitions, the circumstances and anticipated needs and activities of the Estate, and related factors, the Court makes the following:

### **ORDER**

1. The Personal Representative is authorized to receive compensation pursuant to Minn. Stat. § 524.3-719. For the time period of February 1, 2010 through January 31, 2020, the

Personal Representative shall be provisionally entitled to receive compensation at the rate of \$110,000 per month, plus reimbursement for expenses incurred in connection with the administration of the Estate, subject to paragraph 3 herein. On or prior to February 28, 2020, the Personal Representative shall petition the Court regarding the amount of its compensation for the time period beginning February 1, 2020 through such future date as is appropriate, based on the then anticipated needs and activities of the Estate.

2. The Personal Representative shall continue to utilize entertainment advisor Troy Carter under the re-negotiated compensation agreement as stated on the record to seek new entertainment opportunities for the Estate, review proposals made to the Estate and to provide creative direction to entertainment deals that have been approved.

3. Counsel for the Personal Representative are entitled to fees, costs, and expenses pursuant to Minn. Stat. §§ 525.515, 524.3-720, and 524.3-721. The Personal Representative is authorized to pay its counsel for legal services, costs, and expenses as invoices are submitted to the Personal Representative without advance approval of the Court, but subject to paragraph 3 herein.

4. On June 30, 2019, and every four months thereafter, the Personal Representative shall submit to the Court for review and approval: (1) an affidavit (“Personal Representative Fee Affidavit”) that details the compensation and expense reimbursements of the Personal Representative for the preceding four month period (*i.e.*, February 1, 2018 through May 31, 2018); and (2) an affidavit of counsel (“Attorney Fee Affidavit”) that attaches unredacted copies of all itemized billing statements that represent attorneys’ fees, costs, and expenses for which the Personal Representative seeks Court approval for the preceding four month period (*i.e.*, February 1, 2018 through May 31, 2018). When submitting the Attorney Fee Affidavits, billing statements and Personal Fee Affidavits, the Personal Representative shall serve unredacted copies to counsel for the Heirs. The Heirs shall have 14 days after service to submit written objections. The Court will consider all supporting submissions made by the Personal Representative and will order the Personal Representative to reimburse the Estate in an amount that it determines to be reasonable and appropriate, if the Court believes that there was an overpayment of the Personal Representative’s fees or expense reimbursements. Similarly, the Court will consider all supporting submissions made by the Personal Representative in connection with the Attorney Fee Affidavits and will order counsel for the Personal Representative to reimburse the Estate in an amount that it

determines to be reasonable and appropriate, if the Court believes that there was an overpayment of the attorneys' fees, costs, and expenses. *See* Minn. Stat. § 524.3-721. Any submission of unredacted Attorney Fee Affidavits and Personal Representative Fee Affidavits (together, "Fee Affidavits"), or supporting detail for this Court's review shall not be deemed to constitute a waiver of the attorney-client privilege or work product doctrine. To the extent counsel for the Heirs receive the Fee Affidavits and supporting documents, those documents may be shared with their clients, however counsel and the Heirs shall maintain the confidentiality of such documents and shall not disclose the contents to third parties. The disclosure of any attorney-client privilege or work product material contained in unredacted Fee Affidavits and supporting documents provided to counsel for the Heirs shall not be deemed a waiver of confidentiality, the attorney-client privilege, or the work-product doctrine, given the common interest of the Personal Representative and the Heirs. Accordingly, Court filings that include Fee Affidavits and supporting documents shall be filed under seal to preserve the privilege and work product protections, and maintain the confidentiality of the ongoing business work of the Estate, with the understanding that the Personal Representative will file redacted versions of those documents to limit the sealed material to information which is privileged or confidential.

5. Unless specifically addressed herein, nothing in this order shall be deemed to modify or supersede the Fee Orders.

6. The Heirs' Petition to Limit the Authority of the Personal Representative is respectfully DENIED. Any concerns regarding the Personal Representative's actions or authority which cannot be addressed through open communication shall be referred to mediation with Justice Gilbert.

BY THE COURT:

Dated: April 23, 2019

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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.