

STATE OF MINNESOTA
 COUNTY OF CARVER

DISTRICT COURT
 PROBATE DIVISION
 FIRST JUDICIAL DISTRICT

In Re:

Court File No. 10-PR-16-46

Estate of Prince Rogers Nelson,
 Decedent.

**ORDER EXPANDING AUTHORITY OF
 THE SECOND SPECIAL
 ADMINISTRATOR**

The above-entitled matter came before the undersigned pursuant to the Motion to Expand the Authority of the Second Special Administrator brought by Omarr Baker, heir in the Estate of Prince Rogers Nelson (the “Estate”).

On January 20, 2017, this Court held that Bremer Trust, N.A. would cease to serve as Special Administrator of the Estate after January 31, 2017. (*See* Order for Transition from Special Administrator to Personal Representative, filed Jan. 20, 2017, p. 1.) The Order for Transition mandated the Personal Representative and the Special Administrator to enter into a Common Interest Agreement. (*Id.*, p. 3.) This Court approved the Common Interest Agreement and stated that as a condition of the transfer from Special Administrator to Personal Representative, the two entities cannot be adverse to each other:

As a result of the Common Interest Agreement, Bremer Trust, Patrick A. Mazorol, and Stinson Leonard Street, LLP, on the one hand, and Comerica and Fredrikson & Byron, P.A., on the other hand, cannot, at any time, be adverse to each other in connection with this Estate.

(*Id.*, p. 4 ¶ 9) (emphasis added.) The Personal Representative and the Special Administrator signed the court-approved Common Interest Agreement.

On April 5, 2017, the Court directed the Personal Representative to “investigate and make an informed decision regarding whether any action should be pursued for the return of the advance paid by Jobu Presents to the Estate for the right to conduct the Tribute Concert, which advance was subsequently returned to Jobu Presents.” (Order Granting Special Administrator’s Request to Approve Payment of Special Administrator’s and Attorneys’ Fees and Costs through January 31, 2017 and Final Accounts and Inventory, dated April 5, 2017 at p. 5.)

On August 21, 2017, the Court appointed Peter J. Gleekel and the law firm Larson King, LLP (the “Second Special Administrator”) pursuant to Minn. Stat. §§ 524.3-614(2) and 524.3-617. As the Court found in its order dated August 21, 2017, “[t]he Personal Representative cannot or should not act to investigate the circumstances leading to the rescission of the UMG Agreement

due in part to its Common Interest Agreement with the former Special Administrator.” (*See* Order Appointing Special Administrator, dated Aug. 21, 2017, at p. 1.) Therefore, the Court appointed the Second Special Administrator to investigate the circumstances leading to the rescission of the UMG Agreement.

As with the investigation regarding the rescission of the UMG Agreement, pursuant to the Common Interest Agreement, the Personal Representative cannot and should not act to investigate and make an informed decision regarding whether any action should be pursued for the return of the advance paid by Jobu Presents to the Estate for the right to conduct the Tribute Concert, which advance was subsequently returned to Jobu Presents.

Therefore, pursuant to Minnesota Statutes Section 524.3-614(2), the Court expands the authority of the Second Special Administrator as follows:

ORDER

1. The authority Peter J. Gleekel and the law firm Larson King, LLP as the Second Special Administrator of Decedent's estate is expanded, pursuant to Minn. Stat. §524.3-617, to include the following:
 - a. Conducting an independent examination and make an informed decision regarding whether any action should be pursued for the return of the advance paid by Jobu Presents to the Estate for the right to conduct the Tribute Concert, which advance was subsequently returned to Jobu Presents; and determining whether the Estate has a reasonable basis for a claim(s) against any person or entity in connection with the Jobu Presents agreement;
 - b. Analyze and report in writing to the undersigned with respect to whether pursuing any such claim(s) related to the Jobu Presents agreement is in the best interest of the Estate, considering factors including, but not limited to:
 - i. The strength of the evidence supporting any such claims and the likelihood of success on the merits;
 - ii. The potential damages that could be recovered on any such claims;
 - iii. The cost of pursuing any such claims (attorneys' fees plus other direct financial costs of the lawsuit);
 - iv. The opportunity cost of pursuing any such claims (any potential revenue or opportunities that the Estate would forego);
 - v. Any other impact on the Estate in pursuing any such claims (for example, harm to Prince's brand, harm to the Estate's relationship with current or potential entertainment partners, impact on willingness of other entities to do future business with Estate, increased tension or disagreement among Heirs); and
 - vi. The policy implications for this Estate, or other estates, of prosecuting a claim against the person or entity and whether that improperly incentivizes claims on future transactions.
 - c. The Second Special Administrator shall conduct its investigation privately, being mindful of the expense to the Estate of conducting the investigation, and shall have complete independence in conducting the investigation and may undertake those actions it believes in good faith are appropriate to perform the investigation. The Second Special Administrator's power and authority to gather facts and evidence

from individual witnesses and obtain documents shall be consistent with the powers of a general personal representative. To the extent that the Second Special Administrator determines the need for additional grants of powers to effectuate the duties described herein, he shall seek such additional specific grants of powers from the Court.

- d. The Second Special Administrator shall have the power to compel and take evidence from parties and non-parties and, if deemed appropriate, retain an expert(s). The Second Special Administrator shall keep track of all documents it reviews, individuals it interviews, and any other information it considers.
 - e. Within the constraints of this Order and Minnesota law, the Second Special Administrator has flexibility to devise an efficient investigation.
2. The Second Special Administrator shall endeavor to complete the report mentioned in paragraph 1(b) and submit it to the undersigned under seal by December 15, 2017.
 3. The Court expects all parties to this matter, especially those interested parties who participated in hearings before the Court regarding the Jobu Presents agreement including their agents and experts, to cooperate with the Second Special Administrator's investigation and requests for access to documents and witnesses.
 4. If the report finds that the pursuit of any such claim is in the best interest of the Estate, and this Court approves the pursuit of that claim, the Second Special Administrator's appointment may be expanded by order to include prosecution of the claim.
 5. Alternatively, if the report concludes that there is no reasonable basis for claims relating to the Jobu Presents agreement, or that it is in the best interest of the Estate not to pursue any reasonable claim that exists, the Court will decide whether to accept that recommendation.
 6. Any objections to the Second Special Administrator based on conflict of interest or competence must be filed under seal within 7 days of this Order.
 7. The Second Special Administrator shall submit its fees and costs directly to the Court for approval on a monthly basis. The Second Special Administrator shall provisionally be entitled to receive compensation at a rate of \$430 per hour for Peter Gleekel, \$400 per hour for Patrick H. O'Neill, Jr., and the rate of \$200 per hour for associates working with them. When submitting the Special Administrator Fee Affidavit, the Second Special Administrator shall serve unredacted copies to counsel for Comerica and the Heirs (redacting only those items necessary to preserve the attorney-client privilege and work-product doctrine). The Court shall conduct an initial review and may provisionally approve Comerica's payment of the submitted fees and costs. Comerica and the Heirs shall have 14

days after service to submit written objections. The Court will consider all submissions made by the parties and will order the Second Special Administrator to reimburse the Estate in an amount that the Court determines to be reasonable and appropriate if the Court believes that there was an overpayment of compensation, attorneys' fees, costs, or expenses. Comerica and the Heirs shall maintain the confidentiality of the Second Special Administrator Fee Affidavits and all associated filings, and any submission of unredacted billing statements or supporting details to the Court, Comerica, or the Heirs shall not be deemed to constitute a waiver of confidentiality, the attorney-client privilege, or work product doctrine.

8. The Second Special Administrator shall not be required to post a bond.
9. The appointment of the Special Administrator, unless extended by further order of this Court, shall terminate on December 31, 2017.
10. Other than to expand the authority of the Special Administrator as detailed above, nothing in the above Order supersedes or otherwise eliminates the Court's order dated August 21, 2017 regarding the Second Special Administrator.

Dated: _____, 2017

 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.