

STATE OF MINNESOTA  
COUNTY OF CARVER

DISTRICT COURT  
FIRST JUDICIAL DISTRICT  
PROBATE DIVISION

---

In the Matter of:

Court File No. 10-PR-16-46  
Judge Kevin W. Eide

Estate of Prince Rogers Nelson,  
  
Decedent.

**ORDER & MEMORANDUM DENYING  
REQUEST FOR FINANCIAL  
VALUATION DOCUMENTATION AND  
PAYMENT OF FEES**

---

The above-entitled matter came on before the undersigned on July 6, 2018 based upon written submissions. Alfred Jackson, Omarr Baker and Tyka Nelson have requested a Court order that the Personal Representative provide them with documentation which supports a financial cash flow analysis that the Personal Representative prepared for itself, the Court and the Heirs. In addition, the same parties request that the Court authorize the payment of at least \$100,000 to collectively retain a financial and business expert to prepare and create financial models of cash flow for the Estate. The Personal Representative has filed a memorandum in opposition to the request. Attorneys for Sharon Nelson, John Nelson and Norrine Nelson do not object to the release of documentation but object to the payment of funds by the Estate for a separate cash flow analysis.

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**

1. The request of Alfred Jackson, Omarr Baker and Tyka Nelson for an order that the Personal Representative provide them with documentation and authorize the payment of at least \$100,000 to collectively retain a financial and business expert to prepare and create financial models of cash flow for the Estate is respectfully DENIED.

BY THE COURT:

Dated: July 11, 2018

---

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

In the process of reviewing proposed entertainment deals being presented to the Court, the Court had requested that the Personal Representative provide a cash flow analysis to assist the Court in anticipating expected cash flow into the Estate, administrative expenses and expected estate tax responsibilities. The Personal Representative indicated that it was already in the process of preparing such a document and the report was submitted to the Court on April 30, 2018.

Alfred Jackson, Omarr Baker and Tyka Nelson now request that the Personal Representative provide to them all of the documentation assembled in support of the cash flow analysis, and that the Court order a minimum of \$100,000 to allow them to do a detailed cash flow analysis of their own. The reasoning provided is to “(i) allow the Heirs to better replicate and confirm the cash flow statements provided by the PR on May 1, 2018; (ii) give the Heirs a better understanding of the current PR transition plan; (iii) align the Heirs and the PR with a common expectation in terms of distributing their inheritance; (iv) assist them in deciding on and directing potential business ventures, and prepare them for the eventual responsibility of managing the Estate once it closes.”

The Personal Representative and Sharon Nelson, John Nelson and Norrine Nelson oppose the request for the following reasons:

1. The requested payment is made for the personal benefit of individual heirs and not for the benefit of the Estate as a whole;
2. The requested payment would deplete Estate assets necessary for the payment of Estate taxes or expenses, and the ultimate distribution to the heirs;
3. The IRS or MNDOR may challenge the payment and instead classify it as a distribution to the Heirs;

4. It is the responsibility of the Personal Representative to provide periodic accounting of the Estate and they have done so. Individual heirs should not be able to, at the Estate's expense, replicate the work of the Personal Representative; and
5. Duplicative appraisals would potentially be conflicting and detrimental in the event of litigation involving the Estate tax return.

The Court agrees with these positions and adopts them as a basis for denying the request. Further, like in any large business, cash flow analyses are made under certain assumptions determined during a snapshot in time. The Estate and its Heirs could do multiple cash flow analyses over time and each one would likely differ as those assumptions change. The Court perceives that the Personal Representative has done a good job, though not always as timely as the Court or Heirs would like, in providing the Heirs detailed information about the various entertainment deals being approved or considered, litigation brought by or against the Estate, costs of administration and the expected Estate tax obligations. The Heirs should have all of this information, at least to a significant degree.

Most of the entertainment deals entered into by the Estate have involved advances. Only time will tell how quickly those advances will be covered by actual earnings to the Estate and their entertainment partners. There are several bigger entertainment deals and one or two large real estate sales that will account for 90% of the cash flow into the Estate. Others will have relatively little to do with the final distribution to the heirs.

The Court has always made it clear that it expects the Personal Representative to maintain a high level of communication and cooperation with the Heirs and this is no exception. The Court will expect the Personal Representative to provide the Heirs with a document here, or a document there, subject to limits of confidentiality, that the Heir feels is necessary to conduct their own analysis of how the Estate is doing to meet its obligations and then to make distributions to the Heirs. The Court expects the Personal Representative to sit down with an Heir and with the cash flow analysis and discuss how a particular number was derived. However, the Court will not subject the Personal Representative to what amounts to an unlimited discovery request, nor for the funds to duplicate what the Personal Representative has already done.

K.W.E.