

STATE OF MINNESOTA

DISTRICT COURT

COUNTY OF CARVER

FIRST JUDICIAL DISTRICT  
PROBATE DIVISION

Case Type: Supervised Administration

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In the Matter of:

Court File No. 10-PR-16-46

Judge Kevin W. Eide

Estate of Prince Rogers Nelson,

Decedent.

**MEMORANDUM IN SUPPORT OF  
COMERICA BANK & TRUST, N.A.'S  
MOTION TO APPROVE AMENDMENT  
TO UMPG ADMINISTRATION  
AGREEMENT****REDACTED**

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**INTRODUCTION**

The Personal Representative has reached an agreement with Universal Music Publishing Group (“UMPG”) to amend the terms of the October 27, 2016 Administration Agreement between the Estate and UMPG to: (1) extend the term of the agreement by one year; (2) provide the Estate a substantial new advance; and (3) increase the royalty rate for the Estate (the “UMPG Amendment”). Because of the current uncertainty regarding the status of the protocols related to the administration of the Estate previously entered by the Court, the Personal Representative is seeking affirmative Court approval of the UMPG Amendment as set forth in the Court’s March 22, 2017 Order.

**BACKGROUND****I. THE COURT APPROVED THE ADMINISTRATION AGREEMENT DURING 2016.**

By Order entered September 30, 2016, the Court authorized the then-Special Administrator of the Estate—Bremer Trust, N.A.—to enter into a music publishing administration agreement with UMPG. (Sept. 30, 2016 Order.) The Estate and UMPG entered into the Administration

Agreement on October 27, 2016. (January 23, 2020 Declaration of Andrea Bruce (“Bruce Dec.”),

¶ 2.) As relevant here, the term of the Administration Agreement was scheduled to end [REDACTED]

[REDACTED] (*Id.*) The Estate was also entitled to [REDACTED]

[REDACTED] royalty for income under the agreement. (*Id.*)

## **II. THE PERSONAL REPRESENTATIVE AND UMPG NEGOTIATED AN AMENDMENT TO THE ADMINISTRATION AGREEMENT.**

To date, the Administration Agreement has been successful and UMPG has solidified itself as a valued partner of the Estate through the creation of various new revenue opportunities for the music publishing catalog. Over the last several months, the Estate has engaged in negotiations with UMPG related to an amendment to the Administration Agreement. As a result of those negotiations, UMPG sent a summary of the proposed terms of the UMPG Amendment to counsel for the Estate on January 13, 2020. (Bruce Dec., Ex. A.)

The UMPG Amendment would make three changes to the Administration Agreement.

First, the term of the Administration Agreement would extend by one year to [REDACTED]

[REDACTED] (Bruce Dec., Ex. A.) Second, the Estate would receive an advance in the amount of [REDACTED] (the “2020 Advance”). The 2020 Advance, [REDACTED]

[REDACTED] (*Id.*) Third, UMPG has agreed to increase the royalty rate creditable to the Estate to [REDACTED]

(*Id.*)

### ARGUMENT

The Personal Representative requests that the Court authorize it to enter into the UMPG Amendment, specifically on similar or better terms than those set forth in UMPG's January 13, 2020 proposal, because such an agreement is in the best interests of the Estate.

The primary benefits of the UMPG Amendment are: (1) the improved royalty rate, which will result in the quicker recoument of the existing UMPG loan and 2020 Advance, and which

[REDACTED]; (2) the 2020 Advance [REDACTED]

[REDACTED] (3) the 2020 Advance is substantial based on the modest one year extension of the Administration Agreement; and (4) given the extension is for only one year, the Estate and its successors will have maximum flexibility should they choose to consider a different publishing administrator in the future. In short, this is a very favorable transaction for the Estate, with a company that has proven to be an excellent partner.

The Personal Representative informed the Heirs of pending negotiations related to the UMPG Amendment during the October 8, 2019 Heirs meeting and has provided additional updates since then. In addition, the Personal Representative discussed the potential amendment with the Court appointed Heirs Representative on September 27, 2019. (Bruce Dec., ¶ 4.) To date, no Heir has expressed an objection to the UMPG Amendment and, ordinarily, the Personal Representative would have utilized the 14-day notice and approval provision for entertainment transactions under Paragraph 3 of the Court's March 22, 2017 Order to seek approval of the transaction. (*Id.*) However, in light of pending uncertainty over the continuing applicability of the Court's protocols,

the Personal Representative is erring on the side of caution and seeking approval of this entertainment transaction via motion under Paragraph 9 of the March 22, 2017 Order.

The Personal Representative worked with UMPG to ensure that as much information as possible could be filed in the public version of this memorandum for the benefit of all interested persons, redacting only certain confidential specific terms of the UMPG Amendment (the unredacted version of which is being served only on Omarr Baker, John Nelson, Norrine Nelson, Tyka Nelson, Sharon Nelson, and their counsel of record).

### CONCLUSION

For the reasons set forth herein, the Personal Representative respectfully requests that the Court authorize the Personal Representative to enter into the UMPG Amendment.

Respectfully Submitted,

Dated: January 23, 2020

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