

STATE OF MINNESOTA
COUNTY OF CARVER

FIRST JUDICIAL DISTRICT
DISTRICT COURT
PROBATE DIVISION

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

In re:

Estate of Prince Rogers Nelson,

MEMORANDUM IN RESPONSE TO
SNJLC'S OBJECTION TO ATTORNEYS'
LIEN BALANCE

Decedent.

INTRODUCTION

In order to correct factual and legal errors in their analysis, lien-holder Skolnick & Joyce, P.A. ("S&J"), offer this brief responsive memorandum to SNJLC'S Response to Skolnick & Joyce's Declaration of Attorney Lien Balance (the "Objection"). While the Objection to the attorneys' lien balance carries no weight, as the calculation of the amount owed is a routine matter of procedure and law, rather than something to be argued over, S&J is compelled to respond to several inaccuracies made in the Objection.

FACTS AND LEGAL ANALYSIS

In relevant part, S&J obtained an arbitration award on January 2, 2020, which established attorneys' liens of \$58,819 each, in favor of S&J, against Sharon Nelson's, Norrine Nelson's, and John Nelson's interests in the Estate. (Jan. 13, 2020 Johnson Dec. Ex. 1). On January 13, 2020, S&J moved the Court for an order to confirm the arbitration award and enter judgment establishing the liens. (Jan. 13, 2020 Memorandum of Law). On January 16, 2020, the Court issued an Order for Submissions on S&J's Motion to Confirm the Arbitration Award. No submissions were received, and the Court granted the motion and entered judgment as it is required by law to do. (Feb. 27, 2020 Order); Minn. Stat. § 572B.25 ("Upon granting an order confirming...an award, the court shall enter a judgment in conformity therewith."). Given the

complexity of the Estate, and to aid the personal representative and the Court in making proper distributions, S&J submitted its December 30, 2021 Declaration of Attorneys' Lien Balance to calculate the amount then-owed to S&J. Without permission from the Court, the objecting parties filed the Objection, agreeing that the balance of \$151,457 was owed but denying that the accrued interest of \$27,927 was appropriate.

Under Minnesota law, judgments greater than \$50,000 accrue post-judgment interest at a rate of 10% per year. Minn. Stat. § 549.09, subd. 1(c)(2)(i). This post-judgment interest is distinct from pre-judgment or pre-verdict interest, which only accrues on a money judgment.¹ See Minn. Stat. § 549.09, subd. 1(a). The Objection wrongly conflates the two concepts, citing to *Gaughan v. Gaughan*, which only found that an attorney cannot obtain pre-judgment interest on an attorneys' lien. 450 N.W.2d 338, 344 (Minn. 1990). “[W]e hold prejudgment interest under Minn. Stat. § 549.09, subd. 1(b) cannot be added to an attorneys' lien.” *Id.*

Here, S&J never sought pre-judgment interest nor was pre-judgment interest awarded in the arbitration award. Thus, *Gaughan* has no application to the facts of this case. Instead, S&J only calculated its entitlement to receive post-judgment interest, for the period after the Court confirmed the arbitration award and entered judgment in favor of S&J. (Dec. 30, 2021 Declaration of Attorneys' Lien Balance). Since Minn. Stat. § 549.09, subd. 1(c)(2)(i) applies to all judgments (of a certain amount), as opposed to just money judgments (like in Minn. Stat. § 549.09, subd. 1(a)), and because the judgment amount is greater than \$50,000, S&J's calculation of interest at 10% per year was correct and proper.

¹ Since Minn. Stat. § 549.09 makes specific reference to a money judgment in calculating pre-judgment interest, but does not reference a money judgment when calculating post-judgment interest, there is no reasonable argument that the calculation of post-judgment interest can only be applied to money judgments, since the intent of the legislature is clear and the statute cannot be harmonized otherwise.

The Objection also incorrectly quotes a section of the arbitrator's award to support the argument that interest is not proper under the S&J retainer agreement. (Objection p. 4). A review of the arbitrator's award clearly demonstrates that the quoted language is not related to the S&J retainer agreement. The fact that the Special Master did not award interest is also not relevant to the calculation of post-judgment interest, because S&J did not seek an award of pre-judgment interest, as that would not have been proper under Minn. Stat. § 549.09, subd. 1.

Finally, the Objection argues that S&J's retainer—which contains language about the clients' then-ability to pay—demonstrates that interest accruing on the amounts owed to S&J would be improper. Again, this misses the mark. The retainer contains no provision prohibiting S&J from seeking or obtaining interest on amounts owed. Without such a provision, Minnesota law controls, and there is no legitimate argument that S&J is not entitled to post-judgment interest on the amounts owed under Minn. Stat. § 549.09, subd. 1(c)(2)(i)

CONCLUSION

For these reasons, when distributions are made from the Estate, S&J is entitled to receive the full amount owed including the post-judgment interest that has accrued since the Court confirmed the arbitration award.

SKOLNICK & JOYCE, P.A.

Dated: February 1, 2022

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