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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,

Decedent.

HEIRS' MEMORANDUM IN UNITED OPPOSITION TO COMERICA'S MOTION TO APPROVE ENTERTAINMENT TRANSACTION

[redacted]

INTRODUCTION

Sharon Nelson, Norrine Nelson, John Nelson, Omarr Baker, Tyka Nelson, and Alfred Jackson (collectively "the Heirs") file this memorandum in united opposition to Comerica Bank & Trust, N.A.'s ("Comerica") motion to approve entertainment transaction. Before the Court is a proposed deal [redacted] Rather than submit this proposed deal under the terms of this Court's orders, the Estate is attempting to rush approval of this deal through the Court and without providing the Heirs their Court required opportunity for input, in a tacit admission of its fatal failings [redacted]. Some of the most critical information related to the proposed deal was only provided to the Heirs the day before the objection deadline. [redacted] All of these issues should be unacceptable to the Court.

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Therefore, in a firmly united position, all of the Heirs respectfully request that the Court refuse to rubber-stamp Comerica's proposed deal and deny the motion to approve this inferior entertainment transaction.

FACTUAL STATEMENT

O[redacted]

[redacted]

[redacted]

[redacted]

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[redacted]

[redacted]

On April 10, 2018, the day before any objections to the proposed deal were due, Comerica held an Heirs' meeting to discuss the proposed deal. At that meeting, the narrative contained within the previously disclosed documents began to unravel. [redacted]

[redacted]

[redacted]

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[redacted]

[redacted]

ARGUMENT

[redacted] The Court has repeatedly stated its concern that if things do not change with the administration of the Estate, there will be little if anything left of the Estate for the Heirs to inherit. (*See Order Regarding Award of Attorney Fees*, p. 3 (dated March 28, 2018)). [redacted]

COMERICA FAILED TO FOLLOW THE COURT-ORDERED APPROVAL PROCESS

In its motion, Comerica seeks Court approval for the proposed [redacted]

[redacted]Under the Court's March 22, 2017 Order, Comerica is required to provide 14 business days' notice to the Heirs prior to entering into any transaction under which Comerica reasonably anticipates receiving more than $2 million in value. (March 22, 2017 Order p. 4). Comerica is required to disclose to the Heirs and their counsel such information as is necessary for them to make a knowledgeable assessment of the merits of the proposed transaction." *Id.* at p. 7. If any of the Heirs object, they may seek Court relief with respect to the proposed transaction. Comerica did not follow this process.

Its disclosure of the proposed deal occurred 14 business days prior to this briefing, but Comerica waited until the day before the deadline to host a meeting providing necessary details related to the negotiation and modeling of the proposed deal and facts not previously disclosed. Prior to April 10, 2018, [redacted] The Court established the mandatory approval process to permit Heirs, their counsel, and their advisors time to consider the merits of any proposed transaction. Here, the Heirs have had only a day to consider the substantial information provided at the April 10th meeting. Therefore, this Court should deny Comerica's motion to approve [redacted] and until it follows the Court's process for submitting these types of deals to the Heirs for approval.

Similarly, [redacted]

[redacted]

(Carter Dec. Ex. A). Not only will there be material terms in the long form agreement that cannot be included in the proposal, but there are likely to be changes in some terms based on the process of negotiating and drafting a long form agreement. Thus, if the Court does not outright deny the motion, it should still delay approval of the proposed deal until a long form agreement can be drafted and presented to the Heirs for their consideration, with a thirty-day approval window. Anything less would require the Heirs to make a decision without being fully informed, enabling them to make decisions on the merits of the proposed deal. (March 22, 2017 Order p. 4).

THE PROPOSED DEAL IS NOT THE PRODUCT OF COMPETITIVE BIDDING OR NEGOTIATION

The very first bullet point in Comerica's motion to approve this deal is "**The Proposed Agreement is the Result of Competitive Bidding and Negotiations**." (Comerica Memorandum p. 2). As Comerica disclosed at the April 10th meeting, this is blatantly false. [redacted]

[redacted]

[redacted]

THE PROPOSED DEAL'S FLAWED TERMS

[redacted]

[redacted]

[redacted]

[redacted]

[redacted]

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[redacted]

[redacted]

[redacted] Neither the Court nor the Heirs should rely on it in reaching any decisions, and it is assumed that it was prepared simply to support the shaky foundations of the proposed deal. [redacted]

[redacted]

[redacted] The Heirs cannot sit idly by while this happens and the Court should not sanction the erosion of their inheritance. Thus, the Court must deny approval for this entertainment transaction.

THE COURT SHOULD DENY COMERICA'S FEE REQUESTS RELATED TO THE PROPOSED DEAL

If it denies approval for this proposed deal, the Court should also unequivocally deny authorization for Comerica to pay fees and expenses incurred in negotiating and defending the proposed deal. Under Minn. Stat. § 525.515(b), the factors guiding the Court's determination on this issue are:

(1) the time and labor required;

(2) the experience and knowledge of the attorney;

(3) the complexity and novelty of problems involved;

(4) the extent of the responsibilities assumed and the results obtained; and

(5) the sufficiency of assets properly available to pay for the services.

"Allowance of attorney's compensation rests largely in the discretion of the probate court." *In re Weisberg's Estate*, 64 N.W.2d 370, 372 (Minn. 1954). "The courts have a duty to prevent dissipation of estates through allowance of exorbitant fees to those who administer them." *Id.* If

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Comerica's motion is denied, it will be because the proposed deal was not in the best interests of the Estate and the Heirs. Comerica should not be able to pursue a bad deal, incur substantial costs, and then pass those along to the Estate. Such a mechanism would permit the dissipation of the Estate and would not encourage Comerica to pursue deals that are truly in the Estate's and the Heirs' best interests.

CONCLUSION

The Heirs respectfully request that the Court deny Comerica's motion and refuse to authorize the proposed deal, which would be an embarrassment to Prince's legacy. The proposed deal is fatally flawed, [redacted], and is not in the best interests of the Estate or the Heirs. Sensing these weaknesses, Comerica circumvented the Court ordered process to approve these types of deals and simply submitted the proposed deal for the Court's authorization. Not only should the Court refuse to authorize the transaction, but it should deny any fees sought by Comerica, its advisors, or its attorneys for preparation and defense of this proposed deal.

SKOLNICK & JOYCE, P.A.

Dated: April 11, 2018

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