



June 28, 2017

VIA ECF

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The Honorable Kevin W. Eide
Judge of District Court
Carver County District Court
604 East Fourth Street
Chaska, MN 55318

**Re: Estate of Prince Rogers Nelson
Court File No. 10-PR-16-46**

Dear Judge Eide:

Please take this correspondence as a supplemental submission with regard to the Personal Representative's Motion to Approve Rescission of Exclusive Distribution and License Agreement.

I want to clarify what could be an ambiguous reference in the June 26, 2017 correspondence from Universal Music Group's counsel, Scott Edelman. On page two of the correspondence, Mr. Edelman defines the "Opposing Parties" in the same sentence in which it references my client, Omarr Baker. The reference is only to Londell McMillan and the heirs he currently advises.

Mr. Baker does not oppose the Personal Representative's well-grounded motion, as further supported by the detailed letter of Mr. Edelman. Mr. Baker's only concern is that any order by the Court not limit the ability of the Estate to seek accountability for the substantial and ongoing damages caused by entering into the ill-fated Exclusive Distribution and License Agreement dated January 31, 2017 between the Estate and NPG Records, Inc. and UMG (the "UMG Agreement"). This damage, in addition to the substantial fees and commissions already paid, has been recognized by numerous industry leaders, as reported by Ben Sisario of the New York Times on June 25, 2017 (copy attached).

Respectfully submitted,

COZEN O'CONNOR

By:  Steven H. Silton

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The New York Times <https://nyti.ms/2t6Hz33>

MUSIC

Disputes Over Prince's Estate Throw the Future of His Vault Into Question

By BEN SISARIO JUNE 25, 2017

Will fans ever get to hear the full depths of Prince's storied recording vault?

After the musician's death in April 2016, attention focused on the trove of unreleased material that he kept hidden in two storage vaults at Paisley Park, his studio complex outside Minneapolis. Over the years, it has attained near-mythic status, and his associates have reported that it contained hundreds or even thousands of songs. Yet when Prince died — without a will or a plan for the music's release — most of the vault was not even cataloged.

On Friday, a small glimpse of this trove emerged with a reissue of "Purple Rain" by Warner Bros. and NPG, Prince's record company, including a bonus disc of unreleased material.

But a conflict in Prince's estate over a \$31 million deal with Universal for music rights means that much of the vault may not see daylight for months or even years to come. And music industry lawyers say that copyright entanglements may complicate or even prohibit the release of more music; the aborted release of "Deliverance," an EP that the estate sued to block, may be one example of these problems.

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For much of the last year, Prince's estate has been in what the judge overseeing it, Kevin W. Eide of Carver County District Court in Chaska, Minn., called a state of "personal and corporate mayhem."

By early this year, things appeared to be stabilizing, with a string of music deals announced with Universal and others. But the estate was thrown into tumult again when Universal said that it wanted to cancel its deal for Prince's recorded music, which included Prince's later albums, rights to most of the vault and, critically for Universal, a timetable for obtaining American release rights for some of Prince's early hits, after the expiration of existing deals with Warner Bros.

Universal said that it had been "misled and likely defrauded" by representatives of Bremer Trust, the Minnesota bank charged with administering the estate, and demanded its money back. According to Universal, it learned after closing the deal that some of the rights it had paid for conflicted with those held by Warner, through a confidential deal that company signed with Prince in 2014.

Judge Eide has allowed Universal's lawyers to finally view the Warner contract, and the company's response is expected this week. Whatever happens, music executives say, the episode may harm the estate and complicate efforts to make another deal.

"I don't think there's an outcome that is free of cost," said Lisa Alter, a copyright lawyer who is not involved in the case, "and I don't think there's an outcome that is free of some damage to the estate in terms of throwing a cloud over what the rights really are."

Representatives of Universal and Warner declined to comment. In a statement, a spokeswoman for Bremer declined to respond to specific questions but added that the bank had acted in the best interests of the estate and that "all agreements and entertainment contracts were properly reviewed, authorized and approved by the court."

The conflicts in the Prince estate have become the music industry's equivalent of

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allegations of mismanagement and deception on the part of estate representatives, including L. Londell McMillan, a lawyer who once represented Prince and was an adviser to Bremer. (The estate has also been rocked by separate allegations about mismanagement over a tribute concert last October.)

In sealed filings with the court as early as September, the six heirs to the estate — Prince's siblings and half-siblings — raised concerns about the estate's pending deals, according to people who have seen the documents but are not authorized to speak about them. Among those concerns was whether Universal's deal would conflict with the Warner agreement.

"The entertainment agreements negotiated by the advisers are not in the best interests of the estate and for maximizing estate assets," one filing said, according to a copy reviewed by The New York Times, "but instead ensure an extravagant stream of commission payments to the advisers."

In recent filings of his own, Mr. McMillan denied any wrongdoing and said that the Universal contract is valid. Comerica Bank & Trust, which replaced Bremer, has asked the judge to rescind the deal, but would only go so far as to say that it "cannot unequivocally assure" the court that the two contracts do not conflict. Instead, it recommends canceling the deal to avoid litigation.

In a statement, Mr. McMillan said, "I'm fighting to protect Prince's legacy and the deal that's in the best interests of the estate."

For Universal, the most important question is how soon it could get American release rights to Prince's most popular music. "If Universal's numbers were wrong as a result of a release date slipping by as much as two or three years that would make the \$31 million they paid for it uneconomic for them," said Larry Miller, the director of the music business program at the Steinhardt School at New York University, "and it's no surprise they might want to walk away."

Given how prolific Prince was, and how many musicians he collaborated with, it is likely that many tracks in the vault lack thorough contracts about rights. That may

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particularly in light of the Universal conflict, said Steve Winogradsky, a lawyer who is an expert in licensing music for television and films.

“TV and film companies are going to be a little bit leery about acquiring those rights,” Mr. Winogradsky said, “unless they get very, very good representations from the licensing parties that they have all the rights and will indemnify them.”

If Universal’s deal is canceled, those rights are likely to go back on the market, with other large record companies — including the Warner Music Group, the parent of Warner Bros. — the most likely bidders. The collapse of the Universal deal, and the doubt it cast over the rights, may depress the price and result in more stringent protections, music lawyers said. But with an artist as high-profile as Prince, a deal will get done.

“There is a cloud over this set of rights,” said Mr. Miller of N.Y.U. “But clouds pass.”

A version of this article appears in print on June 26, 2017, on Page C1 of the New York edition with the headline: Disputes Over Prince’s Estate Cloud the Future of His Vault.

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8

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