

STATE OF MINNESOTA

DISTRICT COURT

COUNTY OF CARVER

FIRST JUDICIAL DISTRICT
PROBATE DIVISION
Case Type: Special Administration

Court File No.: 10-PR-16-46

In the Matter of:

Estate of Prince Rogers Nelson,

Decedent.**MEMORANDUM OF LAW IN SUPPORT
OF GRAY PLANT MOOTY'S MOTION
FOR APPROVAL OF PAYMENT FROM
THE ESTATE FOR SERVICES THAT
BENEFITTED THE ESTATE AS A
WHOLE**

INTRODUCTION

Gray, Plant, Mooty, Mooty & Bennett P.A. ("GPM") served as counsel of record for Petitioner Tyka Nelson ("Tyka") from the onset of this proceeding until September 27, 2016. During that time and on occasion thereafter, GPM performed a substantial amount of work that benefitted the Estate of Prince Rogers Nelson ("Estate") as a whole, as opposed to Tyka or any other beneficiary individually. Pursuant to Minn. Stat. § 524.3-720, GPM hereby submits this memorandum in support of its Motion for Approval of Payment from the Estate for Services that Benefitted the Estate as a Whole ("Motion").

FACTUAL BACKGROUND

In April 2016, Tyka retained GPM to petition the Court for the appointment of Bremer Trust, National Association ("Bremer Trust"), as Special Administrator of her brother's Estate. (Affidavit of Matthew Shea ("Shea Aff.") ¶ 2.) In her initial petition, Tyka identified herself and her five living siblings and half-siblings (together with Tyka, the "Non-Excluded Heirs") as

interested parties. (April 26, 2016 Petition, Ex. A.) At present, based on information available to GPM, it appears likely the Non-Excluded Heirs will be determined as the legal heirs of the Estate.

GPM served as counsel for Tyka during the first five months of this proceeding. (Shea Aff. ¶ 2.) During that time, an incredible amount of estate administration work was done, and the Special Administrator and the Non-Excluded Heirs worked collaboratively and in good faith to perform that work. (*Id.*)

GPM is a full-service law firm based in Minneapolis, Minnesota. (*Id.* ¶ 3.) GPM has one of the largest and most respected Trust, Estate and Charitable Planning practice groups in the Midwest. (*Id.*) Because of GPM's uniquely deep expertise in estate administration matters, and because the Non-Excluded Heirs were represented by law firms and attorneys whose expertise lay elsewhere, GPM immediately assumed the role of *de facto* lead counsel for the Non-Excluded Heirs on estate administration issues. (*Id.* ¶ 4.)¹ As such, GPM spent a considerable amount of time acting as a liaison between the Special Administrator, the Non-Excluded Heirs, and other interested parties. (*Id.*) In addition, GPM spent a significant amount of time informing and educating the Non-Excluded Heirs and other interested parties on the powers and responsibilities of the Special Administrator, on the complicated nature of the many estate administration tasks to be completed, and on alternative ways those tasks might have been completed in the best interest of the Estate and all of its beneficiaries, whoever they may turn out to be. (*Id.*) At all times, GPM provided these services with civility and professionalism, and

¹ In similar fashion, the Lommen Abdo firm assumed the role of *de facto* lead counsel on entertainment law issues, Frank Wheaton assumed a lead role on certain entertainment industry issues, and Cozen O'Connor assumed a lead role on creditors' rights and related legal issues.

with the intent of fostering unification between and among the Non-Excluded Heirs, the Special Administrator, and the Court. (*Id.*)

Given the unique role played by GPM and the incredible amount of estate administration work to be done during the initial stages of this proceeding, GPM naturally invested a substantial amount of attorney time on issues and undertakings that benefitted the Estate as a whole and all of its beneficiaries, as opposed to Tyka individually. True and accurate copies of invoices related the attorney's fees and costs for which GPM seeks payment from the Estate as part of this Motion are attached as Exhibit A and B to the Affidavit of Matthew Shea, which are being filed under seal.² In sum, GPM seeks a total payment from the Estate of [redacted]. This amount consists of [redacted] in attorney's fees and [redacted] in costs. Representative examples of the type of services for which GPM seeks reimbursement from the Estate, which benefitted the Estate as a whole as opposed to any individual beneficiary, include the following:

1. Advising, educating, and lobbying for passage of a right of publicity statute by the Minnesota Legislature, and providing advice and counsel to interested parties on the import of such legislation;
2. Advising and counseling on asset preservation and revenue generating opportunities available to the Estate, as well as methods for capitalizing on those opportunities, including measures and opportunities related to the Estate's music assets, Paisley Park and other Estate-owned real estate, the Tribute concert, and educational and philanthropic endeavors, among others;

² GPM is filing Exhibits A and B to the Shea Affidavit under seal because they contain sensitive, confidential information and information protected by the attorney-client privilege and work product doctrine. Minn. R. Gen. Prac. 11.06; *see also In re Estate of Thomas D. Riley*, Nobles County No. 56-PR-12-543 (Minn. Dist. Ct. Nov. 15, 2013) (ordering attorney billing records to be filed under seal and preserving any privilege or work-product protections); *ACT South, LLC v. Reco Electric Co.*, 299 P.3d 505, 509-10 (Ok. Civ. Ct. 2012) cert. denied (Ok. Mar. 11, 2013) (affirming order to file billing records under seal); *McClure & O'Farrerell, P.C. v. Grigsby*, 918 N.E.2d 335, 342-43 (In. Ct. App. 2009) (same). Sealing of these papers is particularly appropriate here, given the Court's role supervising the administration and business affairs of an estate as opposed to ruling on a petition arising from litigation in which an adverse party is facing a potential fee judgment.

3. Identifying appropriate advisors to the Estate and participating in a process to identify those advisors;
4. Managing and advising the Estate, its representatives and its advisors to ensure Estate assets were managed in the best interest of the Estate and all of its beneficiaries;
5. Working to ensure the Estate's advisors were compensated fairly, commensurate with the value of their services, and attempting to negotiate an amicable resolution of disputes with certain advisors;
6. Working to determine the rightful heirs of the Estate and an appropriate process for determining those heirs, including genetic testing where appropriate under the Minnesota Probate Code and the Parentage Act;
7. Advocating against the heirship claims of Brianna Nelson, V.N., and others attempting to establish legally unsupportable heirship claims, responding to heirship related discovery requests, and exploring options for resolving heirship related appellate issues as quickly and efficiently as possible;
8. Petitioning for the final determination of heirs;
9. Researching, briefing, and educating the interested parties on alternative options for paying or deferring payment of estate taxes under the Internal Revenue Code;
10. Analyzing asset valuation information in connection with estate tax returns for various entities and interests relevant to the Estate;
11. Coordinating public statements by the Non-Excluded Heirs on issues of general importance to the Estate, including the Tribute, family memorial services, the opening of the Paisley Park Museum, and other matters;
12. Advocating on the right of media to access the Courtroom and Estate related information;
13. Researching and vetting various financial institutions for the role of personal representative, along with researching alternative personal representative arrangements that would provide the heirs of this Estate with an appropriate amount of input on estate administration issues; and
14. Hosting, coordinating, and actively contributing to meetings of various interested parties, including but not limited to the Non-Excluded Heirs, the Special Administrator, their respective counsel and advisors, and the Court.

(See generally Shea Aff. ¶ 5 and Exs. A and B.)

GPM understands it can be difficult for the Court, when presented with a motion like this one, to differentiate between the types of legal services that benefitted the Estate as a whole versus those that benefitted an individual beneficiary. For that reason, GPM took a conservative approach and is not seeking payment from the Estate for services that arguably may have benefitted Tyka individually, as opposed the Estate as a whole. For example, GPM is not seeking payment from the Estate for a substantial amount of time spent corresponding or meeting with Tyka individually, or on working with the Special Administrator on issues specific to Tyka. GPM also is not seeking payment for time spent on matters that may have benefitted Tyka to the exclusion of other heirs or interested parties. Further, GPM is not seeking payment for more than [redacted] worth of attorney time that benefitted the Estate as a whole contributed by Nevin Harwood, a senior attorney at GPM who provided valuable counsel based, in part, on his prior experience providing legal advice to Prince and Paisley Park. (Shea Aff. ¶ 6.)

ARGUMENT

Minnesota law allows for the payment of attorney's fees from the Estate for services rendered on behalf of the Estate where "the services of an attorney for any interested person contribute to the benefit of the estate, as such, as distinguished from the personal benefit of such person." Minn. Stat. § 524.3-720. In such cases, the "attorney shall be paid such compensation from the estate as the court shall deem just and reasonable and commensurate with the benefit to the estate from the recovery so made or from such services." *Id.*; see also *In re Estate of Van Den Boom*, 590 N.W.2d 350, 354 (Minn. Ct. App. 1999) ("Van Den Boom [a remainder beneficiary], as an interested person, acted for the benefit of the estate by keeping a major asset intact. His attorney is entitled to fees.").

The Court considers the following factors to determine whether attorneys' fees sought in a probate proceeding are just and reasonable:

- (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.

Minn. Stat. § 525.515(b).

In its July 29, 2016 fee petition, the Special Administrator aptly recognized “the unique and extraordinary nature of this proceeding and legal work performed on behalf of the Estate. The scope and sophistication required to represent the Estate may be unlike any other estate administration proceeding in Minnesota’s history.” GPM agrees—this Estate is extraordinary, unlike any other in the history of Minnesota. It involves complex legal issues, a unique collection of assets, complex estate tax implications, and a large number of persons claiming to be interested parties. Because of GPM’s efforts during the initial stages of this proceeding, the Estate was administered with guidance from the Non-Excluded Heirs, acting upon the advice of competent counsel with deep estate administration expertise, which ultimately benefitted the Estate as a whole, rather than any individual ultimately determined to be an heir of the Estate.

Tyka did not uniquely or individually benefit from the services provided by GPM that are at issue in this Motion, not only because those services benefitted the Estate as a whole, but also because Tyka has not yet been adjudicated as an heir. In fact, had a will or child of Prince been discovered during the time of GPM’s involvement, or if a will or child is discovered in the future, then GPM’s efforts will have provided no benefit to Tyka whatsoever. And even

