
STATE OF MINNESOTA
COUNTY OF CARVER

DISTRICT COURT
FIRST JUDICIAL DISTRICT
PROBATE DIVISION

In Re: Estate of Prince Rogers Nelson,

Court File No. 10-PR-16-46

Decedent.

**PETITION OF ROC NATION LLC
FOR ALLOWANCE OF CLAIM
AND ADDITIONAL RELIEF**

Roc Nation LLC ("Roc Nation"), for itself and on behalf of its affiliated organizations (collectively, the "Petitioners"), hereby states the following in support of their petition: (i) for allowance of Petitioners' Claim asserted on May 27, 2016; and (ii) to grant Petitioners access to information concerning Bremer Trust, N.A.'s (the "Special Administrator") business dealings in its capacity as Special Administrator.

1. **Claimant's Information.** I am a claimant in this matter. My name and address are:

Roc Nation LLC
c/o Reed Smith LLP
599 Lexington Avenue
New York, New York 10022

2. **Amount of Claim.** The decedent is Prince Rogers Nelson (the "Decedent"). The Decedent's estate (the "Estate") is and/or will become indebted to Petitioners in an amount to be determined at trial.
3. **Nature of Claim.** The nature of the claim is: Written Contract for services and distribution of intellectual property as modified by subsequent writings, course of dealing between the parties and oral understandings and agreements. The nature and extent of the claim is set forth with greater particularity in Petitioners' letter to the Special

Administrator dated May 27, 2016 (the "Notice of Claim") and the letter from my attorney, Rodney J. Mason, Ltd., dated October 21, 2016 that was sent to the Court and filed with the Court on the same date. The Special Administrator emailed to my attorney a Notice of Disallowance of Purported Claim for the claims set forth in the letter of May 27, 2016, the letter to the Special Administrator dated October 17, 2016, and the letter filed with this Court on October 21, 2016. The claim is further set forth in the Statement of Unsecured Claim filed herein on November 7, 2016.

4. **Date of Claim.** The Decedent died on April 21, 2016. The claim arose on or about July 19, 2015, prior to the Decedent's death.
5. **No Security Interest.** The claim is unsecured.
6. **Existence of Contract.** The claim is based on a contract and a course of dealing between the parties. The contract does not include accrual of interest.
7. **Due Date.** The claim will be due and payable at a future date.
8. **Contingencies of Claim.** The claim is not contingent but is unliquidated. The claim is unliquidated because it depends on the value of future services and distribution rights.
9. **Validity of Claim.** Petitioners were known creditors by reason of written contract, a course of dealing between Petitioners and Decedent or entities controlled by Decedent, and a claim was presented as described in Paragraph 3 above.
10. Pursuant to this Court's Register of Actions, the deadline for submitting claims against the Estate was September 10, 2016.

11. As set forth in the Notice of Claim, Petitioners gave written notice of their contractual claims to the Special Administrator no later than May 27, 2016.
12. The Notice of Claim is adequate and sufficient notice of claim within the meaning of Minn. Stat. Sec. 524.3-804, as Petitioners mailed a written statement of their claim to the Special Administrator on May 27, 2016, indicating the basis of the claim.
13. Pursuant to Minn. Stat. Sec 524.3-806, “failure of the personal representative to mail notice to a claimant of action on the claim for two months after the time of original presentation of the claim has expired has the effect of a notice of allowance.” See Minn. Stat. Sec 524.3-806.
14. The Special Administrator did not formally object to the Notice of Claim, by disallowance of the claim or otherwise, within two months of the date of the Notice of Claim, as required under Minn. Stat. Sec 524.3-806.
15. In fact, nearly five (5) months after Petitioners submitted their Notice of Claim, the Special Administrator belatedly attempted to disallow Petitioners’ claim by letter and notice of disallowance dated October 25, 2016 (the “October 25 Letter”).
16. Notably, the October 25 Letter from counsel for the Special Administrator implicitly acknowledged that Petitioners had made claims against the Estate on May 27, 2016, October 17, 2016 and October 21, 2016. Thus, at the very least, the letter dated May 27, 2016 which underlies the Notice of Claim was timely and received by the Special Administrator.

17. On November 7, 2016, Petitioners filed their Statement of Unsecured Claim, setting forth, among other things, the nature and status of Petitioners' claim.
18. Pursuant to the October 25 Letter, Petitioners' claim will be barred unless a petition for allowance is filed with the Court or Petitioners commence a proceeding against the Special Administrator not later than two months after the mailing of the notice.
19. Petitioners now timely bring this petition pursuant to Minn. Stat. Sec 524.3-806, and respectfully request that this Court declare the allowance of Petitioners' claim.
20. **Claim Already Allowed As a Matter of Law.** The Special Administrator's failure to timely disallow the claim for which Petitioners gave notice by letter dated May 27, 2016 had the legal effect of an allowance of the claim pursuant to Minnesota Statutes, Section 524.3-806, subject to Petition for Disallowance of Claim Previously Allowed. In any event, Petitioners were known creditors for purposes of giving notice and did not receive notice. In the alternative, Petitioners should be given leave to make a late claim on the grounds that there will be no prejudice to the Estate and indeed a benefit to the Estate by reason of permitting Petitioners' claim, as well as because leave to file a late claim is to be freely granted.
21. **Further Particulars of Petitioners' Claim.** Petitioners' claim concerns musical assets previously controlled and owned by entities associated with the Decedent and now purportedly controlled by the Estate (the "Musical Assets").
22. At the heart of Petitioners' claim is their contractual rights relating to Petitioners' streaming, distribution, exploitation and other rights in connection with the Musical

Assets. Petitioners' rights, in part, resulted from Decedent's business relationship with TIDAL, the artist-owned streaming service started by Shawn Carter, professionally known as Jay-Z.

23. In July 2015, in anticipation of a forthcoming exclusive streaming relationship between TIDAL and Decedent, Petitioners and Decedent (and his respective licensing entities) entered into an Equity Term Sheet ("Equity Term Sheet"), setting forth preliminary terms governing the relationship between the relevant parties.
24. Pursuant to the Equity Term Sheet, Decedent committed to granting TIDAL worldwide digital streaming rights (interactive and non-interactive) to certain committed content consisting of Decedent's next two (2) newly recorded and previously unreleased full-length studio albums (and the associated videos and singles) (each an "Artist Album" and collectively, the "Committed Content"), and to providing such Committed Content within five years.
25. The Decedent also agreed to cause NPG Music Publishing, Decedent's publishing designee, to license to Petitioners the music publishing rights, for streaming and other authorized exploitations on TIDAL, including the Committed Content.
26. Further, pursuant to the Equity Term Sheet, the parties anticipated an "exclusivity period" whereby each Artist Album would stream exclusively on TIDAL for a period of ninety days. During this period, each Artist Album would not be available to or accessible by the public in any format or by any distribution method except through streaming on TIDAL.

27. Importantly, Decedent agreed that from the date of the Equity Term Sheet until its termination or for a period of five years, Decedent would not approve, assent, consent to or grant to any digital music service anywhere in the world other than Petitioner, exclusive rights with respect to Decedent's music or music-related audiovisual content or (ii) the right to use of Decedent's name and/or likeness to promote, advertise or market such other digital music service." The Equity Term Sheet defined "digital music service" to mean:

Any entity, platform or online service that allows users to stream (interactive or non-interactive) or download (tethered or permanent) music or music-related audiovisual content or in any way manner listen to music or view music-related audiovisual content, whether using technology now known or hereafter devised, regardless of streaming protocol, file format or receiving device, but excluding the digital transmission of a terrestrial radio broadcast by the originating broadcaster. Without limiting the preceding sentence, "digital music service" shall include, without limitation, iTunes, Apple Music, Spotify, Google Play, Rdio, Deezer, Rhapsody and Amazon Music.

28. The Equity Term Sheet also contemplated a relationship between Decedent (for himself and entities associated with Decedent) and TIDAL that included activities outside of streaming albums on TIDAL.
29. In exchange for the rights granted to Petitioners under the Equity Term Sheet, Mr. Nelson was to receive, among other things, an advance payment as well as streaming royalties.
30. In addition to the Equity Term Sheet, Decedent entered into various agreements to further memorialize Decedent's exclusive relationship with Petitioners and TIDAL, including, but not limited to, an exclusive worldwide distribution agreement between Petitioners' licensors, Aspiro AB as assignee of WiMP Music AS and NPG Records, Inc. ("NR") and

NPG Music Publishing, LLC ("NPG Music Publishing"), (together with NR, "NPG"), dated August 1, 2015 (as thereafter amended, the "Distribution Agreement").

31. The Distribution Agreement provides that its term is the longer of three years or full recoupment of monies advanced under the Distribution Agreement. As neither of these milestones has yet occurred, the Distribution Agreement remains in full force and effect.
32. When read together, the Equity Term Sheet and the Distribution Agreement set forth the terms on which Decedent and NPG (and other applicable parties acting on Decedent and NPG's behalves) conveyed to Petitioners a contractual right to, among other things:
 - Exclusively stream the Decedent's two-phased album "HITnRUN" (the "First Album") and one additional newly recorded and previously unreleased full-length studio album (and the associated videos and singles) (the "Second Album") for a period of ninety (90) days each;
 - Exploit the First Album and the Second Album (and related artwork) in any and all media (including without limitation, all physical and digital rights);
 - On a non-exclusive basis, to digitally stream the First Album and the Second Album after the ninety day exclusivity period; and
 - The exclusive right to remix the second phase of the First Album.
33. Petitioners also have the right to exclusively stream the Decedent's entire catalogue of music, with certain limited exceptions, on the TIDAL streaming service pursuant to subsequent agreements and a course of dealing between the parties.
34. Additionally, the Distribution Agreement provides that any and all exploitations of the First Album (including the masters, artwork, advertising, marketing, promotion and all related budgets) other than via TIDAL's streaming service, will require mutual approval by NR and TIDAL.

35. Petitioners have an interest in the Estate because the Estate now purportedly holds and controls the Musical Assets and rights related thereto to which Petitioners possess contractual and other rights. As such, Petitioners are “interested persons” within the meaning of Minnesota Law Section 524.1.
36. **Additional Relief Requested.** In addition to allowance of their claim, Petitioners also seek relief on the basis that the Special Administrator is not following the procedures and protocols established by the Court by prior Order.
37. By Order dated April 27, 2016 (the “Appointment Order”), this Court formally appointed Bremer Trust, National Association as the Special Administrator of the Estate.
38. By operation of Minn. Stat. § 524.3-617 and this Court’s Letters of Special Administration dated April 27, 2016, the Special Administrator has the limited authority to “manage and supervise the Decedent’s assets and determine the identity of the Decedent’s heirs. The appointment shall continue for the lesser of 6 months or until a Petition for General Administration is filed and Personal Representative is appointed.”
39. Furthermore, Minnesota’s Probate Code extends authority to Special Administrators to act reasonably for the benefit of the interested persons by performing Decedent’s enforceable contracts disposing of assets, and effecting fair and reasonable compromises. See Minn. Stat. § 524.3-715.
40. By Order dated October 25, 2016, this Court extended the appointment of Special Administrator until January 2, 2017 (the “Extension Order”). Notably, the Extension

Order only extended the term of the Special Administrator's appointment but did not expand the authority of the Special Administrator.

41. By Order dated August 30, 2016 (the "Protocol Order"), this Court adopted a modified protocol that further limited the manner in which the Special Administrator could enter into confidential business agreements that would sell (or "exploit" as that term is commonly understood in the music industry) any asset of the Estate for more than \$50,000.

42. The Protocol Order states in relevant part:

1. The Special Administrator will provide reasonable notice during the normal course of business under the circumstances of any such proposed agreement, which the Special Administrator expects to be a) 24 hours for any agreement more than \$50,000 but less than \$100,000, or with a term of less than 100 days ("Minor Deal"); and b) no less than 48 hours for any agreement \$100,000 or more, or with a term of more than 100 days ("Major Deal"). However, "reasonable notice" may be more or less than this expected amount of time.

2. Before entering into any such proposed agreement, the Special Administrator will provide a copy of the proposed agreement to attorneys for potential heirs on an attorneys' eyes only basis in accordance with the time periods set forth in Paragraph 1 or as soon as practicable.

43. Thus, the Special Administrator is required to submit to the heirs of the Estate any and all proposed agreements purporting to exploit, for example, any of the Musical Assets.

44. As widely disseminated by the media, the Special Administrator has recently entered into a distribution agreement with Universal Music Publishing Group related to, among other things, the exploitation of Decedent's Musical Assets (the "UMPG Deal").

