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Carver County, MN

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June 30, 2017

The Honorable Kevin W. Eide
Judge of the District Court
Carver County Justice Center
604 East 4th Street
Chaska, MN 55318

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

Dear Judge Eide:

On behalf of UMG Recordings, Inc., attached please find correspondence from attorney Scott Edelman, admitted *pro hac vice.*

Please do not hesitate to contact me if you have any questions.

Best regards,

MORRISON SUND PLLC

/s/ Ryan R. Dreyer

Ryan R. Dreyer

RRD/kjw
Enclosures

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June 30, 2017

VIA E-FILE

The Honorable Kevin W. Eide
Judge of the District Court
Carver County Justice Center
604 East 4th Street
Chaska, MN 55318

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

Dear Judge Eide:

We write on behalf of UMG Recordings, Inc. ("UMG") in response to the June 28, 2017 letters filed by Sharon Nelson, Norrine Nelson, and John Nelson (the "Nelson Heirs") and L. Londell McMillan. It will not serve the Court or the parties for UMG to engage with the various arguments about the interpretation of the contracts that the Nelson Heirs and Mr. McMillan have rehashed in their letters—indeed, UMG and the Personal Representative have heard and considered these arguments in reaching their agreement on rescission, and UMG has considered them again during its thorough review of the 2014 WBR Agreement, as set forth in my June 26, 2017 letter to the Court. More fundamentally, however, this Court is not in a position to assess the interpretation of either the UMG Agreement or the 2014 WBR Agreement through a stream of seriatim, piecemeal correspondence from the parties. Nor is this the proper forum for such an interpretation in the first instance, [redacted]. To the extent UMG and the Estate become engaged in litigation over the meaning of the UMG Agreement and the misrepresentations made to UMG in connection with the negotiation and execution of that agreement, [redacted]. Ultimately, what stands out among the noise and distraction created by these opposing parties is that rescission remains in the best interests of the Estate and UMG, and will avoid the prolonged and costly litigation that UMG will otherwise bring, the outcome of which UMG is confident will be rescission in any event, as well as significant additional damages and attorneys' fees.

Nevertheless, UMG is compelled to respond to three specific misstatements (including two outright misrepresentations) made by Mr. McMillan and the Nelson Heirs in their latest letters: first, that an August 31, 2016 email exchange between Mr. McMillan and UMG's General Counsel and Executive Vice President, Jeff Harleston, shows [redacted]; second, that

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UMG bargained for and knew it was receiving "cloudy" rights, and that Section 1.8 of the UMG Agreement is relevant to resolving this dispute; and third, that any party did not have a sufficient opportunity to be heard by UMG before UMG submitted its June 26 letter to the Court. None of these contentions has merit.

First, Mr. McMillan and his allies' reliance on his August 31, 2016 correspondence with Mr. Harleston has become so disingenuous and misleading as to constitute a knowing misrepresentation to this Court. That correspondence related to a question about [redacted]—not to the distinct question in the current dispute about [redacted]. Mr. McMillan surely knows this, yet he has persisted in attempting to distort this conversation into one that informs the current dispute, which it does not. That the August 31 email relates to [redacted] is clear from the next sentence in that very email, in which Mr. Harleston asks, [redacted] *See* June 28, 2017 N. Dahl Ltr (Exh. B) (emphasis added).

Two other documents (attached to this letter) confirm that the parties were at this earlier point in the negotiation discussing [redacted]: first, following a phone call with Mr. McMillan, Mr. Harleston sent an unprivileged email on August 27, 2016 to UMG colleagues in which he reported that [redacted] *See* Exh. A (emphasis in original). Then, on September 8, 2016, Mr. Harleston sent Mr. McMillan a letter proposal regarding a deal between the Estate and UMG in which he confirmed [redacted] *See* Exh. B (emphasis added). This question about [redacted] is entirely separate and apart from the current dispute stemming from WBR's claim of conflicting rights, and is irrelevant to the question of whether Mr. McMillan and the Estate's prior representatives misrepresented whether UMG would hold clean, exclusive title in [redacted]. Mr. McMillan's representation on October 31, 2016—that [redacted]—remains the relevant correspondence on this point. *See* May 17, 2017 Cassioppi Decl., Exh. B (Oct. 31, 2016 McMillan Email).

Second, Mr. McMillan and the Nelson Heirs argue that UMG knew it was getting "cloudy" rights, with Mr. McMillan arguing that UMG "did not bargain for . . . a guarantee" that its rights would not be challenged. *See* June 28, 2017 A. Silver Ltr, p. 2; June 28, 2017 N. Dahl Ltr, p. 3. But UMG did in fact bargain for specific guarantees to ensure that no conflict like the one at the center of the current dispute existed, with the Estate representing and warrantying that it [redacted]

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[redacted] *See* May 17, 2017 Cassioppi Decl., Exh. C (UMG Agreement), ¶ 15.1(iv), (v) (emphases added). These representations were knowingly false when made to UMG, and the Estate is in breach of them due to the knowledge that the Estate's prior representatives (including Mr. McMillan) had but never disclosed to UMG. The solution to the fraudulent inclusion of these knowingly false-when-made guarantees is not to look to Section 1.8 of the UMG Agreement, as Mr. McMillan and the Nelson Heirs erroneously argue. [redacted]. *Id.*, ¶ 18.3.

Third, the Nelson Heirs claim they had "limited opportunity to engage UMG," apparently objecting that they had "only one" phone conference with UMG, on June 22. *See* June 28, 2017 N. Dahl Ltr, p. 1. It is unclear what additional time the Nelson Heirs believe they required with UMG to set forth their position regarding the conflict between the UMG Agreement and the 2014 WBR Agreement, but if the Nelson Heirs or their counsel felt that phone conference (which lasted over an hour) was insufficient to engage with UMG, they never expressed that sentiment to UMG on that call or at any other time. At the conclusion of that conference call, I asked if anyone wished to make any additional comments, and no party (including the Nelson Heirs and Mr. McMillan) stated that they had anything else to add. In addition, Mr. McMillan had two separate phone conversations with UMG's Senior Vice President, Head of Litigation, Alasdair McMullan, on or about June 14 and June 19, during which Mr. McMillan made his arguments as to why he believes there is no conflict between the UMG and WBR agreements. Indeed, and as I stated in my June 26 letter to the Court, UMG provided every opportunity for any party to present their arguments, comments, or questions so that UMG could consider each and every position in analyzing the 2014 WBR Agreement. Nevertheless, the Nelson Heirs now inaccurately claim that they did not have a full opportunity to do so, despite never attempting to engage in any additional discussion on the June 22 call or otherwise. Any suggestion that UMG has not provided the parties ample opportunity to present each and every argument in support of their position is false.

Finally, the Nelson heirs appear to claim that Mr. McMillan is due some measure of deference due to his familiarity with Prince, the music industry, and the UMG and WBR Agreements. But Mr. McMillan is not in a position to play an impartial role with respect to the interpretation of the agreements—indeed, he is attempting to protect the lucrative commission he earned when the UMG Agreement was signed. *See* June 6, 2017 McMillan Mem. in Response to Mot. To Approve Rescission, pp. 29-32. Mr. McMillan's efforts to hold himself out as a credible and neutral arbiter of the agreements are undercut by his core conflict of

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interest and say-anything efforts at self-preservation.[1] Moreover, Mr. McMillan's insistence—despite his lack of authority to speak for the Estate—that the Estate and UMG can and will reach a business resolution in the absence of rescission is fanciful and wrong.[2] As noted in the Personal Representative's Motion to approve the Rescission Agreement, the Estate has already made proposals, and UMG has rejected them. As UMG has repeatedly stated, it will file suit for rescission and other relief if rescission is not accomplished in this forum through the pending Motion.

The June 28 letters from Mr. McMillan and the Nelson Heirs (which were not invited by the Court's June 15, 2017 Order) should be seen for what they are: last-ditch efforts by Mr. McMillan and those he advises to protect Mr. McMillan's commission and defend against what has become increasingly clear are his misrepresentations to UMG in connection with the UMG Agreement. For the reasons set forth herein and more fully in UMG's June 26, 2017 letter to the Court, UMG respectfully requests that the Court grant the Personal Representative's Motion and approve the Rescission Agreement, which remains in the best interests of UMG and the Estate.

Sincerely,

Scott A. Edelman

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[1] It has become increasingly clear that Mr. McMillan, who parted company with Prince years ago, is not acting in the best interests of the Estate (for which he has no authority to speak) but rather for himself. *See, e.g.*, Daniel Kreps, "Jay-Z Lashes Out at Prince Estate on '4:44' Song 'Caught Their Eye,'" *Rolling Stone* (June 30, 2017), available at http://www.rollingstone.com/music/news/jay-z-lashes-out-at-prince-estate-on-caught-their-eye-w490543 (reporting on new Jay Z track accusing Mr. McMillan of violating Prince's wishes: "Now, Londell McMillan, he must be color blind / They only see green from them purple eyes").

[2] Despite my repeated requests in writing and orally to his counsel, Mr. McMillan has persisted in contacting UMG executives directly and without authorization or advance notice. As a member of the New York bar, Mr. McMillan is prohibited from unauthorized *ex parte* communications with a party represented by counsel absent reasonable advance notice to the represented party's counsel, but Mr. McMillan has refused to discontinue his inappropriate communications. *See* Rules of Professional Conduct, New York State Unified Court System, ¶ 4.2(c) ("A lawyer who is acting pro se or is represented by counsel in a matter is subject to paragraph (a),"—which prohibits communication with a represented party absent authorization—and may only "communicate with a represented person . . . provided the lawyer or the lawyer's counsel gives reasonable advance notice to the represented person's counsel . . . ."). Moreover, in Mr. McMillan's unsolicited communications to UMG executives, he referenced and attempted to explain provisions of the 2014 WBR Agreement, which those executives have not been authorized to receive, and in so doing, he has violated this Court's June 15, 2017 Order and the 2014 WBR Agreement's confidentiality clause.

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EXHIBIT A

REDACTED

From: Harleston, Jeff
To: Muir, Boyd; Anthony, Michele
Subject: My Call With Londell
Date: Saturday, August 27, 2016 9:25:10 PM

Uneventful. Although he suggested the time, he was a bit rushed. Didn't want to have a substantive call. Will wait to hear from me Monday. [redacted]

Sent from my iPad

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EXHIBIT B

FILED ENTIRELY

UNDER SEAL