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October 30, 2017

VIA EFS

The Honorable Kevin 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:

I write in response to the letter sent to the Court by Comerica Bank & Trust, N.A.'s ("Comerica") counsel on Friday. Comerica requests that the Court circumvent the statutory cease and desist period triggered by Petitioner's Petition to Permanently Remove Comerica Bank & Trust, N.A. as Personal Representative ("Petition"). Under Minn. Stat. § 524.3-611(a), Comerica may take no action "except to account, to correct maladministration or preserve the estate" until a decision is reached on the Petition.

Comerica argues that the Court should allow continued administration of the Estate during the pendency of this Petition, but its reliance on Minn. Stat. § 524.3-607 is misplaced. Section 524.3-607 does not provide a work around to the cease and desist period under Minn. Stat. § 524.3-611, but rather provides authority to further restrain the personal representative if the actions it would take to "account, to correct maladministration or preserve the estate" would serve to further jeopardize the estate. Nonetheless, Petitioners do not argue that Comerica should be completely restrained from taking action at this time. However, they request that the Court provide clear direction to Comerica on the scope of its authority and the necessity of communication with the Heirs.

In its letter, Comerica lists six tasks in which it argues that restriction on Comerica will inflict harm on the Estate. Petitioners disagree with this analysis and take issue with several of the claimed tasks. First, one of the major problems with Comerica's service as the personal representative is its lack of communication with the Heirs. At this time, the Petitioners are unaware of the "five major entertainment transactions" mentioned in Comerica's letter. If these are "major transactions," Comerica has been ordered by this Court to provide details to the Heirs at least

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fourteen days in advance of any such transaction. The existence of at least five major deals, some or all of which Petitioners are unaware, highlights the need for restraint on Comerica, since it has not been providing the Court ordered communication necessary for Petitioners to have a voice in those transactions. Moreover, Comerica should immediately divulge the nature of those “major transactions” to the Heirs so that the veracity of this claim can be tested.

Similarly, Comerica has demonstrated that it does not have the depth of experience to administer this type of estate. Consequently, it should not be making decisions on licensing requests or negotiating amendments to material agreements until this matter is resolved. It also should not be making decisions when it is being advised by Troy Carter, who has an irreconcilable conflict of interest with the Estate. It is also Petitioners’ understanding that the “routine licensing decisions” are administered by a third-party with exclusive worldwide administration rights. Since those decisions are being handled by the third-party, with approvals submitted to Comerica, there is no reason that the third-party cannot make licensing decisions within a certain financial range without Comerica’s approval. However, any proposed transaction that reaches the \$2 million threshold from the Court’s March 22, 2017 Order should be communicated to the Heirs for consideration before any agreement is reached. Also, the third-party may not approve any alcoholic licensing requests or requests that would be considered lewd.

While Petitioners want Comerica restrained until the Court can reach a decision on the Petition, they agree that certain actions to protect the Estate are still appropriate at this time. For example, Petitioners agree that managing the Estate’s real property, monitoring and protecting the Estate’s intellectual property, and making non-settlement decisions for the Estate in active litigation and arbitration are permissible during a cease and desist period under Minn. Stat. § 524.3-611(a). However, removal of any media assets from Paisley Park is not the type of conduct permitted during the cease and desist period. Petitioners request that the Court provide clear direction to Comerica that it is not permitted to remove any further recording from Paisley Park until the Court reaches a decision on this Petition.

Ultimately, the complained of “urgent tasks” are merely a smokescreen. There is no emergency that should override the statutory cease and desist period which serves to protect the Estate in this type of situation. Petitioners look forward to the telephonic conference with the Court. They are also happy to submit any additional briefing the Court desires.

Sincerely,
SKOLNICK & JOYCE, P.A.



William R. Skolnick

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Cc: Clients (via Email)

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,

**ORDER RESTRICTING COMERICA
BANK & TRUST, N.A.'S ADMINISTRATION
OF THE ESTATE**

Decedent.

The above-entitled matter came before the Court on _____, 2017, by telephonic conference, on Comerica Bank & Trust, N.A.'s ("Comerica") October 27, 2017 motion to authorize Comerica's continued administration of the Estate of Prince Rogers Nelson ("Estate"). James J. Cassioppi appeared on behalf of Comerica. William R. Skolnick and Samuel M. Johnson appeared on behalf of Petitioners Sharon Nelson, Norrine Nelson, and John Nelson.

On October 27, 2017, Petitioners filed a Petition to Permanently Remove Comerica Bank & Trust, N.A. as Personal Representative ("Petition"). The filing of that Petition triggers an automatic restraint on Comerica's authority to take certain actions in order to prevent harm to the Estate. Minn. Stat. § 524.3-611(a). Specifically, until the Court rules on the Petition Comerica may not act except to "account, correct maladministration or preserve the estate." *Id.* In its letter, Comerica acknowledges this restraint but argues that Minn. Stat. § 524.3-611 authorizes the Court to enter an Order permitting a broader scope of authority under Minn. Stat. § 524.3-607.

Minn. Stat. § 524.3-607's authorizes the Court to enter temporary restraining orders to,

“restrain a personal representative from performing specified acts of administration, disbursement, or distribution, or exercise of any powers or discharge of any duties of office, or make any other order to secure proper performance of a duty, if it appears to the court that the personal representative otherwise may take some action which would jeopardize unreasonably the interest of the applicant or of some other interested person.”

When read in conjunction with Minn. Stat. § 524.3-611, section 524.3-607 serves to provide further restriction on action, or more targeted restriction, than section 524.3-611. Here, in addition to the broad restriction of Comerica’s authority under Minn. Stat. § 524.3-611, more specific restriction may be necessary.

Comerica claims that there are six major tasks of which restraint under Minn. Stat. § 524.3-611 would cause harm to the Estate: “(1) analyzing and negotiating at least five major entertainment transactions; (2) representing the Estate in active litigation in state and federal court in Minnesota (including on appeal), federal court in Rhode Island, and in an arbitration; (3) negotiating an amendment to a current material agreement; (4) managing the Estate’s real property (including working with the insurance company to repair the Turks & Caicos property); (5) reviewing and approving/denying licensing requests on a weekly or more frequent basis; and (6) monitoring and protecting the Estate’s intellectual property rights.”

Petitioners allege that Comerica has been involved in negotiating major entertainment transactions without the required communication under this Court’s March 22, 2017 Order. Petitioners’ letter to the Court indicates that they are unaware of the five major transactions that are being negotiated. This suggests that Comerica has failed to communicate with the Heirs as required by the Court. Since the Heirs are to have a voice, and the ability to object to major transactions, the Court finds no reason to deviate from the statutorily presumed restraint in Minn. Stat. § 524.3-611(a). Further, Comerica must immediately disclose to the Heirs the substance of the alleged five major entertainment transactions. If all six Heirs agree on the terms of a

transaction, and the terms of the transaction are submitted to the Court, the Court will consider future modifications of this Order to permit Comerica limited authority to act. Similarly, the Court orders the terms of the “amendment to a current material agreement” disclosed to the Heirs so that they may make similar determinations.

With respect to Comerica’s concern that licensing requests will have to be approved/denied during the pendency of the Petition, it is the Court’s understanding that a third-party already has exclusive-worldwide administration rights on licensing requests, subject to the Estate’s approval. Under the terms of the Court’s March 22, 2017 Order, transactions in excess of \$2 million already require communication to the Heirs. Given the third-party’s experience with these types of licensing decisions, the Court orders that until this Petition is decided, the third-party may begin making licensing approval/denial decisions, without the Estate’s approval, for transactions between \$ _____ and \$2 million. Proposed transactions below the \$ _____ threshold will be automatically denied at this time.

Comerica claims that its authority to manage the Estate’s real property, participate in litigation and arbitration, and protect the Estate’s intellectual property should not be restrained. The Petitioners and the Court agree that full restraint in these areas would be potentially harmful to the Estate. The Court finds that maintaining the Estate’s real property and protecting the Estate’s intellectual property are acts within the realm of “preserving the estate” and thus Comerica may continue to make decisions in these areas. Additionally, Comerica may make decisions related to litigation and arbitration at this time, but it may not negotiate or settle any cases without communicating those terms to the Heirs and obtaining Court approval.

Finally, the Petitioners expressed serious concern with the ongoing transfer of Estate recordings to Iron Mountain in Los Angeles. The Court does not believe that any transfer of

Estate property to Iron Mountain is appropriate at this stage of the matter. Therefore, Comerica may not permit any recordings to be taken from Paisley Park until further order of the Court.

ORDER

1. During the pendency of this Petition, pursuant to Minn. Stat. § 524.3-611(a), Comerica may only act to account, to correct maladministration, or to preserve the Estate, except as noted in this Order.
2. Within the specific matters raised by Comerica, it is authorized to continue to manage the Estate's real property, monitor and protect the Estate's intellectual property, and to make non-settlement decisions for the Estate regarding active litigation and arbitration.
3. Given Petitioners' concerns with removal of the Estate's recordings, Comerica is prohibited from removing anything from Paisley Park during the pendency of this motion.

Dated: _____, 2017

Kevin W. Eide
Judge of District Court