

STATE OF MINNESOTA

DISTRICT COURT

COUNTY OF CARVER

FIRST JUDICIAL DISTRICT
PROBATE DIVISION

In the Matter of:

Court File No. 10-PR-16-46

Judge Kevin W. Eide

Estate of Prince Rogers Nelson,

Decedent.

**COMERICA BANK & TRUST, N.A.'S
PETITION FOR FEES AND COSTS
FOR FEBRUARY 2019 THROUGH
JANUARY 2020**

INTRODUCTION

Comerica Bank & Trust, N.A. (the “Personal Representative”), as the Personal Representative of the Estate (the “Estate”) of Prince Rogers Nelson, respectfully submits this petition, and accompanying proposed order, seeking approval of procedures related to its fees and costs—and those of its legal counsel—for February 2019 through January 2020. As further described below—and although it does not believe the activities of the Estate will decrease—in an effort to reduce overall Estate expenses, the Personal Representative proposes to reduce its provisional monthly fee during the upcoming year. Such compensation—as well as the fees and expenses of the Personal Representative’s legal counsel—would remain subject to the existing review and approval protocols set forth in this Court’s March 22, 2017 and September 7, 2018 Orders.

BACKGROUND

The Personal Representative was appointed personal representative of the Estate, effective February 1, 2017. On March 22, 2017, the Court entered the Order Regarding Application of Existing Orders and Protocols to the Personal Representative. On September 7, 2018, the Court entered an Order Regarding the Personal Representative’s Fees and Costs for

February 2018 through January 2019 extending the March 22 protocols (collectively, the “Fee Orders”). The Fee Orders provide various guidelines and protocols for the Personal Representative in this matter, including the following with respect to fees and costs of the Personal Representative and its legal counsel:

- For the time period of February 1, 2017 through January 31, 2019, the Personal Representative was entitled to receive compensation of \$125,000 per month, plus expenses. (Mar. 22, 2017 Order ¶ 5; Sept. 7, 2018 Order ¶ 1.)
- The Personal Representative shall petition the Court regarding the amount of its compensation for the time period from February 1, 2019 through “such future date as is appropriate, based on the then anticipated needs and activities of the Estate.” (Sept. 7, 2018 Order ¶ 1.)
- The Personal Representative is authorized to pay legal counsel’s fees and expenses as invoices are submitted and without advance approval, but subject to the review and approval process set forth in paragraph seven of the order. (*Id.* at ¶ 3.)

Consistent with the Fee Orders, the Personal Representative and its legal counsel have filed fee affidavits every four months beginning June 2017, and are simultaneously with this petition filing fee affidavits covering fees and expenses from October 1, 2018 through January 31, 2019. To date, the Court has approved the fees submitted by the Personal Representative and it has approved the fees submitted by the Personal Representative’s legal counsel, with only three minor reductions.

The Personal Representative’s second year serving as personal representative ended on January 31, 2019. Accordingly, and pursuant to the Fee Orders, the Personal Representative

makes the below petition regarding its fees and costs for the next year, from February 1, 2019 through January 31, 2020.

PETITION

Effective with the commencement of the third year of its administration of the Estate, on February 1, 2019, the Personal Representative has determined that it is willing to reduce its provisional fee rate from \$125,000 to \$110,000 per month. The Personal Representative has evaluated the status of the Estate as it enters its third year of administration and has determined that it is willing to accommodate this reduction for reasons including: (1) the Personal Representative is now able to more effectively and efficiently delegate internally and within the broader estate team, so it anticipates a slight reduction in time required; (2) the Personal Representative has acquired considerable knowledge during the past two years administering the Estate—including an in-depth understanding of the various Estate contracts and their interplay, as well as the individual personalities and preferences in communications with the Heirs—such that the Personal Representative has gained efficiencies in evaluating opportunities for the Estate; and (3) the decrease in litigation initiated by the Heirs during recent months.

While efficiencies have been gained, the overall risk of administering an estate of this complexity remains significant, as do the time demands of this Estate and its complex array of assets and deals. The Personal Representative continues to devote significant time and resources to the Estate, including two more-than-full time trust officers and hundreds of hours of time spent by other employees from the Personal Representative's legal and trust departments. As demonstrated by the Personal Representative's recent time reports, the \$125,000 monthly fee has continued to be less than the Personal Representative would have charged had it billed the Estate pursuant to its standard fee schedule. (*See* Dec. 17, 2018 Declaration of Andrea Bruce ¶ 5.)

Accordingly, the Personal Representative proposes that from February 1, 2019 through January 31, 2020, the Personal Representative be provisionally entitled to receive compensation at the rate of \$110,000 per month, plus reimbursement for expenses incurred in connection with administration of the Estate. Consistent with the March 22 Order, the Personal Representative will continue to submit its compensation and expense reimbursements for review to the Court every four months (*i.e.*, on June 30, 2019¹ for compensation and expense reimbursements for February 1, 2019 through May 31, 2019) and the Heirs would have 14 days after service to submit written objections. The Court would then consider all supporting submissions made by the Personal Representative and would order the Personal Representative to reimburse the Estate in an amount that it determines to be reasonable and appropriate, if the Court believes that there was an overpayment of fees or expenses to the Personal Representative. The Personal Representative proposes that the same process—as set forth in the Fee Orders—would also continue to apply to the fees and expenses of its legal counsel.

The Personal Representative believes this proposal is fair and reasonable, including because: (a) the Personal Representative is offering to reduce its fees, despite its underpayment, based on its standard fee schedule, for services actually provided over the last two years; and (b) the regular fee affidavit and review process not only allows for Court oversight, but also allows parties to request amendments to the fee as appropriate based on developments in the Estate.

¹ The Personal Representative requests that the Court set the deadline for each four-month fee submissions at the end of the following month, rather than the 15th of the following month, to allow more time for the preparation, review, approval, and subsequent redaction of the last month's invoice.

CONCLUSION

For the reasons set forth herein, the Personal Representative respectfully requests that the Court enter the accompanying proposed order regarding the fees and costs of the Personal Representative and its legal counsel for the next year.

Dated: February 15, 2019

/s/ Joseph J. Cassioppi

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