

STATE OF MINNESOTA
COUNTY OF CARVER

DISTRICT COURT
FIRST JUDICIAL DISTRICT
PROBATE DIVISION
Case Type: Special Administration

In the Matter of:

Court File No. 10-PR-16-46

Estate of Prince Rogers Nelson,

Decedent,

and

Tyka Nelson,

Petitioner.

**ATTORNEY FEE AFFIDAVIT OF
LAURA E. HALFERTY
IN SUPPORT OF REQUEST TO
APPROVE PAYMENT OF SPECIAL
ADMINISTRATOR'S AND ATTORNEYS'
FEES AND COSTS THROUGH
DECEMBER 31, 2016**

Laura E. Halferty, being first duly sworn upon oath, deposes and says as follows:

1. I am an attorney and a partner in the Tax, Trusts and Estates Division at Stinson Leonard Street, LLP.
2. I make this affidavit in support of the Special Administrator's motion for approval of fees, costs and expenses in the fourth quarter of 2016.
3. Attorneys at Stinson Leonard Street LLP ("SLS") have been employed by the Special Administrator to provide legal services and specialized advice regarding all matters related to the administration of the Estate.
4. Based on my experience, the fee schedule for Bremer Trust, N.A.'s services as Special Administrator is consistent with the rates charged by corporate fiduciaries in and around the Twin Cities metropolitan area with the required experience and sophistication required to administer an estate of this size, nature and complexity. (The fee schedule is attached as Exhibit A to the affidavit of Craig Ordal.)

5. Attached as Exhibit A are the SLS invoices for services rendered from October 1, 2016 through December 31, 2016. The fee total is \$1,596,068.00, and the costs total is \$12,395.68.

- a. In addition to the legal fees incurred by SLS, the following law firms have submitted invoices for payment of services performed on behalf of the Estate that have not yet been approved in previous Court orders:
- b. Fox Rothschild, LLP from October 1, 2016 through December 31, 2016 for services related to tax matters, NPG Music, estate matter, an arbitration matter, and employment tax audit in the amount of \$75,975. (Exhibit B)
- c. Kaye Scholar LLP from June 1, 2016 through December 31, 2016 for services related to copyright litigation and trademark matters in the amount of \$210,626.38. (Exhibit C)
- d. Trevisan & Cuonzo from October 1, 2016 through October 31, 2016 for services related to copyright litigation matters in the amount of \$3,121.71 (converted from 2927.6 euros). (Exhibit D)
- e. Broad and Cassel, P.A. from September 1, 2016 through October 31, 2016 for services related to copyright litigation matters for the Estate in the amount of \$8,066.83. (Exhibit E)
- f. Henson & Efron, P.A. from September 1, 2016 through November 30, 2016 for services related to a pending matter in Hennepin County Family Court in the amount of \$33,149.01. (Exhibit F)

6. I and other SLS attorneys have reviewed the original time entries for the legal fees submitted by SLS and other law firms. I affirm that the work was actually performed for the

benefit of the Estate, was necessary for the proper administration of the Estate, and that the fees are reasonable given (1) the time and labor required, (2) the complexity and novelty of problems involved, and (3) the extent of the responsibilities assumed and the results obtained. Furthermore, our firm's hourly rates and overall charges are especially fair when compared against the fees charged for comparable work for similar firms in other major metropolitan areas.

7. The information above will be shared by SLS and the Special Administrator with counsel to the potential heirs on January 19, 2017 as determined by the Court's Order of October 28, 2016.

8. During the months of October, November, and December, the work of the Special Administrator and its attorneys continued to encompass multiple areas, including the following:

- **Finalization and Implementation of Court-Approved Entertainment Deals:**

The Special Administrator negotiated, finalized, and closed the following entertainment deals approved by the Court: Universal Music Publishing Group (Worldwide Administration Agreement) and related financing documents; Bravado Exclusive Merchandising (Trademark and License Agreement); and Global Music Rights (Performance Rights Organization Agreement) and related financing documents. The Special Administrator also negotiated the remaining entertainment deals approved by the Court, which are close to final. In addition, the Special Administrator has worked closely with its entertainment partners to fulfill the terms of the entertainment deals in numerous respects, including providing the necessary deliverables and approvals to maximize the values of the intellectual property.

- **Estate Administration:** The Special Administrator and its attorneys continued to work on completing a full inventory of Estate assets, accountings of the Estate and its businesses, and valuations and appraisals of those assets. The Special Administrator and its attorneys also continued work on estate tax matters, including the filings due on January 23, 2017 (the 706, 6161, and 6166 tax elections as well as appropriate tax extensions).
- **Disputes in This Probate Matter:** The Special Administrator and its attorneys continued to address multiple court matters in the last few months including motion practice with respect to seeking a modified protocol for confidential business agreements, as well as preparing for and attending multiple hearings and status conferences. Addressing matters with the Court continues to be a significant part of the Special Administrator's work—indeed, there are now more than 1,000 court filings in this matter to date. Court matters also included Mr. Dixon's appeal of the Court's dismissal of his claim in this matter and continued submissions from Claire Boyd. The Special Administrator's work also included responding to new claims and requests to the court, including those by Ms. Ellis-Lamkins and Mr. Cousins.
- **Roc Nation Dispute:** The Special Administrator researched and evaluated Roc Nation's purported claim in the probate matter and took actions to protect the assets and rights of the Estate, including pursuing a federal copyright action to collect damages and injunctive relief and seeking dismissal of Roc Nation's purported claim in the probate matter. This work included a substantial amount of

time seeking documents, including a subpoena and confidentiality negotiations, given Roc Nation's position on confidentiality.

- **Transition:** The Special Administrator worked diligently to meet and communicate with eleven prospective replacement corporate administrators or personal representatives suggested by potential heirs and to coordinate nondisclosure agreements and provide information to those entities. The Special Administrator also worked diligently to prepare for a smooth transition to a personal representative. Because all parties were interested in a transition from a temporary Special Administrator to a permanent corporate personal representative, it was to the benefit of the Estate to make sure that the work done and the knowledge amassed over the previous nine months was properly transferred to the personal representative. Transition efforts are largely segregated into a separate invoice included in Exhibit A.
- **Heirship Issues:** The Special Administrator and its attorneys continued to evaluate and address heirship issues and new claims, both in this Court and at the Minnesota Court of Appeals.
- **Paisley Park Museum:** The Special Administrator and its attorneys managed the opening and operations of the Paisley Park museum, including related efforts with city government and intellectual property issues. The Special Administrator also obtained the Planned Unit Development for Paisley Park from the City of Chanhassen.

- **Entertainment and Licensing:** The Special Administrator and its attorneys continued to review and respond to synchronization, mechanical, and master use license requests, as well as merchandising approvals. The Special Administrator and its attorneys also began transitioning this work to the Estate's new entertainment partners.
- **Intellectual Property Protection and Enforcement:** The Special Administrator and its attorneys continued to protect and enforce intellectual property rights owned and controlled by the Estate, including notice-and-takedown work and ongoing trademark prosecution. The Special Administrator also worked on transitioning these efforts to its new entertainment partners.
- **Real Estate:** The Special Administrator and its attorneys continued to address real estate issues during the last three months, including the listing and sale of properties.
- **Litigation and Claims:** The Special Administrator and its attorneys continued to represent the Estate in litigation involving Mr. Nelson and his business entities and to address claims against the Estate after Mr. Nelson's death. Litigation work included ongoing evaluation of procedural issues in the Italian copyright lawsuit and addressing plaintiffs' attempts to enforce the Italian judgment beyond Italy, and moving to dismiss the claim to all of Mr. Nelson's intellectual property by Rodney Herachio Dixon and review and respond to Mr. Dixon's multiple court submissions, as well as disputes with Jobu Presents, Mixed Blood Theater, Ricky

Barron, and Make a Wish. This work also included evaluating and responding to Brianna Nelson's allegation of a breach of contract.

9. The time billed by Stinson Leonard Street professionals during the fourth quarter of 2016 was not duplicative of the time spent by Bremer Trust or of the time spent by counsel for the Non-Excluded Heirs. I and my colleagues at my law firm have been in contact with Bremer Trust employees at least once a day during this engagement in order to best coordinate our efforts and ensure no duplication. To the extent counsel for the Non-Excluded Heirs have engaged in similar tasks to those of Stinson lawyers, it was done either pursuant to Court order (for example, the Non-Excluded Heirs Representatives on the court-approved entertainment deals) or because those counsel chose to perform work that they knew our firm's lawyers were already performing.

10. The great majority of time spent by Stinson Leonard Street professionals on the Tribute concert, which took place on October 13, 2016, was incurred before October 1, 2016 and has already been approved by this Court.

FURTHER AFFIANT SAYETH NOT.

Dated: January 19, 2017


Laura E. Halferty

Subscribed and sworn to before
me this 19th day of January, 2017.


Notary Public

