

FILED

STATE OF MINNESOTA
COUNTY OF CARVER

MAR 22 2017
CARVER COUNTY COURTS

DISTRICT COURT

FIRST JUDICIAL DISTRICT
PROBATE DIVISION
Case Type: Special Administration

In the Matter of:

Court File No. 10-PR-16-46
Judge Kevin W. Eide

Estate of Prince Rogers Nelson,
Decedent.

**ORDER REGARDING APPLICATION
OF EXISTING ORDERS AND
PROTOCOLS TO THE
PERSONAL REPRESENTATIVE**

The above-entitled matter came before the undersigned pursuant to the memorandum filed on March 3, 2017 by Comerica Bank & Trust, N.A., as Personal Representative of the Estate of Prince Rogers Nelson, as directed by this Court's Order dated February 22, 2017. The Court has also received and considered the Objection to Proposed Order regarding Application of Existing Orders and Protocols to the Personal Representative filed March 10, 2017.

Bremer Trust, N.A. was appointed Special Administrator of the Estate by this Court's Order dated April 27, 2016. Because the appointment was temporary, the Court entered a series of orders granting powers to, or limiting the powers of, the Special Administrator, including the following orders (collectively, the "Special Administrator Orders"):

- Order Authorizing Depositions and Discovery dated May 18, 2016;
- Findings of Fact, Order & Memorandum Authorizing Special Administrator's Employment of Entertainment Industry Experts dated June 8, 2016;
- Interim Order Regarding Estate Administration Following the Court's July 28, 2016 Order dated August 11, 2016;
- Order Regarding Listing and Sale of Real Property dated August 11, 2016;
- Order Regarding Exhibition Operating Agreement for Paisley Park Museum dated August 17, 2016;
- Order Adopting Modified Protocol for Confidential Business Agreement dated August 30, 2016;

- Order Approving Fees and Costs and Expenses and Establishing Procedure for Review and Approval of Future Fees and Costs and Expenses dated October 28, 2016;
- Order Authorizing Limited Extension of Monetization Experts dated November 8, 2016; and
- Order Establishing Protocol for Finalizing Court-Approved Entertainment Agreements dated November 23, 2016.

The Personal Representative was appointed personal representative of the Estate, effective February 1, 2017, pursuant to this Court's Order dated January 20, 2017, as amended by this Court's Order dated January 31, 2017. The Court has not specifically addressed whether, and to what extent, the Special Administrator Orders apply to the Personal Representative.

Ordinarily, under Minnesota's Uniform Probate Code, a personal representative has "the same power over the title to property of the estate that an absolute owner would have," and "[t]his power may be exercised without notice, hearing, or order of court." Minn. Stat. § 524.3-711. Unless specifically limited by the Court, those powers include the ability to enter into the twenty-nine categories of transactions set forth in Minn. Stat. § 524.3-715.

Although the Court has not entered a final order determining heirship in this matter, the Court is reasonably certain that Norrine Nelson, Sharon Nelson, John R. Nelson, Tyka Nelson, Omarr Baker, and Alfred Jackson (the "Non-Excluded Heirs") will be found to be the heirs of the Decedent. Based on the extraordinary circumstances of this Estate and the interests of the Non-Excluded Heirs, the Court finds that it is appropriate to impose limited restrictions on and guidelines for the Personal Representative in this matter. Therefore, the Court makes the following:

ORDER

1. Unless otherwise expressly limited herein, the Personal Representative shall have all of the powers of a personal representative under Minnesota's Uniform Probate Code as set forth

in Minn. Stat. § 524.3-701, *et seq.* Further, except to the extent set forth herein, the Special Administrator Orders or any other order entered restricting or otherwise affecting the authority of the Special Administrator shall not apply to the Personal Representative.

2. The Personal Representative is authorized to continue the listing and sale of the following parcels of real property as set forth in the Order Regarding Listing and Sale of Real Property dated August 11, 2016:

- a. 2178 Red Fox Circle, Chanhassen, MN 55317
- b. 2179 Red Fox Circle, Chanhassen, MN 55317
- c. Turks and Caicos.

The Personal Representative is further authorized to list and sell the following parcels of real property:

- a. 99 Lake Drive E., Chanhassen, MN 55317
- b. Lot 1, Block 2, Aztec Drive Addn.

The Personal Representative's authority to sell the properties listed herein shall be without any minimum price requirement or other condition, with the expectation that the Personal Representative will obtain the highest sale price available under the circumstances. However, if the Personal Representative is unable to sell a parcel for at least 90% of its appraised value, the Non-excluded Heirs shall be granted a first right of refusal to purchase the property at the negotiated price. If the Personal Representative receives an offer that is less than 90% of a parcel's appraised value, the Personal Representative shall notify the Non-excluded Heirs of the offer and any Non-excluded Heir desiring to exercise the first right of refusal shall provide notice to the Personal Representative of their intent to do so within 48 hours thereafter. If multiple Non-

excluded Heirs desire to purchase a parcel pursuant to the first right of refusal, the parcel shall be sold to the highest bidder.

The Personal Representative shall not be permitted to sell the parcels of real property located at 539 Newton Ave. N., Minneapolis, MN, 115 King Creek Road, Golden Valley, MN, 3420 Snelling Ave., Minneapolis, MN, 8020 Park Place, Chanhassen, MN 55317, 7141 Galpin Blvd., Chanhassen, MN 55317, 6921 Galpin Blvd., Excelsior, MN 55331, 7021 Galpin Blvd., Chanhassen, MN 55317, Tract C RLS 89 (vacant lot off Galpin Blvd.), and Tract B RLS 89 (156 acres on Galpin Blvd.) without permission of the Court, after the Non-Excluded Heirs have had notice and an opportunity to be heard.

3. The Personal Representative is authorized to enter into any lawful business transactions, including related to licensing or otherwise exploiting the entertainment assets of the Estate, that the Personal Representative deems appropriate and necessary to maximize the value of the Estate and its assets; provided, however, that the Personal Representative shall provide the Non-Excluded Heirs notice at least 14 business days prior to entering into any transaction under which the Personal Representative reasonably anticipates receiving more than \$2 million in value, including to allow the Non-Excluded Heirs an opportunity to seek Court relief with respect to any such transaction. It is the intent of the Court that the Personal Representative not be required to provide advance notice to or seek the approval of the Non-Excluded Heirs for routine licensing, exploitation, and other contractual matters. The Personal Representative shall, however, keep the Non-Excluded Heirs informed (reporting on at least a monthly basis) regarding the assets and business transactions of the Estate.

4. The Personal Representative is authorized to retain accountants, appraisers, entertainment industry experts, counsel, realtors, and other professionals the Personal

Representative deems necessary to administer the Estate, pursuant to terms the Personal Representative determines are reasonable under the circumstances. Nothing herein shall limit the Personal Representative or the Non-Excluded Heirs from seeking Court review of the propriety of the employment of any agent by the Personal Representative or the reasonableness of an agent's compensation pursuant to Minn. Stat. § 524.3-721.

5. The Personal Representative is authorized to receive compensation pursuant to Minn. Stat. § 524.3-719. For the time period of February 1, 2017 through February 1, 2018, the Personal Representative shall be provisionally entitled to receive compensation at the rate of \$125,000 per month, plus reimbursement for expenses incurred in connection with administration of the Estate, subject to Paragraph 7 herein. Prior to February 1, 2018, the Personal Representative shall petition the Court regarding the amount of its compensation for the time period of February 1, 2018 through February 1, 2019, based on the then anticipated needs and activities of the Estate.

6. Counsel for the Personal Representative are entitled to fees, costs, and expenses pursuant to Minn. Stat. §§ 525.515, 524.3-720, and 524.3-721. The Personal Representative is authorized to pay its counsel for legal services, costs, and expenses as invoices are submitted to the Personal Representative without advance approval of the Court, but subject to Paragraph 7 herein.

7. On June 16, 2017, and every four months thereafter, the Personal Representative shall submit to the Court for review and approval: (1) an affidavit ("Personal Representative Fee Affidavit") that details the compensation and expense reimbursements of the Personal Representative for the preceding four month period (*i.e.*, February 1, 2017 through May 31, 2017, except that the initial Personal Representative Affidavit shall include all amounts beginning during December 2016); and (2) an affidavit of counsel ("Attorney Fee Affidavit") that attaches

unredacted copies of all itemized billing statements that represent attorneys' fees, costs, and expenses for which the Personal Representative seeks Court approval for the preceding four month period (*i.e.*, February 1, 2017 through May 31, 2017, except that the initial Attorney Fee Affidavit shall include all amounts beginning during December 2016). When submitting the Attorney Fee Affidavits, billing statements and Personal Representative Fee Affidavits, the Personal Representative shall serve unredacted copies to counsel for the Non-Excluded Heirs. The Non-Excluded Heirs shall have 14 days after service to submit written objections. The Court will consider all supporting submissions made by the Personal Representative and will 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 the Personal Representative's fees or expense reimbursements. Similarly, the Court will consider all supporting submissions made by the Personal Representative in connection with the Attorney Fee Affidavits and will order counsel for 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 the attorneys' fees, costs, and expenses. *See Minn. Stat. § 524.3-721.* Any submission of unredacted Attorney Fee Affidavits and Personal Representative Fee Affidavits (together, "Fee Affidavits"), or supporting detail for this Court's review shall not be deemed to constitute a waiver of the attorney-client privilege or work product doctrine. To the extent counsel for the Non-Excluded Heirs receive the Fee Affidavits and supporting documents, those documents may be shared with their clients, however counsel and the Non-excluded Heirs shall maintain the confidentiality of such documents and shall not disclose the contents to third parties. The disclosure of any attorney-client privilege or work product material contained in unredacted Fee Affidavits and supporting documents provided to counsel for the Non-Excluded Heirs shall not be

deemed a waiver of confidentiality, the attorney-client privilege, or the work-product doctrine, given the common interest of the Personal Representative and the Non-Excluded Heirs. Accordingly, Court filings that include Fee Affidavits and supporting documents shall be filed under seal to preserve the privilege and work product protections, and maintain the confidentiality of the ongoing business work of the Estate, with the understanding that the Personal Representative will file redacted versions of those documents to limit the sealed material to information which is privileged or confidential.

8. As to the sharing and disclosure of confidential information (including confidential business information and genetic testing results) by the Personal Representative, either pursuant to this Order or in the exercise of the Personal Representative's discretion to share confidential information when not required by this Order, the Personal Representative is authorized to limit such disclosure to the Non-Excluded Heirs and their counsel, with the understanding that the Personal Representative will have the discretion to share such information in a manner that does not compromise any applicable attorney-client and work product protections or hamper the confidentiality needed for future business and tax purposes. Specifically with respect to confidential business information involving any transaction under which the Personal Representative reasonably anticipates receiving more than \$2 million in value, the Personal Representative shall disclose to the Non-excluded Heirs and their counsel such information as is necessary for them to make a knowledgeable assessment of the merits of the proposed transaction. The Non-excluded Heirs and their counsel shall not disclose such confidential business information to third parties without that party first entering into a non-disclosure agreement in a form approved by the Personal Representative.

9. Nothing herein precludes the Personal Representative from seeking Court approval for transactions and agreements by formal request of the Court, even if not required under this Order, with notice and an opportunity to be heard as required by the Court.

10. The Personal Representative is authorized to employ subpoenas pursuant to Minn. R. Civ. P. 45, as well as the discovery means addressed by Minn. R. Civ. P. 26-37. *See* Minn. Stat. § 524.1-304. The Personal Representative is also authorized to utilize interstate depositions and discovery, including requesting the issuance of subpoenas pursuant to the authority of courts in jurisdictions outside of Minnesota, with this Order serving as the Court's authorization of the Personal Representative to seek appropriate legal process in other jurisdictions for the purposes discussed above. To the extent notice to all parties is required, *see, e.g.*, Minn. R. Civ. P. 45.01(e), the Personal Representative shall provide notice to the interested persons, including those entitled to notice pursuant to Minn. Stat. § 524.3-204.

11. Nothing herein shall modify or otherwise affect any orders or protocols entered by the Court that are not-related to the powers of the Special Administrator including, without limiting the foregoing, the Court's orders and protocols regarding genetic testing and excluding individuals as heirs of the Decedent.

BY THE COURT:

Dated: March 20, 2017


Kevin W. Eide
Judge of District Court

NOTICE: A true and correct copy of this Order/Notice has been served by EFS upon the parties. Please be advised that orders/notices sent to attorneys are sent to the lead attorney only.