

STATE OF MINNESOTA
COUNTY OF CARVER

DISTRICT COURT
FIRST JUDICIAL DISTRICT
PROBATE DIVISION

In Re:

Estate of Prince Rogers Nelson,
Decedent,

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

**MEMORANDUM IN SUPPORT OF
COZEN O'CONNOR'S MOTION TO
APPROVE PAYMENT OF
ATTORNEYS' FEES FROM
JANUARY 1, 2018 THROUGH
JUNE 18, 2018**

Cozen O'Connor ("Cozen") submits this memorandum in support of its motion to approve payment of certain attorneys' fees from the Estate of Prince Rogers Nelson (the "Estate") for services that Cozen performed between January 1, 2018 and December 31, 2018 for the benefit of the Estate.

BACKGROUND

Cozen served as counsel of record for two heirs to the Estate—Omarr Baker from June 23, 2016 to June 18, 2018 and Tyka Nelson from January 4, 2017 to January 23, 2018. (*See Affidavit of Omarr Baker.*) During that time, Cozen spent significant time on tasks which benefited the Estate. This Motion seeks reimbursement of fees Cozen incurred from January 1, 2018 through June 18, 2018, as outlined in greater detail below and in the accompanying Affidavit of Steven H. Silton ("Silton Aff.").

ARGUMENT

A. Cozen is Entitled to an Award of the Requested Fees Pursuant to Minn. Stat. § 524.3-720 and the Law of the Case.

Minnesota's Probate Code allows for payment of attorneys' fees from the Estate for services rendered on behalf of the Estate. Minn. Stat. § 524.3-720. As set forth in greater detail in

Cozen's motion filed on January 10, 2019, the Court may order payment for "the services of an attorney for any interested person contribute to the benefit of the estate, as such, as distinguished from the personal benefit of such person." *See Minn. Stat. § 524.3-720; (Mem. in Supp. of Cozen O'Connor's Motion to Approve Payment of Attorneys' Fees from February 1, 2017 – December 31, 2017, filed Jan. 10, 2019.)*

In an appeal from this Estate proceeding, the Minnesota Court of Appeals established five factors the Court must consider in deciding attorneys' fees awards pursuant to Minn. Stat. § 524.3-720. *In the Matter of the Estate of Prince Rogers Nelson, Decedent*, No. A17-0880, 2018 WL 492639, at *3 (Minn. Ct. App. Jan. 22, 2018). These five factors allow the Court "to resolve the significant issues in a complex case with somewhat broader strokes, rather than with a more granular analysis." *Id.*, at *7. The five factors are: (1) statutory basis; (2) measuring benefit of attorneys' fees; (3) benefit to the Estate for pre-existing categories of services; (4) quantifying personal benefit to the heirs; and (5) estimated value of the Estate.

For the third factor, the Court should "make findings concerning the extent to which the estate benefitted from the services of all heirs' attorneys with respect to each of the six pre-existing categories of services that the district court identified by letter codes." *Nelson*, 2018 WL 492639, at *6. In quantifying this, "the district court need not employ a line-by-line method of determining compensation," unless in its discretion it "deems such a method to be helpful or appropriate." *Id.* The six pre-existing categories this Court established are:

Code	Description
E	Services relating to entertainment deals
PP	Services relating to Paisley Park
H	Services relating to the determination of heirs

PR	Services relating to the selection of a Personal Representative
PA	Services relating to legislation
T	Services relating to a tribute concert

Nelson, 2018 WL 492639, at *2. In measuring based on these pre-existing categories, the Court may measure benefits in terms of an increase in the Estate’s assets, or a decrease in the Estate’s liabilities or expenses. *Id.*, at *6. The Court should make findings concerning the relative proportions of the quantified benefits for which each law firm or attorney is responsible. *Id.*

The Honorable Richard B. Solum established an additional four elements for the Court to consider in deciding attorneys’ fees awards pursuant to Minn. Stat. § 524.3-720: (1) duplication; (2) “benefit” and “commensurate”; (3) “big picture”; and (4) time entries and “broader strokes.” (See Order on Remanded Fees filed October 4, 2018 (“Remanded Fees Order”).) As set forth below and in Cozen’s motion filed on January 10, 2019, under each of these factors and elements the Court should award Cozen the fees requested pursuant to Minn. Stat. § 524.3-720.

B. Cozen is Entitled to an Award of the Requested Fees Pursuant to Minn. Stat. § 524.3-720 and the Law of the Case.

The Estate is undisputedly unique and complex. Nearly two years after the Estate proceeding commenced, the Minnesota Court of Appeals held “it is apparent that Prince’s estate is atypical because his commercial pursuits were relatively complex and he died with considerable financial assets.” *Nelson*, 2018 WL 492639, at *1. And as recently as October 2018, Judge Solum emphasized the “size and complexity of the estate” and held “the nature of the Estate” makes it difficult to quantify a benefit in monetary terms. (Remanded Fees Order at 8, 10.)

The complexity of the Estate created unique problems that the Heirs¹ and their counsel have worked tirelessly to mitigate. This role has not gone unacknowledged. The Court of Appeals recognized “the heirs have taken a keen interest in the work of the special administrator and have actively participated in the probate proceedings, with the assistance of their counsel.” *Nelson*, 2018 WL 492639, at *1. Judge Solum recognized “there were many instances in which the Court, presumably because of the size and complexity of the estate and the complicated monetization of Estate assets, sought input from the heirs counsel so as (1) to have a wider input of interests and expertise as to matters concerning intangible values and related contractual rights about which any court would have limited expertise, and (2) to seek input and potential consensus among the heirs so as to avoid litigation costly to the Estate.” (Remanded Fees Order at 10.)

Cozen represented two heirs—Omarr Baker and Tyka Nelson. Following the five factors the Court of Appeals established and Judge Solum’s findings in the Remanded Fees Order, Cozen is entitled to the fees requested in the course of representing these two heirs. The full details regarding Cozen’s requested fees are in the contemporaneously submitted Affidavit of Steven H. Silton and exhibits. Cozen respectfully includes an example below to assist the Court in assessing the requested attorneys’ fees.

Challenges to Former Special Administrator and Appointment of Second Special Administrator

It was Cozen who initially raised the claim of misconduct by the former Special Administrator. (Silton Aff., ¶ 28.) Through Cozen’s motion, the Court became aware of the conflict between UMG Records, Inc. and Warner Brothers regarding the agreement entered into during the former Special Administrator’s term which arose, in part, due to the former Special

¹ On May 18, 2017, this Court determined the lawful heirs are Omarr Baker, Alfred Jackson, Sharon Nelson, Norrine Nelson, John Nelson, and Tyka Nelson.

Administrator's lack of due diligence. (Silton Aff., ¶ 28 n.1.) As a result of Cozen's actions, the Court stayed the discharge of the former Special Administrator. (Silton Aff., ¶ 25; Order Staying Discharge of Special Administrator, dated April 12, 2017.) Cozen also moved the Court to reconsider the role the Special Administrator, its advisors, and its attorneys played in both the Exclusive Distribution and Licensing Agreement dated January 31, 2017 between the Estate and NPG Records, Inc. and UMG Recordings, Inc. (the "UMG Agreement") and the agreement the Estate entered with Jobu Presents, LLC ("Jobu Presents Agreement"). (Silton Aff., ¶ 28 n.1.)

As Judge Solum recognized, Cozen's challenges to the Special Administrator and objections to its entertainment advisors' conduct provided a necessary check to the Special Administrator's actions:

Importantly, there is evidence of the Cozen firm['s] somewhat prophetic then-existing concern about both the appointment of the entertainment advisors and the engagement of Jobu Presents. And there was benefit from Cozen's lengthy submission underpinning in part the Second Special Administrator's report of May 15, 2018 in respect to related claims of the Estate.

(Remanded Fees Order at 16.)

It was on Cozen's motion that the Court appointed Peter Gleekel and Larson King LLP as the Second Special Administrator ("Second Special Administrator") pursuant to Minn. Stat. §§ 524.3-614(2) and 524.3-617. (Silton Aff., ¶ 29.) The Court stated since "[t]he Personal Representative cannot or should not act to investigate the circumstances leading to the rescission of the UMG Agreement due in part to its Common Interest Agreement with the former Special Administrator," the Second Special Administrator was appointed to investigate the circumstances leading to the rescission of the UMG Agreement. (*Id.*, ¶ 29; Order Appointing Special Administrator, dated Aug. 21, 2017, at p. 1.)

Upon Cozen's motion, the Court also expanded the Second Special Administrator's authority and requested the Second Special Administrator investigate why the advance paid to Jobu Presents was refunded, whether any action should be pursued for a return thereof, "and determining whether the Estate has a reasonable basis for a claim(s) against any person or entity in connection with the Jobu Presents Agreement." (Silton Aff., ¶ 29; Order Expanding Authority of the Second Special Administrator, dated Feb. 2, 2018, at p. 2.) The investigations resulted in potential claims against the advisors. (*See Report and Recommendation of the Second Special Administrator Concerning the Rescission of the Universal Music Group Agreement*, dated December 15, 2017; *Report and Recommendation of the Second Special Administrator Concerning the Jobu Presents Agreement*, dated May 15, 2018; *Order & Memorandum on Second Special Administrator's Motion for Return of Fees*, dated March 11, 2019.)

As Judge Solum recognized, Cozen's challenges to the Special Administrator's actions and objections to requested fees benefited the Estate:

While there has been no showing that such work has yet successfully resulted in a quantifiable monetary benefit, **it does seem that the oppositions have been of benefit to the potential claims of the Estate now being pursued by the Second Special Administrator, and the laboring oar on this work has been Cozen.** Moreover, oppositions to acts or positions of a special administrator, particularly when related submissions invited by and important to the Court, are beneficial to the judicial management of a large and complex estate, as without the same there often would be no 'full picture' on which a trial court can make related determinations.

(Remanded Fees Order at 17, emphasis added.) Judge Solum recognized the importance of Cozen, "which took the laboring oar in respect to contesting positions and fees of the Special Administrator when there was no one else doing so." (*Id.* at 18 n.18.) Cozen's work benefited the Estate by ensuring a thorough investigation of potential claims against the Special Administrator,

and the fees Cozen requests relating to the Second Special Administrator are just, reasonable, and commensurate with the benefit to the Estate. (Silton Aff., ¶ 30.)

The Court established the six pre-existing categories in 2017. Since then, new issues have arisen which require additional categories. In the event the Court continues to deem these categories helpful, and to adhere to the Court of Appeals' third factor, Cozen has categorized its requested fees into the six pre-existing categories and has also used the following new categories:

Code	Description
SA	Services relating to Special Administrator's accounting, fees, and discharge
M/K	Services relating to claims against the Special Administrator's experts, L. Londell McMillan and Charles Koppelman
SSA	Services relating to appointment of the Second Special Administrator
D	Services relating to the petition to discharge Comerica as Personal Representative
F	Services related to the remanded attorneys' fees decisions

Cozen represents that the fees requested properly fall into the above-noted categories. (Silton Aff., ¶ 14.)

Cozen has managed significant undertakings which have benefited the Estate **and** its named heirs. (*Id.*, ¶ 13.) Without Cozen's work, the Court would not have known of the former Special Administrator's actions which led to rescission of the UMG Agreement, a stay of the Special Administrator's discharge, appointment of the Second Special Administrator, and the results of the subsequent investigations the Second Special Administrator undertook. It is not an understatement to say the Estate would have lost millions of dollars and suffered crippling losses had Cozen not stepped up. These actions are precisely what Minnesota's Probate Code intended

to address through Minn. Stat. § 524.3-720 and reflect both the spirit of the Court of Appeals' decision issued in January 2018 and Judge Solum's order issued in October 2018.

Cozen expended in excess of 460.70 hours on tasks for the benefit of the Estate, as detailed in the accompanying Affidavit of Steven H. Silton. Given the size, nature, and complexity of the Estate and the number of interested persons involved in this Estate, Cozen has managed significant undertakings which have benefited the Estate and ultimately the Heirs. In view of the time expended, the responsibility assumed, the results achieved, the size and complexity of the Estate, and Cozen's good faith belief that its services benefited the Estate, Cozen respectfully seeks reimbursement from the Estate for its efforts.

CONCLUSION

For all the foregoing reasons, Cozen O'Connor respectfully requests the Court authorize and direct the Personal Representative to pay it \$206,774.50 in attorneys' fees and \$2,475.72 in costs from the assets of the Estate for its efforts from January 1 to June 18, 2018 that benefited the Estate.

Dated: March 29, 2019

COZEN O'CONNOR

s/ Steven H. Silton

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