

STATE OF MINNESOTA

DISTRICT COURT

COUNTY OF CARVER

FIRST JUDICIAL DISTRICT  
PROBATE DIVISION

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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  
REPLY IN SUPPORT OF AMENDED  
PETITION TO APPROVE INTERIM  
ACCOUNTING**

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**INTRODUCTION**

The Court should grant the Amended Petition to Approve the Interim Accounting because, after more than two months' opportunity to review the Interim Accounting, the Heirs have not identified any basis on which to deny the Amended Petition. While certain Heirs have filed objections, their objections are to matters not encompassed by the Amended Petition and that have previously been considered and rejected by the Court. Approval of an Interim Accounting is appropriate given the complexity of the Estate of Prince Rogers Nelson ("Estate") and the duration of this supervised administration.

**BACKGROUND**

On September 7, 2018, Comerica Bank & Trust, N.A. as the Personal Representative of the Estate of Prince Rogers Nelson ("Comerica" or "Petitioner") filed a Petition requesting approval of the Interim Accounting for February 1, 2017, through January 31, 2018, and a discharge of liability for actions taken during that period. On September 20, 2018, Sharon, John, and Norrine Nelson filed Objections to Comerica Bank & Trust's Petition for Discharge from Liability and to Approve Interim Accounting. On September 24, 2018, Omarr Baker and Alfred

Jackson filed an Objection to Comerica Bank & Trust's Request for Discharge of Liability. To resolve these objections, Petitioner filed an Amended Petition to Approve the Interim Accounting on October 17, 2018, which removed the request for a discharge of liability. On November 21, Mr. Jackson filed an Objection to the Amended Petition, which incorporates and refers back to the previously filed objections.

### ARGUMENT

#### **I. THE COURT SHOULD APPROVE THE AMENDED PETITION BECAUSE THERE IS NO DISPUTE REGARDING THE PROPRIETY OF THE INTERIM ACCOUNTING.**

The Court should grant the Amended Petition because the Heirs have objected only to matters that are either not included in the Interim Accounting or that the Court has already addressed and resolved. In their Objection, Sharon, John, and Norrine Nelson (the "Nelsons") objected to "Comerica's Petition seeking discharge" for six reasons. As Petitioner is no longer seeking a discharge of liability, their objections are moot. Moreover, the Nelsons' objections do not provide a basis on which to deny the Petition because their objections do not correspond to items in the Interim Accounting and/or have already been addressed and resolved by the Court:

1. *UMG rescission*: The Nelsons have not specified any item in the Interim Accounting relating to the UMG rescission to which they object, and the Court has already thoroughly considered and rejected the Nelsons' objection in response to Comerica's May 17, 2017 Motion (*See* Court's July 13, 2017 Order.)
2. *Relocation of certain assets from Paisley Park*: The Nelsons have not specified any item in the Interim Accounting relating to this matter to which they object, and the Court has already thoroughly considered and rejected the Nelsons' objection in connection with their October 27, 2017 Petition to Remove Comerica as Personal Representative. (*See* Court's Dec. 18, 2017 Order.)
3. *Jobu Presents*: The Nelsons have not specified any item in the Interim Accounting relating to Jobu Presents to which they object. To the extent they object to fees and costs incurred by the Second Special Administrator, their objection is untimely as the Second Special Administrator has acted only upon the Court's orders and such fees and costs have already been approved by the Court.

4. *Troy Carter*: The Nelsons have not specified any item in the Interim Accounting relating to this matter to which they object, and the Court has already considered and rejected the Nelsons' objection to Mr. Carter in connection with their October 27, 2017 Petition to Remove Comerica as Personal Representative. (*See* Court's Dec. 18, 2017 Order; *see also* Court's Mar. 22, 2017 Order ¶ 4.)
5. *Creation of new assets*: The Nelsons have not explained the substance of their objection to "the creation of new assets not existing in the Estate which are rights belonging to the Heirs." Regardless, as they have not identified any item in the Interim Accounting associated with this objection, it does not provide a basis for denying the Amended Petition.
6. *Estate taxes*: The Nelsons have not explained the substance of their objection to Petitioner's estate tax strategy. Regardless, as they have not identified any item in the Interim Accounting associated with this objection, it does not provide a basis for denying the Amended Petition.

The Nelsons objected to the Interim Accounting only on the basis that "Comerica failed to properly oversee, direct, manage or police the accountants involved." (SNJ Objection at ¶ 4b.)

The Nelsons provided no further explanation, let alone a factual basis, for this objection. It appears to be based solely upon Petitioner's decision to change accountants for the Estate—a decision unrelated to the Interim Accounting. Moreover, the Estate's previous accountants did not prepare the Interim Accounting and, as set forth in the Amended Petition, Petitioner has independently reviewed the Interim Accounting and verified its accuracy. Thus, the Nelsons' objections do not provide any legal or factual basis on which to deny the Amended Petition to Approve the Interim Accounting.

Mr. Jackson's Objection likewise does not identify any item in the Interim Accounting to which he objects or provide any factual or legal basis for denying the Amended Petition. Mr. Jackson's Objection sets forth argument regarding the effect of a personal representative's termination or discharge on its potential liability to the Estate. However, the authority cited by Mr. Jackson is inapplicable because Petitioner is not seeking termination or discharge.

## **II. APPROVAL OF AN INTERIM ACCOUNTING IS APPROPRIATE FOR THIS UNIQUE ESTATE.**

While an interim accounting is not required by Minnesota law, it is prudent under the circumstances. Administration of an estate is usually completed within one or two years. Under such circumstances, a final accounting to the Court is sufficient. However, as the Court has recognized many times, this Estate is unique. Given the volume, complexity, and diversity of the Estate's assets and the duration of its administration, it is prudent for the Court to review and approve the Interim Accounting now, rather than deferring objections until a final accounting. To the extent that the Heirs have any objection to items included in the Interim Accounting, it is better for the Court to rule on such objections now. First and most importantly, to the extent there is an objection to any ongoing practices of Petitioner, it is better to resolve such objections as soon as possible rather than risk compounding consequences. Second, it is more efficient to resolve objections while the matters are still fairly recent, rather than attempting to re-create sequences of events several years after they occurred. Third, reviewing and approving the Interim Accounting now will reduce the burden on the Court and the parties when it is time to close the Estate.

To the extent that the Heirs resist approval of the Interim Accounting not based on any current objection to its contents, but rather based on a fear that they may later discover new information that would give rise to an objection, this is not a proper basis for denying the Amended Petition. Under Minnesota law, not even the closing of an estate—much less approval of an accounting—would bar claims against a personal representative based on “fraud, misrepresentation, or inadequate disclosure.” Minn. Stat. § 524.3-1005.

## CONCLUSION

The Heirs have had more than two months to review the Interim Accounting in detail and have not identified any portion of the Interim Accounting to which they object. To the extent their Objections address matters arguably included in the Interim Accounting, their objections have already been rejected by the Court. Accordingly, the Court should grant Petitioner's Amended Petition to Approve the Interim Accounting.

Respectfully Submitted,

Dated: November 26, 2018

*s/ Joseph J. Cassioppi*

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