STATE OF MINNESOTA

COUNTY OF CARVER

In Re:

Estate of Prince Rogers Nelson,

Decedent.

DISTRICT COURT

FIRST JUDICIAL DISTRICT PROBATE DIVISION

Case Type: Special Administration Court File No: 10-PR-16-46 Judge: Kevin W. Eide

OBJECTIONS TO APPLICATION FOR ESTABLISHMENT OF ATTORNEY'S LIEN

Introduction

Heirs Sharon L. Nelson, Norrine P. Nelson, and John R. Nelson (collectively, "SNJ") file this objection in response to the Applications for Determination and Establishment of Attorney's Liens and Entry of Judgment for Lien Against SNJ's interest in the Estate of Prince Rogers Nelson (the "Estate") filed by Lommen Abdo, P.A. ("Lommen Abdo"), Skolnick & Joyce, P.A. ("Skolnick & Joyce") and Hansen, Dordell, Bradt, Odlaug, and Bradt, PLLP ("Hansen Dordell") (collectively "Former Counsel"). The lien amounts sought by the Former Counsel are excessive and unreasonable when viewed in relation to the results and the work engaged in on SNJ's behalf as well as circumstances related to each firm in particular. Pursuant to the discretion granted to it under Minnesota Statute §481.13, SNJ asks that this Court reject Former Counsel's applications or, in the alternative, to reduce the lien amounts to such that are reasonable and permissible under Minnesota law.

Former Counsel, each firm individually, petitioned this Court to establish and confirm three attorney's lien against SNJ's interests in the Estate. On August 8, 2018, Lommen Abdo

filed its application for an attorney's lien in the amount of \$214,652.11 against SNJ's interest in the Estate.¹ On August 27, 2018 Skolnick & Joyce filed its application for an attorney's lien in the amount of \$180,935.12 against SNJ's interest in the Estate. On January 9, 2019 Hansen Dordell filed its application for an attorney's lien in the amount of \$264,860.68 against SNJ's interest in the Estate. The total lien amount sought by Former Counsel for unpaid fees equals \$660,447.91. Coupled with the amount previously paid by the Estate and sums paid by SNJ, these attorney's fees amount to nearly one million dollars. All three applications are set for hearing on January 23, 2019 at 8:30 a.m. before this Court.

LEGAL STANDARD

The procedure for establishing attorney's liens is set forth in Minn. Stat. §481.13.² The statute provides in relevant part:

(a) An attorney has a lien for compensation whether the agreement for compensation is expressed or implied (1) upon the cause of action from the time of the service of the summons in the action, or the commencement of the proceeding, and (2) upon the interest of the attorney's client in any money or property involved in or affected by any action or proceeding in which the attorney may have been employed, from the commencement of the action or proceeding, and, as against third parties, from the time of filing the notice of the lien claim, as provided in this section.

(b) An attorney has a lien for compensation upon a judgment, whether there is a special express or implied agreement as to compensation, or whether a lien is claimed for the reasonable value of the services. The lien extends to the amount of the judgment from the time of giving notice of the claim to the judgment debtor. The lien under this paragraph is subordinate to the rights existing between the parties to the action or proceeding.

¹ Lommen Abdo has already been paid over \$274,000 by the Estate

² In its brief, Abdo cites Minnesota Statute § 524.3-721 as support for it application for an attorney's lien. However §524.3-721 is not applicable in this instance, as the Former Counsel attorneys are not seeking attorney's fees from the Estate or as attorneys hired on behalf of the personal representative or on behalf of the Estate.

(c) A lien provided by paragraphs (a) and (b) may be established, and the amount of the lien may be determined, summarily by the court under this paragraph on the application of the lien claimant or of any person or party interested in the property subject to the lien.

Judgment shall be entered under the direction of the court, adjudging the amount due.

Minn. Stat. § 481.13

Under this statute, the Court may establish and enter judgment for a lien equal to unpaid *reasonable* attorney's fees, and the Court has the authority to determine what that amount should be.

Rule 1.5 of the Minnesota Rules of Professional Conduct sets forth the following eight factors in considering the reasonableness of an attorney's fees: (1) The time and labor required, the novelty and difficulty of the questions involved and the skills requisite to perform the legal service properly; (2) The likelihood, if apparent to the client, that the acceptance of the particular employment will preclude other employment by the lawyer; (3) The fee customarily charged in the locality for similar legal services; (4) The amount involved and the results obtained; (5) The time limitations imposed by the client or by the circumstances; (6) The nature and length of the professional relationship with the client; (7) The experience, reputation, and ability of the lawyer or lawyers performing the services; and (8) Whether the fee is fixed or contingent.

ARGUMENT

The Lien Amounts Sought by Former Counsel Are Not Reasonable In Relation To the Work Performed on SNJ's Behalf

The factors set forth in the Minnesota Rules of Professional Conduct Rule 1.5 support a finding that the attorney's lien amounts sought by SNJ's Former Counsel are not reasonable and

thus this Court should either deny to establish those liens in their entirety or, in the alternative, reduce them to an the amount that this Court deems reasonable.

There are certain actions engaged in by all the Former Counsel respective to each of the attorney's lien applications. First, all of the Former Counsel except Hansen Dordell held numerous unapproved meetings with non-SNJ Estate heirs against the request and wishes of SNJ. Second, all Former Counsel engaged in and billed for non-legal work while still billing SNJ the hourly rates set for legal work. Additionally, while some of the Former Counsel possessed skills in the entertainment field, and others held expertise in the estate field, all three of the Former Counsel lacked background in both estate and entertainment matters. Furthermore, while the workload required during the representation varied depending on the various issues being addressed at any particular time, there was a steep learning curve within each firm with each change in counsel, and the size of the firms employed in relation to the workload required did not preclude any of the firms from engaging in other employment due to taking on the Prince Estate matter with SNJ. Lastly, each of the firms promised to not over-bill and understood that SNJ would receive income and only be able to fully pay once the Estate was either closed or when this Court was willing to order payment to such firm for their services and contribution to the Estate.

A. Lommen Abdo

Kenneth Abdo of Lommen Abdo was engaged by SNJ in April of 2016 to provide legal services relating to the Heirs' interests in being determined Heirs in this matter and continued in its role until November 29, 2016 (O'Neil Affidavit at $\P\P$ 3, 4).³ The firm, Lommen Abdo is petitioning this Court to affirm its attorney's lien in the amount of \$214,652.11. In addition to the

³ Kenneth Abdo has since joined the entertainment practice of Fox Rothschild.

significant attorney's lien sought, the Estate previously paid Lommen Abdo over \$274,000 in legal fees. An analysis of the relevant facts applied to the eight factors from Rule 1.5 support a finding that this Court should refuse to confirm a valid lien in the amount of \$214,652.11 or, alternatively, should reduce the lien amount to one the Court deems reasonable under the Rule 1.5 factors.

As stated in its brief in support of the attorney's lien, Lommen Abdo acknowledges that the firm was engaged by SNJ specifically for the purpose of affirming SNJ's status as heirs to the Prince Estate. Although Kenneth Abdo's background was primarily in entertainment matters, SNJ agreed to retain Abdo because he claimed to SNJ to have experience in estate matters in addition to his entertainment background. It later emerged that Abdo had inadequate professional estate experience. Furthermore, the second attorney primarily engaged by SNJ with the Lommen Abdo firm, Adam Gislason (who has since moved with Abdo's new entertainment practice with Fox Rothschild LLP) also was primarily an entertainment attorney with little to no estate experience. It appears that these attorneys may have used the representation of SNJ to advance their own interests in the entertainment industry. While Lommen Abdo may have employed attorneys with the firm with substantial estate experience, the two primary attorneys on the matter, Abdo and Gislason, both lacked necessary estate law experience and SNJ had no dealing with other counsel at Lommen Abdo.

Although Kenneth Abdo and Gislason lacked estate law experience, the Prince Estate has already compensated Lommen Abdo for work done relating to his entertainment expertise and has paid the Lommen Abdo firm over \$274,000 SNJ (Abdo Affidavit Table A ,¶ 9.) Despite this, Lommen Abdo still seeks an attorney's lien in the amount of \$214,652.11, for a billed total of \$489,252.11. As Lommen Abdo has already been compensated for the entertainment expertise,

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SNJ should not be required to pay over \$200,000 for estate related work for which Abdo did not have the proper experience or background. Furthermore, while there are certainly complex elements of law at issue relevant to the Prince Estate, the legal issues related to confirming SNJ were not unique or complex and were well established under Minnesota law. Despite this, the firm appears to have billed significant amounts for simple undertakings. For example, in Abdo's affidavit submitted in support of the attorney's lien application, Abdo refers to a total fee of \$8,005 in fees for transferring the case file to the successor firm upon Lommen Abdo's termination as SNJ's counsel. Abdo justifies this amount by stating, "the Nelsons expressly agreed to pay fees and costs for services to transfer the files in the Engagement Agreement." However, it is unreasonable to find that SNJ could expect the mere transfer of files to cost over \$8,000.

Upon being retained by SNJ, Abdo utilized his position and relationship with SNJ to intervene in the entertainment related affairs of the Estate, which were managed at that time by Bremer as Special Administrator. Abdo began involving himself with the Estate's Expert Advisors as well as requesting to review the Estate's potential entertainment transactions the Estate, despite this not being the purpose of his engagement which was primarily to affirm SNJ's position as heirs to the Estate. For example, Abdo lobbied for his own referral to serve as the Estate's Expert Advisors and contracted with record companies, music publishers, and others engaged with or related to the Estate not SNJ in furtherance of his own interests.

Although SNJ had no prior background or experience with Ken Abdo or the Lommen Abdo firm, over time Abdo did not heed SNJ's instructions and requests in a number of ways. Due to Abdo's entertainment experience, Abdo began to reach out and meet with the non-SNJ Heirs' counsel over the objections of SNJ. Abdo, along with counsel for Omarr Baker, was

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expressly focused on seeking objections to the Estate's Expert Advisors, especially L. Londell McMillan, despite the fact that SNJ was not opposed to the Estate's retention of the Expert Advisors. Further, Abdo spent significant time objecting, against SNJ's wishes, to business decisions made by Bremer in its role as administrator of the Estate. Abdo repeatedly clashed with the Estate's Expert Advisors, including claiming, incorrectly, that the Advisor Agreement should be voided because it would allow the Expert Advisors to be paid in perpetuity. Although SNJ had no desire to terminate the Advisor Agreement, a hearing was held to review and address Abdo's claims in regards to the Advisor Agreement. After a hearing, the Court rejected the claims led by Abdo and Baker's counsel relating to the Advisor Agreement. Additionally, Abdo attempted to have the Heirs' funds moved into an attorney escrow account without SNJ's approval. Abdo worked with the promoter of the Prince Tribute Concert, Rand Levy, to arrange the transfer of the money into escrow; however, McMillan was ultimately required to step in to undo those efforts in order to have such sums paid directly to all Heirs. Finally, the retainer entered into between SNJ and Lommen Abdo required that the firm provide SNJ with monthly statements. However, contrary Lommen Abdo's claims in its supporting materials, SNJ rarely received monthly statements and, early on, did not receive statements at all for months.

A review of the facts discussed above supports a finding that it would be unreasonable to grant Lommen Abdo an attorney's lien in the amount it is seeking. As established in Rule 1.5 of the Minnesota Rules of Professional Conduct, Factor 1 (the time and labor required, the novelty and difficulty of the questions involved and the skills requisite to perform the legal service properly, Factor 4 (the amounts involved and the results obtained) and Factor 7 (the experience, reputation, and ability of the lawyers performing the service) all weigh strongly in SNJ's favor that Lommen Abdo should not receive an additional \$214,000 for the services provided. Lommen

Abdo has already received considerable compensation for the entertainment-related legal work done by Abdo for which he had proper experience and expertise. Providing further compensation for work that provided little to no value to SNJ or the Estate and which was often done against SNJ's request would only lead to an inequitable result.

B. Hansen Dordell

Hansen Dordell was engaged by SNJ, beginning November 8, 2016, to represent their interests in the Prince Estate (O'Neil Affidavit at ¶¶ 3, 4). Hansen Dordell is currently seeking from this Court confirmation of its attorney's lien in the amount of \$264,860.68. An analysis of the relevant facts applied to the eight factors from Rule 1.5 dictates that this Court should not establish Hansen Dordell's lien in the amount of \$264,860.68. A more appropriate approach would be to allow the appropriate fee amount to be negotiated between the parties in good faith, or alternatively, that this Court reduce the lien to an amount deemed reasonable by the Court.

In substituting as counsel to SNJ in place of the Lommen Abdo firm, Hansen Dordell did possess relevant estate experience, despite its lack of experience in entertainment legal matters. The lack of entertainment experience led to Hansen Dordell's steep learning curve on certain legal matters and led to unwillingness to advocate appropriately for SNJ. During Hansen Dordell's time as counsel to SNJ, SNJ made numerous requests that the firm submit invoices to the Court for work done on behalf of the Estate. Despite these requests by SNJ, Hansen Dordell refused to submit anything to the Court. As a result, other Heirs' attorneys were compensated for work done on behalf of the Estate while Hansen Dordell was not. SNJ should not now be saddled with the full bill for any invoice entries or work done that benefitted the Estate, and which Hansen Dordell could have properly sought from the Court, had it followed the instructions and requests by SNJ. In addition to the invoice disagreement, Hansen Dordell's attorneys were often unwilling to litigate or challenge certain actions taken by Comerica as the Personal Representative of the Estate or to file petitions limiting Comerica's ability to make future harmful decisions. Many of these decisions have adversely impacted the Estate now. In instances where Hansen Dordell would agree to submit an objection relating to Comerica's actions, they had to spend significant time learning entertainment law and often submitted as informal letters or objections rather than formal opposition papers. In one of the first entertainment transactions proposed by Comerica, SNJ's entertainment advisor, L. Londell McMillan, strongly objected to the proposed terms. Despite SNJ's support of McMillan and despite McMillan's significant entertainment expertise, Hansen Dordell initially resisted SNJ's request to object to the proposed terms.

that transactions could have been submitted to the Court and paid by the Estate, Hansen Dordell again refused to submit its fees to the Court and now wrongfully seeks them from SNJ instead.

While Hansen Dordell's invoices for

As a result of Hansen Dordell's continued refusal to take positions adverse to Comerica and the non-SNJ Heirs' counsel, SNJ were required to against substitute in counsel that would follow the requests and instructions of the clients (SNJ).

C. Skolnick & Joyce

Upon the withdrawal of Hansen Dordell as SNJ's estate counsel, on October 27, 2017, SNJ entered into a retainer agreement with Skolnick & Joyce (Skolnick Declaration ¶ 5). At that

time, SNJ also provided a retainer payment of \$25,000 (Skolnick Declaration ¶ 8). On June 29, 2018, Skolnick & Joyce claims it withdrew from representation because of non-payment of legal fees (Skolnick Declaration ¶10). Skolnick & Joyce claims that, "at no point did SNJ ever object to the amounts incurred on the invoices sent by the Firm (Skolnick Declaration ¶15)." Skolnick & Joyce is currently seeking from this Court confirmation of its attorney's lien in the amount of \$180,952.12. An analysis of the relevant facts applied to the eight factors from Rule 1.5 dictates that this Court should not establish that Skolnick & Joyce holds a lien in the amount of \$180,935.12. A more appropriate approach would be to allow the lien amount to be negotiated between the parties in good faith, or alternatively that this Court reduce the lien to an amount it deems reasonable.

Skolnick & Joyce's total billed amount, including the attorney's lien amount of \$180,952.12 plus the \$25,000 already paid to the firm, totals over \$200,000. While Lommen Abdo was experienced in entertainment matters but lacked estate experience, Skolnick & Joyce were primarily litigators and did not have (prior to its representation of SNJ) experience in either the entertainment or the estate fields. Because of their lack of relevant experience, both of the Skolnick & Joyce attorneys engaged by SNJ, Sam Johnson and Bill Skolnick, faced a steep learning curve when they took over as counsel for SNJ. Sam Johnson conducted the majority of the work on behalf of SNJ. This was acceptable to SNJ, as Bill Skolnick's hourly rate of \$500 is almost double that of Johnson's. Although Johnson had been much more involved and possessed more knowledge of the relevant facts in the Estate proceedings, Bill Skolnick took over the lead counsel position and appeared on behalf of SNJ in certain oral arguments. Unfortunately, although he was the more senior counsel, Skolnick was not a strong advocate for SNJ when he

appeared for oral arguments largely due to the fact that Johnson performed most of the day-today work and was more familiar with the matter.

Furthermore, SNJ was displeased that Bill Skolnick advocated heavily for SNJ to select Judge James Gilbert when tasked with the selection of a mediator and even threatened to resign as SNJ's counsel should they not select Justice Gilbert. The time incurred by Skolnick for this matter should not be billed to SNJ. These facts and inappropriate actions, coupled with the unreasonable attorney's lien amount sought of over \$180,000 (in addition to the \$25,000 already received from SNJ) support that this Court should not establish Skolnick & Joyce's attorney's lien in that amount.

CONCLUSION

As stated above, Former Counsel seeks attorney's liens in the amount of \$660,447.91. None of the three firms are serving in their roles any longer because they acted inconsistently with regards to SNJ's requests and often did not properly represent SNJ's interests. All three firms are seeking amounts over \$170,000. Despite this, during their time as SNJ's counsel there was little success and few results obtained in SNJ's favor, and often SNJ's requests or instructions to the Former Counsel were entirely disregarded. The SNJ Heirs request that this Court not validate the Former Counsel attorneys' liens submitted by Lommen Abdo, Skolnick & Joyce or Hansen Dordell. Should a finding of an attorney's lien be granted in favor of any of these firms, we ask that the Court consider the factors and facts outlined in these objections and reduce the liens to reasonable amounts under Minnesota law.

Sharon Nelson By:

Sharon Nelson

Dated: January 16, 2019