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Co-Conservator of the Estate

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LOS ANGELES SUPERIOR COURT
MAR 23 2009
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Date of Hearing
June 5, 2009 PM 8:30 am

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12
13 SUPERIOR COURT OF THE STATE OF CALIFORNIA
14 FOR THE COUNTY OF LOS ANGELES, CENTRAL DISTRICT

15
16 In re the Conservatorship of
the Estate of

17
18 BRITNEY JEAN SPEARS,
19
20 Conservatee.

Case No. BP 108870

**FIRST ACCOUNT CURRENT; REPORT
OF JAMES P. SPEARS AND ANDREW
M. WALLET, CO-CONSERVATORS OF
THE ESTATE; PETITION FOR ITS
SETTLEMENT AND FOR APPROVAL
THEREOF**

**[Exhibit 1 is Filed
Conditionally under Seal]**

Date: _____, 2009
Time: 3:00 p.m.
Dept.: 9
Judge: Hon. Reva Goetz

FILED
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DATE PAID: 03/23/09
PAYMENT: \$50.00
CIT/CASE: BP108870 LEA/NEP
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25 JAMES P. SPEARS ("Mr. Spears") and ANDREW M. WALLET ("Mr.
26 Wallet") of Hinojosa & Wallet, as Co-Conservators of the Estate
27 of Britney Jean Spears, Conservatee, (Collectively "Petitioners")
28

1 or "Co-Conservators") respectfully present their First Account
2 Current; Report of Co-Conservators of the Estate; Petition for
3 its Settlement and Approval Thereof, for the period in which they
4 served as Temporary Co-Conservators of the Estate, as follows:

5 1. Appointment of Temporary Co-Conservators of the Estate.

6 On February 1, 2008, Petitioners were appointed Temporary Co-
7 Conservators of the Estate of Britney Jean Spears, Conservatee
8 ("Ms. Spears" or "Conservatee"). Letters of Temporary
9 Conservatorship of the Estate were issued on the same day.

10 2. Temporary Letters Extended. The Court extended the
11 appointment and the Letters of Temporary Conservatorship several
12 times since February 1, 2008, to and including December 31,
13 2008.

14 3. Appointment of Permanent Co-Conservators of the
15 Estate. On October 28, 2008, the Court appointed Petitioners as
16 Permanent Co-Conservators of the Estate of Conservatee.
17 Permanent Letters of Conservatorship were issued on January 9,
18 2009.

19 4. Appointment of PVP Counsel. On February 1, 2008, the
20 Court appointed Samuel D. Ingham, III ("Mr. Ingham") as the PVP
21 attorney for the Conservatee. The Court has not discharged Mr.
22 Ingham as the PVP attorney. Petitioners will serve Mr. Ingham
23 with a copy of this Petition.

24 5. Report of Account and Estate Administration. Attached
25 as Exhibit 1 of this Petition is Petitioner's Account covering
26 the period commencing February 1, 2008, through and including
27 December 31, 2008, which represents the First Account of the
28 Temporary Co-Conservators (the "Account"). (Exhibit 1 is being

1 filed conditionally under seal. A redacted version of Exhibit 1
2 will be filed with a supplement prior to the hearing.)
3 Petitioners are chargeable with and are entitled to credits as
4 set forth in Summary of Account and supporting schedules
5 attached as Exhibit "1" and incorporated by this reference. The
6 Petitioners served as the Temporary Co-Conservators for almost a
7 year. They were just recently appointed permanent Co-
8 Conservators. While serving as Temporary Co-Conservators, as
9 discussed in more detail below, the Petitioners had to deal with
10 a myriad of complex and challenging issues. The Petitioners are
11 still in the process of marshalling the Conservatorship assets
12 and have not completed the inventory. The Conservatee has
13 substantial assets held in various trusts and other states which
14 are not subject to this Conservatorship proceeding and are not
15 included in this Account. The Conservatee also has substantial
16 interests in numerous business entities which are protected by
17 trade secret and are not included in this First Account.
18 However, information regarding these entities will be lodged
19 with the Court for its' *in camera* review.

20 6. 1060 - 1064 Allegations. The Account includes a
21 Summary of Account as required by Probate Code 1061 for the
22 period covered. Indicated below are the schedules required by
23 Probate Code Sections 1062 and 1063 which are included in the
24 Account for the period covered and those which are not included
25 because they are not applicable.

26 a. 1061(a)(1) and 1063(a) (Property on Hand at
27 Beginning of Account period). See Inventory.
28

- 1 b. 1061(a)(2) (Additional Property Received) -- not
2 applicable.
- 3 c. 1061(a)(3) and 1062(a) (Receipts) - Schedule A.
- 4 d. 1061(a)(4) and 1062(c) (Net Income from Trade or
5 Business) - Will be filed prior to the hearing.
- 6 e. 1061(a)(5) and 1062(d) (Gains on Sales) - There
7 were no sales of capital assets held by the Co-
8 Conservators during the period covered by the
9 Account.
- 10 f. 1061(a)(6) and 1062(b) (Disbursements) - Schedule
11 C.
- 12 g. 1061(a)(7) and 1062(d) (Loss on Sales) - Schedule
13 - There were no sales of capital assets held by
14 the Co-Conservators during the period covered by
15 the Account.
- 16 h. 1061(a)(8) and 1062(c) (Net Loss from Trade or
17 Business) - If applicable, will be filed prior to
18 the hearing.
- 19 i. 1061(a)(9) and 1062(e) (Distributions to
20 Conservatee) - Schedule C-13.
- 21 j. 1061(a)(10), 1062(f) and 1063(a) (Property on Hand
22 at End of Accounting Period) - Schedule E.
- 23 k. 1063(b) (Change in Assets) - will be filed prior to
24 the hearing.
- 25 l. 1063(c) (Allocation between Principal and Income) is
26 not applicable.
- 27 m. 1063(d) (Specifically Devised Property) - Section
28 1063(d) is not applicable.

- 1 n. 1063(e) (Calculation of Interest) - Section 1063(e)
2 is not applicable.
3 o. 1063(f) - (Proposed Distribution) - Section 1063(f)
4 is not applicable.
5 p. 1063(g) (Schedule of Liabilities) - will be filed
6 prior to the hearing.

7 7. No 1064(a) (3) Compensation Paid to Fiduciary. No
8 compensation has been paid to the fiduciaries or to the
9 attorneys for the fiduciaries other than pursuant to this
10 Court's Orders.

11 8. 1064(a) (4) Disclosures. The Co-Conservators retained
12 the services of Reginald Covington, Mr. Spears' brother-in-law,
13 to manage the assets in Louisiana. Mr. Covington has been
14 managing these assets since 1999, pursuant to a Power of
15 Attorney governed by Louisiana law. Pursuant to that Power of
16 Attorney, Mr. Covington has had exclusive control and management
17 of all of the assets located in Louisiana, including without
18 limitation, the accounts at Bank of Greensburg. The liquid
19 assets have been included in the Inventory, and the balances on
20 hand in those accounts at the end of the accounting period are
21 reflected on the Schedule of the Property on Hand at the end of
22 the accounting period. However, as the Co-Conservators have not
23 had control of the activity or transactions in these accounts,
24 this activity is not included in the schedules of the Account
25 but shall be reported separately.

26 9. 1064 (a) (5) Investments. All cash has been invested
27 and maintained in interest bearing accounts or in investments
28 authorized by law, except for an amount of cash that is

1 reasonably necessary for the orderly administration of the
2 Estate and to preserve erosion of principal.

3 10. Compensation of Co-Conservators of the Estate.

4 a. James P. Spears.

5 On December 22, 2008, this Court approved the fees of
6 Mr. Spears as Conservator of the Person and Co-Conservator
7 of the Estate for the period of February 1, 2008, through
8 November 30, 2008, in the amount of \$160,000. During the
9 period of the First Account, Mr. Spears has been allowed on
10 account the further amount of \$8,790.00.¹

11 b. Andrew Wallet.

12 On December 22, 2008, this Court approved compensation
13 to Mr. Wallet, of Hinojosa & Wallet as Co-Conservator of the
14 Estate for the period of February 1, 2008, through November
15 30, 2008: (i) in the amount of \$81,849.21, which was paid in
16 December 2008; and (ii) in the amount of \$328,000.00, such
17 amount having been previously paid on account pursuant to
18 the Court's prior orders, subject to a supplemental
19 declaration being filed by Mr. Wallet.²

20 11. Compensation to PVP Counsel. On September 25, 2008,
21 this Court approved of compensation to Samuel D. Ingham, III,
22 Court-appointed counsel for Britney Jean Spears, for legal
23 services rendered to Ms. Spears, in the amount of \$248,625.00,

24 ¹ This Court previously ordered that Mr. Spears be paid compensation on account
25 (subject to later court approval), for his services as Conservator of the Person
26 and Co-Conservator of the Estate, in the amount of \$2,500.00 weekly for the period
covered by this Account. (See Minute Orders and Orders dated March 10, 2008, May
13, 2008, August 22, 2008, and December 22, 2008.)

27 ² See Minute Orders and Orders dated April 17, 2008, August 22, 2008, September 25,
28 2008, and December 22, 2008.

1 and reimbursement for costs in the amount of \$102.00, for the
2 period of February 1, 2008, through August 31, 2008. On
3 December 22, 2008, this Court approved of compensation to Mr.
4 Ingham for legal service rendered to Ms. Spears for the period
5 September 1, 2008 through December 5, 2008, in the amount of
6 \$143,152.50, and reimbursement for costs in the amount of
7 \$491.14. During the period of this Account, Mr. Ingham has been
8 paid on account the further amount of \$16,150.90 for the period
9 of December 6, 2008, through December 31, 2008, pursuant to this
10 Court's order, which will be subject to a future petition for
11 approval.

12 12. Compensation to Attorneys. On February 6, 2008, March
13 5, 2008, and then again on August 22, 2008, this Court ordered
14 that:

15 [T]he Temporary Conservators shall have the
16 power to commence and maintain litigation and
17 participate in any litigation with respect to
18 which the Conservatee is a party or has an
19 interest, and the power to retain counsel and
experts, and to pay same from the
Conservatorship Estate, not only as to the
family law case but for any other matter.

20 Orders Extending Temporary Letters of Conservatorship of
21 the Estate, dated February 6, 2008 (orders, ¶6(e)), March
22 5, 2008 (orders, ¶4(e)), and then again on August 22, 2008
(orders, ¶4(e)).

23 13. This Court has entered several additional orders
24 relating to the compensation for legal services rendered to the
25 Co-Conservators. These orders include orders allowing the
26 payment of compensation to the attorneys on account and orders
27 approving of compensation paid to the attorneys. Attorneys'
28 compensation that has been paid on account and not yet approved

1 will be the subject of a future petition for approval. The
2 Court has approved the payment of attorneys' compensation to
3 counsel for the Co-Conservators as follows:

4 a. To Luce Forward Hamilton & Scripps, LLP ("Luce"), for
5 legal services rendered to James P. Spears, Conservator of the Person
6 and Co-Conservator of the Estate, for services rendered,
7 \$1,053,810.00 (including reimbursement for costs of \$9,730.00) for
8 the period of January 1, 2008, through November 30, 2008, pursuant to
9 this Court's order of December 22, 2009. All of the compensation
10 Luce has received has been approved by this Court. Luce has received
11 no further amounts of compensation on account.

12 b. To Julian R. Warner, attorney for the Co-Conservators,
13 for legal services rendered in connection with the leased Malibu
14 residence, in the amount of \$7,360.00, pursuant to this Court's order
15 on September 25, 2008.

16 c. To Phillips, Lerner, Lauzon & Jamra, LLP, former
17 attorneys for the Co-Conservators for legal services rendered in
18 connection with the family law matter for the period of February 2008
19 through June 2008, \$310,000, pursuant to the settlement approved by
20 this Court on September 25, 2008, 2008.

21 d. To Flanagan, Unger, Grover & McCool ("Flanagan"),
22 attorneys for the Co-Conservators for legal services rendered in
23 connection with the vehicle misdemeanor charge, in the amount of
24 \$11,250, plus costs of \$561.00. (On July 2, 2008, the Co-
25 Conservators also paid Flanagan \$15,182.50, the balance due for legal
26 services rendered to the Conservatee prior to the establishment of
27 the Conservatorship.)

28

1 e. To Holland & Knight, LLP ("Holland"), attorneys for
2 the Co-Conservators for legal services rendered in connection with
3 the Florida litigation, \$50,807.16, including costs. Holland has
4 been paid on account the further amount of \$62,546.23, pursuant to
5 this Court's orders, which payment will be the subject of a future
6 petition for approval.

7 f. To Wasser, Cooperman & Carter ("Wasser"), attorneys
8 for the Co-Conservators for legal services rendered in connection
9 with the family law matter, for the period June 3, 2009 through
10 September 30, 2008, in the amount of \$79,000, as well as \$1,051.21 in
11 costs. In addition to the approved amounts, Wasser has been paid
12 \$62,339.22 on account, which payment will be the subject of a future
13 petition for approval.

14 g. To Hansen, Jacobson, Teller, Hoberman, Newman, Warren
15 & Richman, LLP, for legal services rendered the Co-Conservators in
16 connection with entertainment and business matters, compensation, the
17 amounts reflected on Schedule C-9 of this Account, pursuant to this
18 Court's Order filed conditionally under seal on September 16, 2008.

19 14. Other legal fees.

20 a. The Co-Conservators supplied a retainer in the amount
21 of \$10,000 to Carlson, De Klerk & Sherman, et al., in connection with
22 the Family Law matter.

23 b. The Co-Conservators paid \$1,017.50 to Dreier, Stein,
24 Kahan, Browne, Woods, George, LLP, for advice relating to First
25 Amendment issues. The Co-Conservators request that the Court approve
26 the payment of these fees.

27 c. In connection with the ongoing protection of Ms.
28 Spears' international trademark rights and other highly specialized,

1 legally related entertainment needs, the Co-Conservators have paid
2 Pryor Cashman, LLP; Osler, Hoskin & Harcourt, LLP; Nakamura &
3 Partners; Sanford T. Colb & Co, LECG, LLC; and Liu Lee & Associates
4 the amounts reflected on Schedule C-9 of the Account. The Co-
5 Conservators will seek Court approval of the payment of these fees in
6 a later petition.

7 15. Bond. The bond for the Temporary Conservators was set
8 at \$50,000 for each Co-Conservator of the Estate. After the
9 appointment of the Permanent Co-Conservators, the Court
10 increased the bond.

11 16. Accomplishments During the Period of the First Account.
12 At the time of the initiation of the conservatorship, Ms. Spears
13 was in the midst of a complete and very public personal and
14 financial crisis. Since the initiation of the Conservatorship, as
15 a result of the concerted efforts of Mr. Spears as well as all of
16 the professionals involved, all aspects of Ms. Spears' life have
17 been stabilized and continue to improve. She is under the regular
18 care of physicians and her physical and mental health continue to
19 mend. She now has substantial visitation with her children,
20 including overnight visits. Her financial situation is much
21 improved. Her bills, including taxes, are generally current due
22 to the careful management of her financial affairs by a well
23 respected business management firm. Several litigation matters
24 have been resolved. Others are being properly addressed. In
25 addition, Ms. Spears' career has been revitalized under the
26 direction of carefully selected leading and prominent
27 entertainment attorneys and managers and agents, and she is
28 currently on an international tour promoting the album which was

1 recorded, produced and released during the period covered by this
2 Account.

3 17. Conservatee's address. The Conservatee's address is
4 being provided to the Court in a sealed pleading.

5 18. Account Statements. Prior to the hearing on this
6 Report, Petitioners will lodge with the Court the original
7 account statements from financial institutions showing the
8 balance of all accounts where money of the Estate is or was
9 deposited, for the period immediately preceding the date of the
10 Petitioners' appointment, and for the period including the
11 ending date of this accounting.

12 19. Capital Changes. During the period of this account
13 there has been no change in the form of non-cash assets of the
14 Estate.

15 20. Request for Special Notice. No one has filed a
16 request for special notice in this matter.

17 WHEREFORE, petitioner requests that the Court:

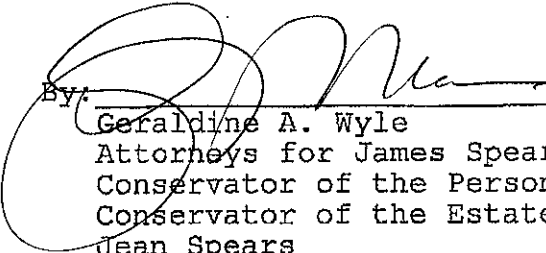
18 1. Find that notice of hearing of this petition was given
19 as required by law;

20 2. That the First Account and Report of Co-Conservators
21 of the Estate be settled, allowed and approved as filed;

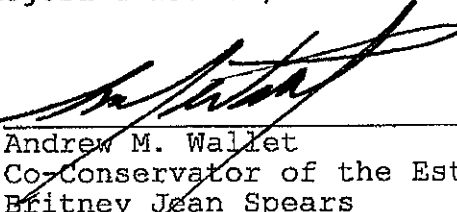
22 3. That all the acts, transactions, and investments of
23 Petitioners be ratified approved and confirmed;

1 4. Order such other relief that the Court considers
2 proper.

3
4 DATED: 3.20, 2009 HOFFMAN, SABBAN & WATENMAKER, APC

5
6 By: 
7 Geraldine A. Wyle
8 Attorneys for James Spears, as
9 Conservator of the Person and the Co-
10 Conservator of the Estate of Britney
11 Jean Spears

12
13 DATED: 3-20-, 2009 Hinojosa & Wallet, LLP

14 By: 
15 Andrew M. Wallet
16 Co-Conservator of the Estate of
17 Britney Jean Spears
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VERIFICATION

I, JAMES P. SPEARS, do hereby certify under penalty of perjury under the laws of the state of California that I am the petitioner herein; that I have read the foregoing FIRST ACCOUNT CURRENT; REPORT OF CO-CONSERVATORS OF THE ESTATE, JAMES P. SPEARS AND ANDREW M. WALLET; PETITION FOR ITS SETTLEMENT; AND APPROVAL THEREOF and know the contents thereof; that the same are true of my own knowledge except as to the matters therein stated on my information and belief and as to those matters I believe them to be true.

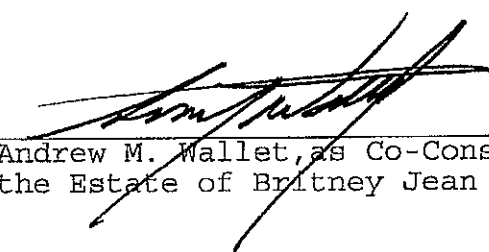
Executed this 19th day of March, 2009, in Toronto, Canada.


JAMES P. SPEARS

VERIFICATION

I, Andrew M. Wallet, do hereby certify under penalty of perjury under the laws of the state of California that I am the petitioner herein; that I have read the foregoing FIRST ACCOUNT CURRENT; REPORT OF CO-CONSERVATORS OF THE ESTATE, JAMES P. SPEARS AND ANDREW M. WALLET; PETITION FOR ITS SETTLEMENT; AND APPROVAL THEREOF and know the contents thereof; that the same are true of my own knowledge except as to the matters therein stated on my information and belief and as to those matters I believe them to be true.

Executed this 19 day of March, 2009, in Los Angeles, CA.



Andrew M. Wallet, as Co-Conservator of
the Estate of Britney Jean Spears

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EXHIBIT 1

The [PROPOSED] **EXHIBIT 1** is being filed conditionally under seal.

A redacted version of Exhibit 1 will be filed with a supplement prior to the hearing.

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