

**FILED**  
LOS ANGELES SUPERIOR COURT

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Co-Conservator of the Estate

SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF LOS ANGELES, CENTRAL DISTRICT

In re the Conservatorship of  
the Estate of

BRITNEY JEAN SPEARS,  
Conservatee.

[Redacted]

Case No. BP 108870

BY FAX

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

FILED CONDITIONALLY UNDER SEAL

Date: November 12, 2009  
Time: 1:30 P.M.  
Dept.: 9  
Judge: Hon. Reva Goetz

1 JAMES P. SPEARS ("Mr. Spears") and ANDREW M. WALLET  
2 ("Mr. Wallet") of Hinojosa & Wallet, as Co-Conservators of the  
3 Estate of Britney Jean Spears, Conservatee (collectively  
4 "Conservators") respectfully present their Fourth Supplement to  
5 The First Account Current; Report of Co-Conservators of the  
6 Estate; Petition for its Settlement and Approval Thereof, filed  
7 on March 23, 2009 ("Petition"), for the purpose of addressing the  
8 probate attorney's notes as follows:  
9

10 **INTRODUCTION**

11 Petitioners have had numerous in chamber hearings with  
12 Commissioner Goetz regarding the First Account. Many of the  
13 probate notes have been addressed and resolved in those hearings,  
14 including the probate notes that are addressed below.

15 **MATTERS TO CLEAR:**

16 **PROBATE NOTE A.** Is there an order allowing filing of acct  
17 conditionally under seal? If not, do not find motion to seal in  
18 file (see redacted accounting) - no copy filed as alleged in supp  
19 filed 9/22/09.

20 **RESPONSE:** A Sealing Order was issued in this matter ex  
21 parte on May 13, 2008. A Motion to Confirm Sealing Order was  
22 filed on October 9, 2009 and a hearing on the Motion is scheduled  
23 for November 20, 2009.

24 **PROBATE NOTE C.** Financial Statements for period immediately  
25 preceding, apptmt needed for 2 accts - see PC 2620 and PC 2890 &  
26 2892.

27 **RESPONSE:** On July 13, 2009, Conservators lodged the  
28

1 Confidential Financial Statements and reconciliation of the City  
2 National Bank checking account. As set forth in the Third  
3 Supplement, on September 22, 2009, confidential financial  
4 statements for the period immediately preceding Conservators'  
5 appointment for the accounts which generate statements, were  
6 lodged under seal. Statements for the Southern Farm Bureau Life  
7 Insurance Company (annuity) are issued annually; therefore, the  
8 statement for January - December 2007 was lodged. Attached to  
9 this Supplement as Exhibit A and incorporated by this reference  
10 is a table proving the bond series, date of issuance, serial  
11 number and amount of each certificate. Copies of the savings  
12 bonds certificates will be lodged with the court. A corrected  
13 Inventory is being filed concurrently with this Supplement which  
14 accurately reflects the beginning balance for the Southern Farm  
15 Bureau Life Insurance Company account and U.S. Savings Bonds  
16 (\$240,000 instead of \$250,000). Also attached to this Supplement  
17 as Exhibit B and incorporated by this reference are the corrected  
18 Schedules of Receipts, Property on Hand and a corrected Summary  
19 of Account which adjust all balances to reflect earnings  
20 generated by the Southern Farm Annuity Account during the period  
21 covered by the First Account.  
22  
23

24 **PROBATE NOTE D: Financial statements for period of acct**  
25 **needed for City National Bank, reconciled to statement Balance;**  
26 **Bank of Greensburg CD & Southern Farm Annuity - see PC 2620 and**  
27 **PC 2890 and 2892.**  
28

1           **RESPONSE:** See Response to Note C.

2           **PROBATE NOTE E.** acct includes assets managed by Reginald  
3 Covington, tee - of what trust? See note F and Bank of  
4 Greensburg listed in assets on hand.

5           **RESPONSE:** The account at Bank of Greensburg is in the  
6 possession and control of Ms. Spears' uncle, Mr. Covington,  
7 pursuant to a fiduciary relationship that was created long before  
8 the conservatorship was established. Mr. Covington is a co-  
9 signer on the account.

10           **PROBATE NOTE F.** what is source of deposit to Bank of  
11 Greensburg 3 (under DPA control?) supp insuff - has source of  
12 deposit been verified by tee (see note E).

13           **RESPONSE:** As stated above, the accounts at the Bank of  
14 Greensburg are not in the possession and control of the  
15 Conservators. Based on information given to the Conservators by  
16 the certified public accountancy firm, Gerber and Co., the  
17 Conservators are informed and believe that the source of deposits  
18 into the Bank of Greensburg account are distributions from the  
19 Louisiana LLC in which the Conservatee has an interest (which is  
20 identified on the proposed Inventory to be filed conditionally  
21 under seal) and interest earned on the account.

22           **PROBATE NOTE G.** What is purpose of pmt to Bank of  
23 Greensburg? (has mt been verified by tee?) (see Note E)

24           **RESPONSE:** The reference to "payment to Bank of Greensburg"  
25 is a sum total of the disbursements from the Bank of Greensburg  
26 account during the period covered by the accounting. Attached as  
27

28

1 Exhibit C to this Supplement and incorporated by this reference  
2 is a schedule of the disbursements from the Bank of Greensburg  
3 account, as reported to the Conservators by Mr. Covington  
4 (Exhibit C is filed conditionally under seal).

5 **PROBATE NOTE H. Why no interest income? Is checking acct**  
6 **interest bearing? - T/T**

7 **RESPONSE:** The funds held in the Bank of Greensburg were  
8 earning interest at the rate of over 5%. The funds held by the  
9 Conservators are now in an interest bearing account. During the  
10 period covered by the First Account, the Conservators did not  
11 have possession or control of liquid assets in excess of the  
12 Conservatee's reasonable needs in order to maintain an interest  
13 bearing account. Virtually all of the Conservatee's liquid  
14 assets were held by the Trustees of the SJB Revocable Trust or in  
15 the Bank of Greensburg accounts managed by Mr. Covington. The  
16 funds held by the SJB Revocable Trust and at the Bank of  
17 Greensburg were earning interest.  
18

19 **PROBATE NOTE I. Advances from Entities require itemization.**

20 **RESPONSE:** On July 13, 2009, Petitioners lodged with the  
21 Court transaction reports for all entities, including the newly  
22 created entities, reflecting itemization of all disbursements  
23 from accounts held by each entity.  
24

25 **PROBATE NOTE J. does receipt re SJB Revocable Trust**  
26 **represent advance(s) from trust?**

1       **RESPONSE:** Receipt re SJB Revocable Trust represents funds  
2 distributed from the SJB Revocable Trust to the Conservatorship  
3 Estate for the purpose of paying expenses of the Conservatee and  
4 the Estate. All such amounts have now been reimbursed to the SJB  
5 Revocable Trust.

6       **PROBATE NOTE N. Sch G liabilities:** When was liability to  
7 Martin Singer \$150,000 paid? Pmt not reflected in accounting.  
8 Why are liabilities Countrywide & Union Bank re LA real  
9 properties when real properties are not listed in asset on hand  
10 schedule or in addendum re assets to be inventoried? (Note: disb  
11 reflect pmts on these loans & utilities & maintenance of r/p).  
12

13       **RESPONSE:** The liability to Mr. Singer represents attorney's  
14 fees for services incurred by the Conservatee prior to the  
15 appointment of the Conservators. This liability was paid after  
16 the account period in three equal installments of \$50,295.63 on  
17 February 13, 2009, March 13, 2009 and April 10, 2009, for a total  
18 of \$150,886.88.  
19

20       The real property is not held in the Conservatee's name. It  
21 is held in a confidential revocable trust (the "House Trust")  
22 which was established by Ms. Spears. The Conservators are the  
23 Trustees of the House Trust. The House Trust does not have  
24 sufficient cash to pay the expenses of the real property.  
25 Pursuant to the terms of the House Trust, the expenses may be  
26

1 paid by Ms. Spears. Information about the House Trust has been  
2 lodged with the Court.

3 **PROBATE NOTE O. Royalties and residual rights should be**  
4 **inventoried**

5 **RESPONSE:** It would be virtually impractical and extremely  
6 expensive to appraise all Ms. Spears' royalties and residual  
7 rights. All income received in connection with Ms. Spears  
8 royalties and residual rights is accounted for. All transaction  
9 reports, which reflect the income received, including royalty and  
10 residual income have been lodged with the Court. The Co-  
11 Conservators intend to continue to maintain and collect all  
12 income due in connection with Ms. Spears' royalty and residual  
13 rights. Ms. Spears' royalty and residual rights are not  
14 stagnant. Ms. Spears is still performing, producing music, and  
15 generating additional royalty and residual rights. No purpose  
16 would be served by the Co-Conservators incurring the cost of an  
17 appraisal of Ms. Spears' extensive royalty and residual rights.  
18

19 **PROBATE NOTE P. Addendum to accounting lists several**  
20 **business (or interests in business entities) that will be**  
21 **inventoried & I/A filed under seal - Inventory not filed as of**  
22 **7/9/09.**

23 **RESPONSE:** See response to Note O. All entities owned by the  
24 Conservatee at the time of the initiation of the Conservatorship  
25 are listed in the Addendum and proposed Inventory. The  
26 Conservators did create several entities after the establishment  
27 of the Conservatorship which are not listed on the Addendum  
28

1 because they did not exist at the time of the initiation of the  
2 Conservatorship. A list of entities created after the initiation  
3 of the Conservatorship is attached as Exhibit D (filed  
4 conditionally under seal) and incorporated by this reference.  
5 Transaction reports for all entities, including the newly created  
6 entities, were lodged with the Court on July 13, 2009.

7       **PROBATE NOTE Q. business Entities listed in Addendum are**  
8 **consorsh assets & I/A needed.**

9       **RESPONSE:** See response to Note O.

10       **PROBATE NOTE R. Why haven't sums due from business entities**  
11 **& SJB Trust been pd to petnrs? Are amts listed in sch C-12**  
12 **(disb) actually amts advanced from the conservatorship on behalf**  
13 **of the business entities and the SJB trust?**

14       **RESPONSE:** Gerber & Company, the certified public accountancy  
15 firm for the Co-Conservators, are in the process of reconciling  
16 all accounts and all amounts due from the business entities and  
17 SJB Trust will be reimbursed.

18       **PROBATE NOTE S. NEW-no corrected I/A of Southern Farm**  
19 **Annuity filed - should LLC be inventoried (see note F) - note:**  
20 **p/p located outside of CA is part of the estate**

21       **RESPONSE:** A corrected Inventory and Appraisal, Partial No. 1  
22 is being filed concurrently with this Supplement.



1  
2 PROBATE NOTE T. NEW-No corrected accounting schedules filed  
3 as alleged

4 RESPONSE: The corrected Schedule of Receipts, Property on  
5 Hand and Summary of Account are attached to this Supplement as  
6 Exhibit B and incorporated by this reference.

7 PROBATE NOTE U. Were new business entities established per  
8 crt order (see page 8 of supp filed 0/22/09) - what entities?  
9 What are date(s) of orders.  
10

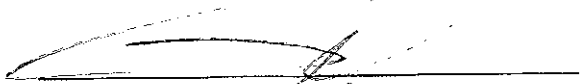
11 RESPONSE: A list of entities created by the Conservators is  
12 attached as Exhibit D. The Order appointing the Petitioners as  
13 Conservators grants the Petitioners the power to operate at the  
14 risk of the estate a business constituting an asset of the  
15 Estate. The business of the Estate is the entertainment  
16 business. It is standard in the entertainment business for  
17 entities to be created for specific purposes, such as for  
18 example, touring, performing, creating an album, merchandising,  
19 etc., for accounting purposes as well as for containing and  
20 limiting liability. In connection with the operation of Ms.  
21 Spears' business, with the advice and under the direction of the  
22 Co-Conservators' entertainment counsel, the Co-Conservators  
23 created entities for specific purposes, including for the tour,  
24  
25  
26  
27  
28

1 for various merchandising ventures and to hold motor vehicles.

2 Except as supplemented by the First, Second and Third  
3 Supplements and above, Petitioners reaffirm the Petition in its  
4 entirety.

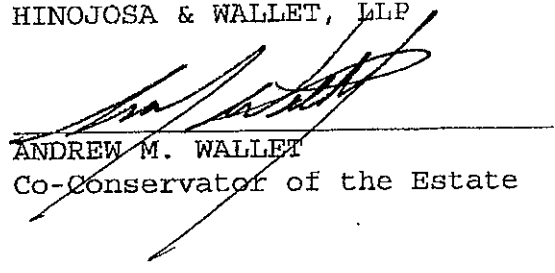
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6 Dated: November 4, 2009

HOFFMAN, SABBAN & WATENMAKER  
A Professional Corporation  
Geraldine A. Wyle  
Jeryll S. Cohen

7  
8  
9   
10 By: Jeryll S. Cohen  
11 Attorneys for James P. Spears,  
12 Conservator of the Person and  
13 Co-Conservator of the Estate

14  
15 Dated: November 4, 2009

HINOJOSA & WALLET, LLP

16   
17 ANDREW M. WALLET  
18 Co-Conservator of the Estate  
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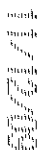
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*(continued)*

**Britney J. Spears  
US Savings Bonds**

<b>Bonds</b>	<b>Date of Issue</b>	<b>Serial #</b>	<b>Amount</b>	<b>Copy</b>
SERIES I	April-00		5,000	x
SERIES I	April-00		5,000	x
SERIES I	April-00		5,000	x
SERIES I	April-00		5,000	x
SERIES I	April-00		5,000	x
SERIES I	April-00		5,000	x
SERIES I	January-01		10,000	x
SERIES I	January-01		10,000	x
SERIES I	January-01		10,000	x
SERIES I	January-02		10,000	x
SERIES I	January-02		10,000	x
SERIES I	January-02		10,000	x
SERIES I	January-03		10,000	x
SERIES I	January-03		10,000	x
SERIES I	January-03		10,000	x
SERIES EE	April-00		10,000	x
SERIES EE	April-00		10,000	x
SERIES EE	April-00		10,000	x
SERIES EE	January-01		10,000	x
SERIES EE	January-01		10,000	x
SERIES EE	January-01		10,000	x
SERIES EE	January-02		10,000	x
SERIES EE	January-02		10,000	x
SERIES EE	January-02		10,000	x
SERIES EE	January-03		10,000	x
SERIES EE	January-03		10,000	x
SERIES EE	January-03		10,000	x

**\$ 240,000.00**



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<input checked="" type="checkbox"/> CONSERVATORSHIP <input type="checkbox"/> GUARDIANSHIP OF (Name): BRITNEY JEAN SPEARS	CASE NUMBER: BP108870
<input type="checkbox"/> Conservatee <input type="checkbox"/> Minor	

## SUMMARY OF ACCOUNT—STANDARD AND SIMPLIFIED ACCOUNTS

 FIRST \_\_\_\_\_ ☐ (Check if final.) and Final Account ☒ (Check if interim.) Account Current

Account number ("First," etc.)

 February 1, 2008 through December 31, 2008  
 Opening date of account Closing date of account

## CHARGES\*

Property on Hand at Beginning of Account Period, consisting of:			
1a	Cash Assets	\$ 623,466.80	
1b	Non-Cash Assets (carry value)	to be determined	
1c	Total Property on Hand at Beginning of Account Period (add 1a and 1b)		\$ 623,466.80
2	Principal Property Received During Period of Account	— Schedule 1	726,482.85
3	Receipts During Period of Account	— Schedule A	
4	Gains on Sales During Period of Account	— Schedule B	
5	Other Charges (describe):	— Schedule	
6	Net Income From Trade or Business During Period of Account	— Schedule	
7	TOTAL CHARGES (add 1c, 2, 3, 4, 5, and 6)		\$ style="background-color: black;">

## CREDITS\*

8	Disbursements During Period of Account	— Schedule C	\$ 10,116,678.32 <sup>1</sup>
9	Losses on Sales During Period of Account	— Schedule D	
10	Distributions to Conservatee or Ward	— Schedule	
11	Other Credits (describe):	— Schedule	
12	Net Loss From Trade or Business During Period of Account	— Schedule	
Property on Hand at End of Account Period — Schedule E, consisting of:			
13a	Cash Assets	\$ 2,109,879.83	
13b	Accounts Receivable and Business Entities Non-Cash Assets (carry value)	726,482.85	
13c	Total Property on Hand at End of Account Period (add 13a and 13b)		2,836,362.68
14	TOTAL CREDITS (add 8, 9, 10, 11, 12, and 13c)		\$ style="background-color: black;">

\* (Enter "0" for all categories of charges or credits for which you have no entries. Do not include schedules for these categories, but do not relabel or redesignate the schedules that are included.)



**PROPERTY ON HAND AT BEGINNING OF ACCOUNT PERIOD**

Cash Assets on Hand as of February 1, 2008:

Bank of Greensburg – Savings Account	\$ 24,139.60
Bank of Greensburg – Louisiana Personal Account	11,354.34
Bank of Greensburg – Certificate of Deposit	100,000.00
US Savings Bonds	250,000.00
Southern Farm Bureau Annuity Life Insurance Company	237,972.86
<b>Total Cash Assets.....</b>	<b><u>\$623,466.80</u></b>

Non-Cash Assets as of February 2, 2008:

B&L Music, Inc.	TBD
BBS Entertainment	TBD
Bridgemore Timber, LLC	TBD
Britney Brands, Inc.	TBD
Britney Films	TBD
Britney Online	TBD
Britney Television, LLC	TBD
Britney Touring	TBD
Coastal Operatives	TBD
Fairy Zone Productions, Inc.	TBD
Music Happenings, Inc.	TBD
One More Time Music, Inc.	TBD
Parklane Productions, Inc.	TBD
White Transport	TBD
Royalties	TBD
Residual Rights	TBD

### Total Non-Cash Assets

**To Be Determined**<sup>1</sup>

<sup>1</sup> Inventory and Appraisal, No. 2 itemizing the business entities has been prepared and will be sent to Joseph D. Bua, Sr., the court-appointed probate referee.

## SUMMARY OF SCHEDULE A – RECEIPTS

### Other Receipts:

Other Income	[REDACTED]
Tax Refunds	21,948.00
Other Refunds	14,357.92
Medical Reimbursements	1,302.00
Insurance Refund	72.25
Reimbursed Expenses	6,282.76
SJB Revocable Trust	3,895,000.00
Advances from Entities	[REDACTED]
Love Shack Trust	50,000.00
Total Other	[REDACTED]

### Receipts – Bank & Annuity

Bank of Greensburg	\$ 36,928.84	
Southern Farm Annuity		
Life Insurance Company	10,113.85	
Total		\$ 47,042.69

### TOTAL SCHEDULE A – RECEIPTS

[REDACTED]

**Schedule A-3 Receipts – Bank & Annuity**

Bank of Greensburg Deposits	\$36,928.84
Southern Farm Bureau Annuity Life Insurance Company Interest earnings for year	<u>10,113.85</u>
Total Schedule A-3 Receipts	<u><b>\$47,042.69</b></u>



**SCHEDULE OF DISBURSEMENTS FROM BANK OF GREENSBURG**

**FILED CONDITIONALLY  
UNDER SEAL**

**EXHIBIT C**

**ENTITIES CREATED AFTER INITIATION OF CONSERVATORSHIP**

**FILED CONDITIONALLY  
UNDER SEAL**

**EXHIBIT D**

2025