

# What Britney Spears Can Teach Financial Advisors

By Sabrina Escobar  
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**T**he contentious fight over pop star Britney Spears' conservatorship has catapulted the inner workings of an obscure legal proceeding into the limelight. Within the last few months, court testimonies, newly obtained records, and the singer herself have revealed that she is opposed to the legal arrangement that has controlled her life and finances for 13 years.



Free Britney movement  
Photo Illustration for Barron's Advisor; Dreamstime (3)

On July 1, wealth management firm Bessemer Trust, which was poised to join Spears' father, Jamie Spears, as co-conservator of her \$60 million estate, requested to resign from the conservatorship. The firm said it believed Spears had consented to the arrangement, but was pulling back to respect her wishes after she testified the conservatorship was "abusive."

That same day, a judge denied Spears' petition to remove her father as conservator of her estate, dragging on a legal battle that stretches as far back as 2008, when the conservatorship was first instituted.

For advisors, the case provides key lessons on creating effective long-term financial plans for wealthy families. Most importantly, advisors need to do their best to avoid assisting with trust or conservator agreements that lead to emotionally and financially draining legal disputes—or even worse, may deprive individuals of their rights.

### **What Is a Conservatorship?**

“A conservatorship is, obviously, an individual losing a great deal of agency,” says Cannon Allen, an advisor at Jackson Square Capital. “So when we’re talking to our estate attorneys, we want to make sure that we’re getting ahead of whatever possible issues could arise.”

Conservatorships, or guardianships, are a legal resource reserved for when a person is physically or mentally incapacitated. If an individual is no longer capable of making their own financial decisions, a probate court will assign someone—usually a family member—to manage their finances as the conservator of their estate. In some cases, as was the case with Britney Spears, the court will also name a conservator of an individual and that person will manage the conservatee’s day-to-day needs.

Approximately 1.3 million U.S. adults are under conservatorships and almost 85% of the conservatees are older than 65, [according to the AARP](#). While many conservators are fiduciaries that keep the best interest of the conservatee in mind, in some cases, the legal arrangement has led to reports of elder abuse and negligence, Allen says.

“This is a worst case scenario,” says Eva Victor, director of wealth planning at Girard Advisory Services. Conservatorships should be used only as a last resort, and advisors can play a crucial role in preventing them by encouraging their clients to create estate plans that include provisions for what should happen if a family member is unable to make their own decisions, she adds.

### **How to Help Clients Avoid a Conservatorship**

Working alongside estate attorneys, advisors can help their clients draft estate plans containing, at minimum, durable powers of attorney and healthcare directives, Victor says. Advisors can also speak with clients about more complex estate planning tools, such as trusts, living wills, and the designation of a conservator.

“Having an estate plan at least creates the possibility that if you’re incapacitated or you pass away that your finances can be handled privately, by the people that you pick, as opposed to this public forum,” says Seamus Smith, attorney and advisor at Creative Planning.

Without a well-defined estate plan detailing who gets power of attorney or who should be in charge of health decisions, courts can appoint anybody they deem fit—from a family member to an independent party, such as Bessemer Trust in Spears’ case.

The best advice financial advisors can give to clients is to create a plan and execute those documents as soon as possible to prevent that from happening, Victor says. She also recommends that advisors make sure clients have communicated their intentions to the person they are assigning as their designated agent.

To get everybody on board, Allen at Jackson Square Capital will set up annual meetings with the client, attorneys, accountants, and the next generation. He also makes a point to get to know the person his clients are appointing as legal representatives.

“That way I can feel confident that this person isn’t ultimately trying to take advantage of my client, and they know that I’m not trying to take advantage of their brother or whoever,” Allen says.

Advisors can also remind their clients to review their planning documents every two to three years to adjust for major law changes and to reduce the risk that banks or other legal entities won’t recognize your power of attorney, Allen adds.

Although many clients do not seriously consider estate planning until they are older or have accumulated assets, it is never too early to begin, says Catherine Valega, a financial advisor at Green Bee Advisory. Valega encourages her young clients to create a “board of directors” consisting of a lawyer, an accountant, and a trusted advisor to guide them through complex decisions. She suggests advisors then become the CEO of their clients’ board of directors, facilitating communication between all the involved parties and breaking down complex topics for the client.

“Let’s not have it get to this point,” Valega says of Britney Spears’ plight. “There’s a lot of proper estate planning we can do so that we don’t even need to request a conservatorship.”

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