



NOT LONG AGO, A CELEBRITY client of entertainment business manager Evan Bell came to him with news of a girlfriend in London. This wouldn't be terribly extraordinary except for the fact that the client already had a wife. Nevertheless, the celebrity wanted to know if it would be possible to set up separate bank accounts in Las Vegas and London so he could maintain two families. It was indeed possible, and Bell took care of the details.

"As far as I know, the two women still don't know about each other," says Bell, whose clientele includes top young stars like Amanda Seyfried and media types like Bill O'Reilly. "We don't manage morality. We manage finances."

It's the job of Bell and other business managers in the entertainment community to make sure well-heeled stars are set up for life. This means working with others in an entertainer's entourage of representatives, including agents and lawyers, to determine the star's earnings projections. From there, business managers play point on a team of advisers and financial consultants who shelter millions of dollars in investments such as bonds, stocks and real estate. According to experts in the field, that accounts for about 80 percent of a client's assets. The rest is

more liquid, put in a bank account that often goes to support an entertainer's lavish lifestyle.

"If you look at all the people who surround talent, most are focused on increasing revenue," says Paul Feinstein, a financial adviser at UBS who, with partner Justin Demko, works with many business managers. "A business manager looks at that end, too, but is also focused on the risks a client is taking — what goes on with the budget. That role is critical in an entertainer's life."

Naturally, business managers — who are either on retainer, paid by commission or compensated with a flat fee — aren't crazy about frivolous spending. Many are certified public accountants with a fiduciary responsibility to manage cash flow responsibly. Moreover, most top business managers know enough about the fickle ebbs and flows of show business to realize that just because a client is coming off a successful string of high-grossing pictures or hit TV shows, it doesn't mean long-term success is guaranteed.

The Secrets of the Rich & Famous

Hollywood's business managers tell tales about their clients (\$600,000 at Barneys!) and how they rein them in *By Eriq Gardner*

ILLUSTRATION BY Oliver Munday

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“Creative people are going to come up with creative ways to spend money,” says Alan Goldman, who manages a distinguished clientele at Los Angeles-based Goldman & Knell. “I can’t tell them *not* to spend money, but I try to get them to understand that Hollywood careers don’t last forever.”

To that end, business managers have unique strategies for steering clients in the right direction. Most financial pros will send their clients all kinds of reports regularly, sometimes weekly. Goldman says he was able to show one actor with a ferocious appetite for shopping at Barneys his wayward habits by tallying \$600,000 worth of clothing spending in a single year. But often, that’s not enough.

Entertainers can be right-brained souls who are fabulously inventive but lack attentiveness to the kinds of details found on a P&L sheet. Some business managers must negotiate such handicaps by being a little creative in their own right.

“*I can’t tell them not to spend money, but I try to get them to understand that Hollywood careers don’t last forever.*”

— ALAN GOLDMAN

Lester Knispel, a business manager who has handled money for such notorious spenders as Kim Kardashian, Courtney Love and Shaquille O’Neal, says that when money comes in, the first thing he does is set aside a good portion into a “tax account” so his clients don’t get the wrong idea about what they’ve got in the spending war chest. And Knispel *loves* life insurance. He pitches it to clients as the way to ensure their family’s well-being. But he also knows that making a client pay a heavy dose of insurance premiums is a good way to essentially trick them into socking away cash reserves because many policies allow holders to draw from them later in life.

Still, such strategies only go so far to rein in dollar drainage.

O’Neal is a world-class auto collector with dozens of cars. Now that he’s nearing the end of a Hall of Fame-caliber basketball career, Knispel says he is gearing up to have a conversation with the former Laker about gently applying the brakes to the fast life. “Let’s wind down that monthly nut,” he says, referring to Shaq’s expense ledger.

Such tough talk isn’t unusual for a business manager. All of them understand that some entertainers, besides having what pop psychologists might term an urge to splurge, are under intense social pressure. In an industry where image is everything and rich entertainers get hit upon to provide financial support for others, material pleasures and good-will spending can arguably be classified as status investments — much as business managers are loath to admit it.

On the other hand, it’s the job of the business manager to be the front guard against financial ruin, mitigating the risk of too much exposure to frivolous expenditures. Doing so takes real skill and a healthy knowledge of a client’s makeup.

Sometimes, business managers know more about what’s going on with the money than spouses do.

Business manager Martin Fox recalls a last-second call he got from one of his clients, who demanded that a particular car be bought and delivered with a big ribbon around it within a couple of hours to a restaurant. This entertainer had forgotten his wedding anniversary. Fox got the car delivered before dessert came.

“The next day, the wife comes to the office and says, ‘You have no idea what a wonderful husband I have,’” Fox says. “I’m thinking, ‘If you only knew.’”

GREENBACK GOLIATHS

25 men and women who keep their eyes on the books

GRANT TANI BARASH & ALTMAN

HOWARD ALTMAN

When Altman’s name shows up on the deed of a high-priced property on the market in Los Angeles, and he is representing the buyer, local bloggers start speculating which big celebrity might be moving into the neighborhood. Since launching his firm in 1989, the name of the intensely private and selective business manager has shown up on the deeds of many A-listers including Naomi Watts, Jennifer Garner, Ethan Hawke and Cher.

BELL & CO.

EVAN BELL

Many of Bell’s Hollywood clients are twentysomethings who star in hot TV shows and buzzworthy films. As a result, Bell, who started his New York firm in 1985, sees himself as a business manager-cum-father figure, coaching responsibility and negotiating sometimes-frivolous requests, knowing a client’s career can easily turn cold. (“Generally, if I said no to every request, I’d be right 95 percent of the time,” he says.) At the same time, he’s careful, knowing that any refusal could make a client even more determined to get what he or she desires.

CHAPMAN BIRD GREY & TESSLER

TERRY BIRD

Since splitting from Breslauer Jacobson Rutman & Chapman in the mid-’90s — a firm that merged a few times until it became a subset of American Express — Bird and fellow partners Nancy Chapman and Bonnie Grey have developed the biggest female-led business-management firm in Los Angeles. Bird declined to discuss her work, but her company has been connected with big-money transactions for such top stars as Tom Cruise and Angelina Jolie.



SUMMIT BUSINESS MANAGEMENT

SCOTT FEINSTEIN

“Entertainers can’t have a risky portfolio when they work in the riskiest profession,” says the Encino-based Feinstein, who counts Mila Kunis, Vanessa Hudgens and Leighton Meester among his clients. He has gotten many of his customers to back off lavish spending and focus

on retirement funds instead. But as is the case with most business managers, trying to dissuade someone from extravagance doesn’t always work. “I had a client who wanted to buy land in Hawaii,” Feinstein says. “I thought he was nuts. He bought it anyway.”



BRENTWOOD MANAGEMENT

MATTHEW FISHBURN

For 30 years, Fishburn has resisted offers to merge Brentwood Management with larger firms. Staying small and independent has given him the ability to take hands-on supervision of his company’s 25 employees and give clients personal attention. Fishburn and his business partner, Michael Gordon, are also well known for founding the trendy L.A. restaurant Toscana, which got off the ground with client participation in 1989. It’s a popular meeting place for Fishburn and many of his music-industry clients. “Everyone in entertainment has been to Toscana,” he says proudly. “Clients have gotten a kick out of being part of it.”



MACIAS GINI & O’CONNELL

MARTIN FOX

When Fox started out in business management in the 1970s, his shoulder-length hair made him look a bit like a counterculture rebel. After he sought restitution on behalf of several entertainers who had been cheated by another manager — whom Fox caught in the act — that impression was solidified. His honesty led to a quickly growing practice in Los Angeles. These days, the long hair is gone, but Fox continues to take the client’s side whenever he needs to go toe-to-toe with a production company during a profit-participation audit. “Good managers are the ones giving clients security that someone is watching their backs,” he says.

GELFAND RENNERT & FELDMAN

TODD GELFAND

A former musician, Gelfand decided early in his career that if he couldn’t be a rock star, he at least wanted to be around them. Today, from the Los Angeles management firm he co-founded in 1976 — one of the biggest celebrity management companies in the U.S. — he’s the financial quarterback for many touring musicians, not only handling their day-to-day bookkeeping but also administering the financial groundwork that lets perform-

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ers collect revenue on a regular basis. “A good manager is a foot deep and 10 miles away in terms of knowledge about buying planes, paying taxes and hiring gardeners,” he says.



GOLDMAN & KNELL
ALAN GOLDMAN

“Having a big Rolodex is important for what I do,” Goldman says. It was no doubt beneficial last year when he helped put together the deal that landed his client Piers Morgan on CNN as Larry King’s replacement. Agents and attorneys often put such contracts together, but in this case, the lawyer checked out of the process 36 hours before it closed, leaving Goldman to negotiate final details. Thanks in part to Morgan, Goldman has recently bolstered his client base to include established European celebrities. He also has a growing licensing practice, representing the estates of Kurt Cobain and the Doors.



ALTMAN GREENFIELD & SELVAGGI
BARRY GREENFIELD

After his parents bought him a single share of Disney stock when he was a kid, Greenfield remembers walking through Disneyland and contemplating the meaning of being part owner of the enterprise. These days, Greenfield is just as enthusiastic about doing due diligence on a wide range of client investments, from mansions to rare automobiles. Most of the time, clients let him find the best deal. But the L.A.-based Greenfield

recalls one actor who wanted to propose to his girlfriend and insisted on a diamond ring from Tiffany. Greenfield warned him about the price markup, but the client didn’t care. “He said, ‘But it wouldn’t come in a blue box,’” Greenfield laughs.



CITRIN COOPERMAN
ARNOLD HERRMANN

For 20 years, Herrmann worked at the firm of Ken Starr, who was sentenced in March to 7½ years in prison for running a Ponzi scheme on celebrity clients. Herrmann emerged from the debacle in reasonably good shape, bringing all of his clients — including Martin Scorsese, Gus Van Sant and Liam Neeson — to his new Manhattan firm. One client wanted assurance that his money hadn’t been touched by Starr, so Herrmann agreed to an audit. The resulting clean bill of health “probably went a long way” toward resolidifying trust, he says.



MILLER KAPLAN ARASE & CO.
MICHAEL KAPLAN

Business managers walk a tightrope when saying no to a client, says Kaplan, whose firm manages about 6,000 of them from offices in Las Vegas, Seattle and Los Angeles. Although Kaplan believes in being forthright with clients about their spending habits, he says there are some who can’t stop spending — and can’t handle the truth. “We always tell those who come in the door if they can’t hear ‘No,’ don’t hire us,” he says.



NIGRO KARLIN SEGAL & FELDSTEIN
MICHAEL KARLIN

Karlin, founder of one of Hollywood’s largest business management firms, continues to usher new clients into his 30-year-old company, which boasts a staff of more than 200 in Los Angeles and New York. According to Karlin, a business manager does his or her job best when he stays on top of their clients’ lives. “The last thing a business manager wants to hear [from a client] on a Monday is, ‘I’ve bought this car over the weekend,’” he says. “If you’ve done your job, they’ll call you in advance.”

BOULEVARD MANAGEMENT
LESTER KNISPEL

Knispel has come a long way since his early days at a general accounting practice, where he made sure mortuaries had the proper number of caskets and amount of embalming fluid. By the 1970s, he had become the go-to accountant for L.A.-based doctors, but when Roy Orbison came looking for a business manager, his job description changed again. Over time, Knispel added TV, film and sports superstars to his roster. “I’ve been doing this so long, my clients don’t even try to B.S. me when they want something,” he says.

MURPHY & KRESS
GARY KRESS

Having access to celebrities can be rewarding. In the aftermath of last year’s earthquake in Haiti, Kress and a Santa Monica surgeon discussed ways by

which they could provide assistance to Haitians ravaged by the disaster. As the surgeon, Ramin Modabber, later described on a personal blog, Kress proposed that Partners in Health — a nonprofit that has garnered the support of Kress’ client Matt Damon — could help out. Kress then called Mel Gibson, who offered his own plane, and a 13-member medical team was soon transported to Haiti via a luxurious private aircraft.



SOBUL PRIMES & SCHENKEL
STEVE LEVITT

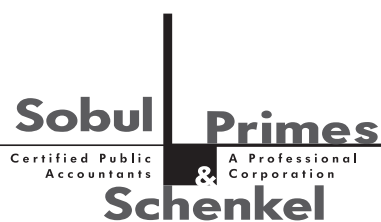
Levitt has established a lucrative niche in Hollywood by focusing his services on those in the industry who aren’t performers — everyone from agents to composers to writers. Levitt, who worked for 12 years at PricewaterhouseCoopers before joining his current firm in the mid-’90s, says the financial profiles of these clients differ from those of actors: Because their careers tend to be more stable, investments are geared more toward higher-growth assets. Plus, Levitt hardly has to hold their hands when it comes to spending. “Many of these agents and lawyers are business-savvy, and they get a lot of the things I throw at them,” he says.



LAURA LIZER & ASSOCIATES
LAURA LIZER

Clients choose their money managers based on comfort level, and the L.A.-based Lizer, who represents such old-time Hollywood stars as Sidney Poitier and Jackie

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Collins, respects a client's ideas about where they want to put their money. Can business managers be as creative as their clients? "Creativity doesn't just mean painting," says Lizer, who also works with Caroline Kennedy to raise capital for youth-based charities. "There's always times when you're doing financial planning where a curveball comes your way, and you have to figure out how to make adjustments."



**FREEMARK FINANCIAL
ANDREW MEYER**

Working with as many young celebrities as Meyer does (he counts cast members of *Twilight* among them) means he must regularly investigate business opportunities brought to his clients' attention. (Restaurants and branded clothing lines top the list.) But only about 5 percent turn out to be worthy, according to Meyer. "Our responsibility is to vet the numbers," he says. "We tend to be more pessimistic than people who aren't CPAs."



**HOLTHOUSE CARLIN & VAN TRIGT
JULIE MILLER**

Miller once represented an aging TV star who was set to marry a younger woman. A background check by Miller revealed that the fiancée was a porn star. Still, the client refused to back off his marriage plans, so Miller made protection a priority. The marriage didn't last, and the actor died, leaving the presumption by his family that his money had been lost. Miller, who got into the business in the late 1970s and joined Holthouse Carlin & Van Trigt five years ago, is proud of what happened next. "I was able to sit down with the

man's son and tell him that he had inherited more money than he ever imagined," she says.



**FRANCIS, SADIKOFF & NACHSHON
SHIRA NACHSHON**

Nachshon has a taste for putting a large share of client money into real estate investments. In the past decade since joining with L.A. business-management pioneer Bernie Francis, she has given actors, writers and directors part ownership in homes, shopping centers and mobile-home parks. Her firm dodged the subprime and foreclosure troubles, mostly with good bets like investments in booming towns in Texas. "I try to explain as much as I can to clients that when they see a multimillion-dollar paycheck, after commissions and taxes, they'll only be keeping 33 percent of it," she says. "Investment becomes necessary."



**NIGRO KARLIN SEGAL & FELDSTEIN
FRED NIGRO**

Nigro takes pride in some of the larger work he does for clients, which includes setting up production companies and purchasing big homes. But, like many business managers, the L.A.-based Nigro steers clients away from investing in restaurants. Even so, he sheepishly admits to investing his own money in one. "Restaurants are the worst place to put money when you're looking for a return but the best place to put money if you want to find a job for your wife and daughter," he says.

**PHILPOTT BILLS STOLL & MEEKS
ROBERT PHILPOTT**

After Philpott came back from a tour of service with the Marines in the

1970s, he got an accounting degree at Cal Poly Pomona and a job in the audit division at PricewaterhouseCoopers. He later hooked up with Gary Kress and Brian Murphy, who tutored him on the art of servicing celebrities such as Warren Beatty and Goldie Hawn. During the mid-'80s, Philpott founded his own firm, which now has more than 50 employees and 150 clients. "I'm always kept on my toes," he says. "Working with interesting personalities never gets boring, from prenups to philanthropy."



**LEVEL FOUR BUSINESS MANAGEMENT
JOHN RIGNEY**

Rigney has discovered that setting up a charitable foundation takes a lot of hands-on work. The business management veteran, representing an actor who is devoted to a rice-intensification project, has, for the past year, negotiated tax ramifications, ensured that money is well spent and traveled the world on behalf of his client. In March, Rigney was in Haiti, shepherding his client from one meeting to the next. "I feel like I'm the referee," he says. "My job is to make sure he doesn't overpromise or get too revved up."



**BEMEL, ROSS & KLEIN
BRAD ROSS**

After a short stint as a real estate agent, Ross became an entertainment accountant in the mid-'80s. He and business partner Rodger Bemel took on clients no other firm would touch. Twenty-five years later, many of those clients, including Dean Devlin, Roland Emmerich and Matt LeBlanc, have enjoyed great career success, and Ross consequently has shepherded a growing practice.

And though he has been throughout Europe, Thailand and Mexico representing clients in purchases of jets, jewelry and rare musical instruments, he says his current role is to be a grounding influence. "My first wife wasn't so happy I was on the phone so much," he says.

**SAVITSKY SATIN & BACON
STEVE SAVITSKY**

In the mid-1990s, Savitsky followed his father into business management — and he has been running a very careful shop with a steadily growing client list ever since. Small measures such as buying disability or fire insurance have paid off and earned client gratitude. Not that Savitsky is looking for it. "My whole approach is under the radar," he says. "I'm not looking for kudos." In his spare time, Savitsky raises money for the Juvenile Diabetes Research Foundation.



**NIGRO KARLIN SEGAL & FELDSTEIN
MICKEY SEGAL**

It's somewhat amazing that Segal, managing partner at one of Hollywood's biggest business management firms, finds time to have one of the most active lives away from the office. In the past decade, he has twice served as mayor of Arcadia, Calif., and also raised \$60 million for charity. Last year, he took a cruise that traveled 5,000 miles, including through the Ganges River. But no matter how far Segal goes, his clients are close in mind. When entertainers come to him with ideas about investing in friends' projects, he tells them that's fine — but not to allocate more than 10 percent of their funds there. Diversity in asset allocation is crucial, he says. **THR**

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