

Four Debts  
Two  
Payments

# \$659.97

This is an accounting entanglement called a "debt"

EDWARD J. WHITE  
ATTORNEY AT LAW  
118 SOUTH ROYAL STREET  
ALEXANDRIA, VIRGINIA 22314

TELEPHONE 836-5444

May 19, 1992

Mr. Anthony M. O'Connell  
c/o Edgar A. Prichard, Esq.  
8280 Greensboro Dr.  
#900  
McLean, Va. 22102

Re: Estate of Jean M. O'Connell

Dear Mr. O'Connell,

In your letter of May 6 to Jean you asked that I communicate with you with regard to the Harold O'Connell Trust.

I am trying to prepare the estate tax, and as usual in these cases, there are problems trying to understand the flow of debts and income.

I do have a few questions which are put forward simply so that the figures on the Trust's tax returns and accounting will agree with the estate's.

1. The K-1 filed by the Trust for 1991 showed income to your mother of \$41,446.00. The Seventh Accounting appears to show a disbursement to her of \$40,000.00 plus first half realty taxes paid by the trust for her and thus a disbursement to her of \$1794.89. If these two disbursements are added the sum is \$41,794.89. This leaves \$348.89 which I cannot figure out. It could well be a disbursement of principal and not taxable.

2. The K-1 filed by the Trust showed a payment of \$816.00 in interest to the estate. You sent a check in the amount of \$1475.97 to the estate. What was the remaining \$659.97? Do I have this confused with the tax debt/credit situation which ran from the Third Accounting?

3. On the Seventh Accounting "Income per 7th Account" is shown as \$5181.71, but I cannot figure that one out either.

I am of the opinion that the estate owes the trust for the second half real estate taxes from September 15, 1991 through December 31, 1991 in the amount of \$1052.35. This is shown on your accounting as disbursed to the heirs. Should this be paid back to the heirs or to the Trust?

I believe that the income received from the savings accounts

Page 2  
Ltr to Mr. Anthony M. O'Connell  
May 19, 1992

from September 15 to the date the various banks made their next payment to the Trust (9/30 and 9/21) should be split on a per diem basis, since the Trust terminated on her death. This will be a small amount of course.

Are there any other debts which your Mother owed the Trust?

I realize that Jo Ann Barnes prepared this and if you authorize it I can ask her to help me out.

Please understand that I have no problem with the Accounting, I m just trying to match things up. In the long run, since the beneficiaries are the same, the matter is academic.

Please send the bill for the appraisal whenever you receive it. Jean is filing the Fairfax form for re-assessment in her capacity as a co-owner in order to give us a better basis to get this assessment changed and to meet the county's deadline. It will state that the appraisal you have ordered will follow. I think this will be to all of your benefit in the long run.

Sincerely,



Edward J. White

EJW/e  
Copy to: Jean M. Nader

**SCHEDULE K-1  
(Form 1041)**

**Beneficiary's Share of Income, Deductions, Credits, Etc.**

OMB No. 1545-0092

Department of the Treasury  
Internal Revenue Service

for the calendar year 1991, or fiscal year  
beginning ..... 1991, ending ..... 19 .....

**1991**

▶ Complete a separate Schedule K-1 for each beneficiary.

Name of estate or trust

Trust u/w H.A. O'Connell

Amended K-1  
 Final K-1

Beneficiary's identifying number ▶ 25-6377917

Estate's or trust's employer identification number ▶ 62-6209167

Beneficiary's name, address, and ZIP code

Estate of Jean M. O'Connell  
c/o Jean O. Nader, Executrix  
350 Fourth Avenue  
New Kensington, Pennsylvania 15068

Fiduciary's name, address, and ZIP code

Anthony O'Connell, Trustee  
6541 Franconia Road  
Springfield, Virginia 22150

(a) Allocable share item	(b) Amount	(c) Calendar year 1991 Form 1040 filers enter the amounts in column (b) on:	
1 Interest . . . . .	816	Schedule B, Part I, line 1	
2 Dividends . . . . .		Schedule B, Part II, line 5	
3a Net short-term capital gain . . . . .		Schedule D, line 4, column (g)	
b Net long-term capital gain . . . . .		Schedule D, line 11, column (g)	
4a Business income and other non-passive income before directly allocable deductions. (see instructions) . . . . .		Schedule E, Part III	
b Depreciation . . . . .			
c Depletion . . . . .			
d Amortization . . . . .			
5a Rental, rental real estate, and other passive income before directly allocable deductions. (see instructions) . . . . .			
b Depreciation . . . . .			
c Depletion . . . . .			
d Amortization . . . . .			
6 Income for minimum tax purposes . . . . .	816		Form 6251, line 5r
7 Income for regular tax purposes (add lines 1 through 5) . . . . .	816		
8 Adjustment for minimum tax purposes (subtract line 7 from line 6) . . . . .	0		
9 Estate tax deduction (including certain generation-skipping transfer taxes) (attach computation) . . . . .		Schedule A, line 25	
10 Foreign taxes (list on a separate sheet) . . . . .		Form 1118 or Schedule A (Form 1040), line 7	
11 Tax preference items (itemize):			
a Accelerated depreciation . . . . .			
b Depletion . . . . .			
c Amortization . . . . .			
d Exclusion items . . . . .		1992 Form 8801	
12 Distributions in the final year of estate or trust:			
a Excess deductions on termination (attach computation) . . . . .			
b Short-term capital loss carryover . . . . .			
c Long-term capital loss carryover . . . . .			
d Net operating loss (NOL) carryover . . . . .			
e . . . . .			
f . . . . .		Form 1040, line 22	
13 Other (itemize):			
a Trust payments of estimated taxes credited to you . . . . .			
b Tax-exempt interest . . . . .			
c . . . . .			
d . . . . .			
e . . . . .			
f . . . . .			
g . . . . .			
h . . . . .		Form 1040, line 55	
		Form 1040, line 8b	
		(Include on the applicable line of appropriate tax form)	

For Paperwork Reduction Act Notice, see page 1 of the Instructions for Form 1041. Cat. No. 113800 Schedule K-1 (Form 1041) 1991

State modifications: NONE

IN THE CIRCUIT COURT OF FAIRFAX COUNTY, VIRGINIA

ESTATE OF TRUST U/W OF H.A. O'CONNELL

ACCOUNT OF Anthony O'Connell, Trustee

FIDUCIARY # 21840

Number of this account Seventh Account

Covering period from 1/1/91 to 12/31/91

DESCRIPTION	ASSETS RECEIVED (or On Hand)	DISBURSEMENTS
<b>ASSETS HELD ON DECEMBER 31, 1991 FOR FUTURE ACCOUNTING</b>		
Lynch Note		\$ 428,277.21
46.0994% interest in 15 acres		34,574.55
Cash - Continental checking		43,302.55
Computer		2,100.00
Payable to the Estate of Jean M. O'Connell		
Deficit per 3 <sup>rd</sup> Account	\$ (5,906.72)	
Deficit per 4 <sup>th</sup> Account	(687.03)	
Income per 5 <sup>th</sup> Account	5,796.98	
Deficit per 6 <sup>th</sup> Account (restated)	(2,908.97)	
	\$ (3,705.74)	
Income per 7 <sup>th</sup> Account	5,181.71	
	\$ 1,475.97	
<b>TOTAL ASSETS HELD FOR FUTURE ACCOUNTING</b>		\$ 508,254.31 ✓
<b>TOTALS</b>	\$ 675,522.42 ✓	\$ 675,522.42 ✓

04/11/92 1768

John St...

Vouchers in support of disbursements are submitted herewith.

5/11/92  
Date

Anthony O'Connell, Trustee  
Anthony O'Connell, Trustee

# KELLER BRUNER & COMPANY, P.C.

Certified Public Accountants • Management Consultants

February 12, 1993

Mr. Anthony O'Connell  
6541 Franconia Road  
Springfield, Virginia 22150

Re: Trust u/w of H. A. O'Connell

Dear Mr. O'Connell:

Joanne Barnes has asked me to respond to your letter of January 21, 1993 concerning the differences in the "Total distributions" from the court accounting and the fiduciary return. I will also try to answer the other questions in your letter.

The amount on Page 2, Line 12 of Form 1041 in the amount of \$146,795 is the figure on a workpaper which I previously gave to you (copy attached). Listed below, again in another format, is how that \$146,795 was arrived at:

Mrs. Jean M. O'Connell	
Check #230	\$ 40,000.00
Check #251 (R E taxes)	
(\$3,330 x 53.9006%)	1,794.89
Sheila O'Connell	
Check #268	20,000.00
Check #276	15,000.00
Jean Nader	
Check #267	20,000.00
Check #277	15,000.00
Anthony O'Connell	
Check #269	20,000.00
Check #278	<u>15,000.00</u>
Total amount of checks	<u>\$ 146,794.89</u>

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Internationally - Dunwoody, Robson, McGladrey and Pullen, with Affiliate Offices Worldwide

Mr. Anthony O'Connell  
February 12, 1993

Page 2

The \$146,794.89 or \$146,795 was the total amount of cash **distributed** to the beneficiaries or heirs of this trust during the calendar year 1991.


The \$1,794.89 of real estate taxes which you as Trustee paid on behalf of the three heirs (Shelia O'Connell, Jean Nader and Anthony O'Connell) was an obligation owed directly by the three heirs as your mother's interest in this real estate passed directly to each of you at her death. When you received the K-1's for 1991, attached was a schedule for each of you to report 1/3rd of these real estate taxes on your individual income tax returns.

The final point in your letter is in regards how to treat the \$1,475.97 of cash which was paid to your mother's estate in 1992. This is just a cash transfer to cure a cash deficiency as of the date of death and **NOTHING** else. On page 4 of the Seventh Account, your mother owed the Trust at the end of the Sixth Account \$3,705.74 but you had underdistributed \$5,181.71 of cash through her date of death. The \$1,475.97 just completes what was due her. The transfer to her estate has no tax effect for either 1991 or 1992.

I hope that the foregoing has answered your various questions. I am also returning to you, the letter which you sent with your letter of January 21, 1993. I have made a copy of it for our files.

Very truly yours,

KELLER BRUNER & COMPANY, P.C.

  
Forest N. Balderson

FNB/hoc  
Enclosures





Jesse B. Wilson, III  
Commissioner of Accounts

Commissioner of Accounts Office  
**Circuit Court of Fairfax County**

Fair Oaks Plaza  
Suite 500  
11350 Random Hills Road  
Fairfax, Virginia 22030  
Telephone (703) 385-0268



Peter A. Armson  
Deputy Commissioner of Accounts

August 8, 2000

Mr. Anthony M. O'Connell  
216 Governors Lane  
Apt. #12  
Harrisonburg, Virginia 22801

**RE: Harold A. O'Connell Trust;  
Fiduciary No. 21840**

Dear Mr. O'Connell:

Enclosed please find a copy of my report approving your 11<sup>th</sup> account as trustee in the above matter as your Final Account. As you will see from the report, it appears to me from the information you have provided that the \$659.97 debt you report is not a trust asset. Even if the debt existed as you suggest, it's collectability would be so problematic and uncertain, and the effort so costly, as to render it worthless and make reasonable a decision for it to be abandoned as an asset. It certainly should not be the basis for keeping this trust estate open and requiring the filing of annual accounts indefinitely.

In the event that the trustee is successful in recovering \$659.97 or any other funds which are proper trust assets to be accounted for, such may be reported to the Commissioner of Accounts by an Amended Inventory and, thereafter, accounted for by proper accounts.

If you disagree with this action by me, you may file exceptions with the Court within fifteen (15) days of the filing of my report and take the matter up directly with the Court.

Very truly yours,

Jesse B. Wilson, III  
Commissioner of Accounts

JBW:jcs

**\$348.89**

This is an accounting entanglement called a "debt"

EDWARD J. WHITE  
ATTORNEY AT LAW  
118 SOUTH ROYAL STREET  
ALEXANDRIA, VIRGINIA 22314

TELEPHONE 836-5444

May 19, 1992

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c/o Edgar A. Prichard, Esq.  
8280 Greensboro Dr.  
#900  
McLean, Va. 22102

Re: Estate of Jean M. O'Connell

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I am trying to prepare the estate tax, and as usual in these cases, there are problems trying to understand the flow of debts and income.

I do have a few questions which are put forward simply so that the figures on the Trust's tax returns and accounting will agree with the estate's.

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May 19, 1992

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Sincerely,



Edward J. White

EJW/e  
Copy to: Jean M. Nader

**SCHEDULE K-1**  
**(Form 1041)**

**Beneficiary's Share of Income, Deductions, Credits, Etc.**

OMB No. 1545-0092

Department of the Treasury  
Internal Revenue Service

for the calendar year 1991, or fiscal year  
beginning ..... , 1991, ending ..... , 19 .....  
▶ Complete a separate Schedule K-1 for each beneficiary.

**1991**

Name of estate or trust

Trust u/w H.A. O'Connell

Amended K-1  
 Final K-1

Beneficiary's identifying number ▶ 230-50-6044

Estate's or trust's employer identification number ▶ 62-6209167

Beneficiary's name, address, and ZIP code

Fiduciary's name, address, and ZIP code

Jean M. O'Connell  
c/o Jean O. Nader, Executrix  
350 Fourth Avenue  
New Kensington, Pennsylvania 15068

Anthony O'Connell, Trustee  
6541 Franconia Road  
Springfield, Virginia 22150

(a) Allocable share item	(b) Amount	(c) Calendar year 1991 Form 1040 filers enter the amounts in column (b) on:
1 Interest . . . . .	41,446	Schedule B, Part II, line 1
2 Dividends . . . . .		Schedule B, Part II, line 5
3a Net short-term capital gain . . . . .		Schedule D, line 4, column (g)
b Net long-term capital gain . . . . .		Schedule D, line 11, column (g)
4a Business income and other non-passive income before directly allocable deductions. (see instructions) . . . . .		Schedule E, Part III
b Depreciation . . . . .		
c Depletion . . . . .		
d Amortization . . . . .		
5a Rental, rental real estate, and other passive income before directly allocable deductions. (see instructions) . . . . .		
b Depreciation . . . . .		
c Depletion . . . . .		
d Amortization . . . . .		
6 Income for minimum tax purposes . . . . .	43,546	
7 Income for regular tax purposes (add lines 1 through 5) . . . . .	41,446	
8 Adjustment for minimum tax purposes (subtract line 7 from line 6) . . . . .	2,100	Form 6251, line 5r (PTM)
9 Estate tax deduction (including certain generation-skipping transfer taxes) (attach computation) . . . . .		Schedule A, line 25
10 Foreign taxes (list on a separate sheet) . . . . .		Form 1116 or Schedule A (Form 1040), line 7
11 Tax preference items (itemize):		
a Accelerated depreciation . . . . .		(include on the applicable line of Form 6251 1992 Form 8801)
b Depletion . . . . .		
c Amortization . . . . .		
d Exclusion items . . . . .		
12 Distributions in the final year of estate or trust:		
a Excess deductions on termination (attach computation) . . . . .		Schedule A, line 20
b Short-term capital loss carryover . . . . .		Schedule D, line 5, column (f)
c Long-term capital loss carryover . . . . .		Schedule D, line 14, column (f)
d Net operating loss (NOL) carryover . . . . .		Form 1040, line 22
e . . . . .		(include on the applicable line of appropriate tax form)
f . . . . .		
13 Other (itemize):		
a Trust payments of estimated taxes credited to you . . . . .		Form 1040, line 55
b Tax-exempt interest . . . . .		Form 1040, line 8b
c . . . . .		
d . . . . .		
e . . . . .		
f . . . . .		(include on the applicable line of appropriate tax form)
g . . . . .		
h . . . . .		

State modifications: NONE

NAME Trust w/w H. A. O'Connell  
 ADDRESS Anthony O'Connell, Trustee  
6541 Francenia Road  
Springfield, Virginia 22150

YEAR ENDING 12/31/91  
 SOCIAL SECURITY NO. \_\_\_\_\_  
 OR  
 FEDERAL IDENTIFICATION NO. 62-6209167

Schedule K-1 (Form 1041)			
1/1/91 to 9/15/91 for Jean M. O'Connell			
Real estate taxes paid	1,795		

Attach to  
K-1.  
do not attach  
to return

## IN THE CIRCUIT COURT OF FAIRFAX COUNTY, VIRGINIA

ESTATE OF TRUST U/W OF H.A. O'CONNELLACCOUNT OF Anthony O'Connell, TrusteeFIDUCIARY # 21840Number of this account Seventh AccountCovering period from 1/1/91 to 12/31/91

DESCRIPTION	ASSETS RECEIVED (or On Hand)	DISBURSEMENTS
Balance brought forward		\$ 9,549.96
Purchase of computer program Compass		250.79 ✓ 97.71 ✓
Anthony O'Connell Trustees' fees - Income		2,510.97 ✓
- Principal		<u>6,268.90</u> ✓
<b><u>TOTAL DISBURSEMENTS</u></b>		<b>\$ 18,678.33</b> ✓
<b><u>DISTRIBUTIONS</u></b>		
Jean M. O'Connell		
Income distribution 4/22/91		\$ 40,000.00 ✓
Real estate taxes - 1 <sup>st</sup> half (beneficiary's share - 53.9006%)		1,794.89 ✓
Sheila O'Connell		
Real estate taxes - 2 <sup>nd</sup> half (heir's share of 53.9006%)		598.30 ✓
Principal distributions 9/30/91	\$ 20,000.00 ✓	
11/14/91	<u>15,000.00</u>	35,000.00 ✓
Jean O'Connell Nader		
Real estate taxes - 2 <sup>nd</sup> half (heir's share of 53.9006%)		598.30 ✓
Principal distribution 9/30/91	\$ 20,000.00 ✓	
11/14/91	<u>15,000.00</u>	35,000.00 ✓
Anthony O'Connell		
Real estate taxes - 2 <sup>nd</sup> half (heir's share of 53.9006%)		598.29 ✓
Principal distributions 9/30/91	\$ 20,000.00 ✓	
11/14/91	<u>15,000.00</u>	35,000.00 ✓
<b><u>TOTAL DISTRIBUTIONS</u></b>		<b>\$ 148,589.78</b> ✓

DAU489 1767

# KELLER BRUNER & COMPANY, P.C.

Certified Public Accountants • Management Consultants

February 12, 1993

Mr. Anthony O'Connell  
6541 Franconia Road  
Springfield, Virginia 22150

Re: Trust u/w of H. A. O'Connell

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Check #267	20,000.00
Check #277	15,000.00
Anthony O'Connell	
Check #269	20,000.00
Check #278	<u>15,000.00</u>
Total amount of checks	<u>\$ 146,794.89</u>

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Mr. Anthony O'Connell  
February 12, 1993

Page 2

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Very truly yours,

KELLER BRUNER & COMPANY, P.C.

  
\_\_\_\_\_  
Forest N. Balderson

FNB/hoc  
Enclosures

**SCHEDULE K-1  
(Form 1041)**

**Beneficiary's Share of Income, Deductions, Credits, Etc.**

OMB No. 1545-0092

Department of the Treasury  
Internal Revenue Service

for the calendar year 1991, or fiscal year  
beginning ..... , 1991, ending ..... , 19 .....  
▶ Complete a separate Schedule K-1 for each beneficiary.

**1991**

Name of estate or trust

Trust u/w H.A. O'Connell

Amended K-1  
 Final K-1

Beneficiary's identifying number ▶ 225-50-9052

Estate's or trust's employer identification number ▶ 62-6209167

Beneficiary's name, address, and ZIP code

Jean O'Connell Nader  
350 Fourth Avenue  
New Kensington, Pennsylvania 15068

Fiduciary's name, address, and ZIP code

Anthony O'Connell, Trustee  
6541 Franconia Road  
Springfield, Virginia 22150

(a) Allocable share item	(b) Amount	(c) Calendar year 1991 Form 1040 filers enter the amounts in column (b) on:
1 Interest . . . . .		Schedule B, Part I, line 1
2 Dividends . . . . .		Schedule B, Part II, line 5
3a Net short-term capital gain . . . . .		Schedule D, line 4, column (g)
b Net long-term capital gain . . . . .	32,673	Schedule D, line 11, column (g)
4a Business income and other non-passive income before directly allocable deductions. (see instructions) . . . . .		Schedule E, Part III
b Depreciation . . . . .		
c Depletion . . . . .		
d Amortization . . . . .		
5a Rental, rental real estate, and other passive income before directly allocable deductions. (see instructions) . . . . .		
b Depreciation . . . . .		
c Depletion . . . . .		
d Amortization . . . . .		
6 Income for minimum tax purposes . . . . .	34,018	
7 Income for regular tax purposes (add lines 1 through 5) . . . . .	32,673	
8 Adjustment for minimum tax purposes (subtract line 7 from line 6) . . . . .	1,345	
9 Estate tax deduction (including certain generation-skipping transfer taxes) (attach computation) . . . . .		Schedule A, line 25
10 Foreign taxes (list on a separate sheet) . . . . .		Form 1116 or Schedule A (Form 1040), line 7
11 Tax preference items (itemize):		
a Accelerated depreciation . . . . .		(Include on the applicable line of Form 6251)
b Depletion . . . . .		
c Amortization . . . . .		
d Exclusion items . . . . .		1992 Form 8801
12 Distributions in the final year of estate or trust:		
a Excess deductions on termination (attach computation) . . . . .		Schedule A, line 20
b Short-term capital loss carryover . . . . .		Schedule D, line 5, column (f)
c Long-term capital loss carryover . . . . .		Schedule D, line 14, column (f)
d Net operating loss (NOL) carryover . . . . .		Form 1040, line 22
e . . . . .		(Include on the applicable line of appropriate tax form)
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13 Other (itemize):		
a Trust payments of estimated taxes credited to you . . . . .		Form 1040, line 55
b Tax-exempt interest . . . . .		Form 1040, line 8b
c . . . . .		
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g . . . . .		
h . . . . .		

For Paperwork Reduction Act Notice, see page 1 of the Instructions for Form 1041. Cat. No. 11380D Schedule K-1 (Form 1041) 1991

State modifications: \$833 State income tax-addition

NAME Trust w/ H. A. O'Connell  
 ADDRESS Anthony O'Connell, Trustee  
 6541 Franconia Road  
 Springfield, Virginia 22150

YEAR ENDING 12/31/91  
 SOCIAL SECURITY NO. \_\_\_\_\_  
 OR  
 FEDERAL IDENTIFICATION NO. 62-6209167

Schedule K-1 (Form 1041)			
7/1/91 - 12/31/92			
9/16/91 to 12/31/91 to heir's			
Real estate taxes paid <sup>NO 900670</sup> 5 <sup>of 3,550</sup>		1795	
(53.9006%)			
- Heir's 1/3rd share			599
Attach to K-1 do not attach to return			

**SCHEDULE K-1  
(Form 1041)**

**Beneficiary's Share of Income, Deductions, Credits, Etc.**

OMB No. 1545-0092

for the calendar year 1991, or fiscal year

beginning ..... , 1991, ending ..... , 19 .....

▶ Complete a separate Schedule K-1 for each beneficiary.

**1991**

Department of the Treasury  
Internal Revenue Service

Name of estate or trust

Trust u/w H.A. O'Connell

Amended K-1  
 Final K-1

Beneficiary's identifying number ▶ 224-54-7273

Estate's or trust's employer identification number ▶ 62-6209167

Beneficiary's name, address, and ZIP code

Sheila O'Connell  
44 Carleton Street  
Portland, Maine 04102

Fiduciary's name, address, and ZIP code

Anthony O'Connell, Trustee  
6541 Franconia Road  
Springfield, Virginia 22150

(a) Allocable share item	(b) Amount	(c) Calendar year 1991 Form 1040 filers enter the amounts in column (b) on:
1 Interest . . . . .		Schedule B, Part I, line 1
2 Dividends . . . . .		Schedule B, Part II, line 5
3a Net short-term capital gain . . . . .		Schedule D, line 4, column (g)
b Net long-term capital gain . . . . .	32,673	Schedule D, line 11, column (g)
4a Business income and other non-passive income before directly allocable deductions. (see instructions) . . . . .		Schedule E, Part III
b Depreciation . . . . .		
c Depletion . . . . .		
d Amortization . . . . .		
5a Rental, rental real estate, and other passive income before directly allocable deductions. (see instructions) . . . . .		
b Depreciation . . . . .		
c Depletion . . . . .		
d Amortization . . . . .		
6 Income for minimum tax purposes . . . . .	34,018	
7 Income for regular tax purposes (add lines 1 through 5) . . . . .	32,673	
8 Adjustment for minimum tax purposes (subtract line 7 from line 6) . . . . .	1,345	
9 Estate tax deduction (including certain generation-skipping transfer taxes) (attach computation) . . . . .		
10 Foreign taxes (list on a separate sheet) . . . . .		Form 1116 or Schedule A (Form 1040), line 7
11 Tax preference items (itemize):		
a Accelerated depreciation . . . . .		
b Depletion . . . . .		
c Amortization . . . . .		
d Exclusion items . . . . .		1992 Form 8801
12 Distributions in the final year of estate or trust:		
a Excess deductions on termination (attach computation) . . . . .		
b Short-term capital loss carryover . . . . .		
c Long-term capital loss carryover . . . . .		
d Net operating loss (NOL) carryover . . . . .		
e . . . . .		
f . . . . .		(Include on the applicable line of Form 6251)
13 Other (itemize):		
a Trust payments of estimated taxes credited to you . . . . .		
b Tax-exempt interest . . . . .		
c . . . . .		
d . . . . .		
e . . . . .		
f . . . . .		
g . . . . .		
h . . . . .		(Include on the applicable line of appropriate tax form)

State modifications: \$833 State income tax-addition



**SCHEDULE K-1  
(Form 1041)**

**Beneficiary's Share of Income, Deductions, Credits, Etc.**

OMB No. 1545-0092

Department of the Treasury  
Internal Revenue Service

for the calendar year 1991, or fiscal year  
beginning ....., 1991, ending ....., 19 .....

**1991**

Name of estate or trust

Trust u/w H.A. O'Connell

Amended K-1  
 Final K-1

Beneficiary's identifying number ▶ 225-52-7637

Estate's or trust's employer identification number ▶ 62-6209167

Beneficiary's name, address, and ZIP code

Anthony O'Connell  
6541 Franconia Road  
Springfield, Virginia 22150

Fiduciary's name, address, and ZIP code

Anthony O'Connell, Trustee  
6541 Franconia Road  
Springfield, Virginia 22150

(a) Allocable share item	(b) Amount	(c) Calendar year 1991 Form 1040 filers enter the amounts in column (b) on:
1 Interest		Schedule B, Part I, line 1
2 Dividends		Schedule B, Part II, line 5
3a Net short-term capital gain		Schedule D, line 4, column (g)
b Net long-term capital gain	32,673	Schedule D, line 11, column (g)
4a Business income and other non-passive income before directly allocable deductions. (see instructions)		Schedule E, Part III
b Depreciation		
c Depletion		
d Amortization		
5a Rental, rental real estate, and other passive income before directly allocable deductions. (see instructions)		
b Depreciation		
c Depletion		
d Amortization		
6 Income for minimum tax purposes	34,018	
7 Income for regular tax purposes (add lines 1 through 5)	32,673	
8 Adjustment for minimum tax purposes (subtract line 7 from line 6)	1,345	Form 6251, line 5r
9 Estate tax deduction (including certain generation-skipping transfer taxes) (attach computation)		Schedule A, line 25
10 Foreign taxes (list on a separate sheet)		Form 1116 or Schedule A (Form 1040), line 7
11 Tax preference items (itemize):		
a Accelerated depreciation		
b Depletion		
c Amortization		
d Exclusion items		
		(Include on the applicable line of Form 6251) 1992 Form 8801
12 Distributions in the final year of estate or trust:		
a Excess deductions on termination (attach computation)		
b Short-term capital loss carryover		
c Long-term capital loss carryover		
d Net operating loss (NOL) carryover		
e .....		
f .....		Schedule A, line 20 Schedule D, line 5, column (f) Schedule D, line 14, column (f) Form 1040, line 22 (Include on the applicable line of appropriate tax form)
13 Other (itemize):		
a Trust payments of estimated taxes credited to you		
b Tax-exempt interest		
c .....		
d .....		
e .....		
f .....		
g .....		
h .....		
		Form 1040, line 55 Form 1040, line 8b  (Include on the applicable line of appropriate tax form)

For Paperwork Reduction Act Notice, see page 1 of the instructions for Form 1041. Cat. No. 113800 Schedule K-1 (Form 1041) 1991

State modifications: \$834 State income tax-addition

599  
235-45 = 705

*PI FORGET TO ADD YETTS #834  
on my VA-760  
I should do  
a schedule  
1/2/91*



**Debt**  
**\$34,056**



# Payment 1

The Lynch payment of \$125,188 to Jean O'Connell on April 21, 1991, is not mentioned.

**Not Reported**

**\$125,188**

**April 21, 1991**

The April 21, 1991, payment of \$125,188 from the Lynch note to Jean O'Connell was not reported to the IRS. In my May 29, 1992, letter to Edward White I said it was taxable and should be reported, and he reported it on an amended return. Can we expose the accounting trail for the April 21, 1991, payment of \$125,188?

EDWARD J. WHITE  
ATTORNEY AT LAW  
118 SOUTH ROYAL STREET  
ALEXANDRIA, VIRGINIA 22314

TELEPHONE 836-5444

May 19, 1992

Mr. Anthony M. O'Connell  
c/o Edgar A. Prichard, Esq.  
8280 Greensboro Dr.  
#900  
McLean, Va. 22102

Re: Estate of Jean M. O'Connell

Dear Mr. O'Connell,

In your letter of May 6 to Jean you asked that I communicate with you with regard to the Harold O'Connell Trust.

I am trying to prepare the estate tax, and as usual in these cases, there are problems trying to understand the flow of debts and income.

I do have a few questions which are put forward simply so that the figures on the Trust's tax returns and accounting will agree with the estate's.

1. The K-1 filed by the Trust for 1991 showed income to your mother of \$41,446.00. The Seventh Accounting appears to show a disbursement to her of \$40,000.00 plus first half realty taxes paid by the trust for her and thus a disbursement to her of \$1794.89. If these two disbursements are added the sum is \$41,794.89. This leaves \$348.89 which I cannot figure out. It could well be a disbursement of principal and not taxable.

2. The K-1 filed by the Trust showed a payment of \$816.00 in interest to the estate. You sent a check in the amount of \$1475.97 to the estate. What was the remaining \$659.97? Do I have this confused with the tax debt/credit situation which ran from the Third Accounting?

3. On the Seventh Accounting "Income per 7th Account" is shown as \$5181.71, but I cannot figure that one out either.

I am of the opinion that the estate owes the trust for the second half real estate taxes from September 15, 1991 through December 31, 1991 in the amount of \$1052.35. This is shown on your accounting as disbursed to the heirs. Should this be paid back to the heirs or to the Trust?

I believe that the income received from the savings accounts

Page 2  
Ltr to Mr. Anthony M. O'Connell  
May 19, 1992

from September 15 to the date the various banks made their next payment to the Trust (9/30 and 9/21) should be split on a per diem basis, since the Trust terminated on her death. This will be a small amount of course.

Are there any other debts which your Mother owed the Trust?

I realize that Jo Ann Barnes prepared this and if you authorize it I can ask her to help me out.

Please understand that I have no problem with the Accounting, I m just trying to match things up. In the long run, since the beneficiaries are the same, the matter is academic.

Please send the bill for the appraisal whenever you receive it. Jean is filing the Fairfax form for re-assessment in her capacity as a co-owner in order to give us a better basis to get this assessment changed and to meet the county's deadline. It will state that the appraisal you have ordered will follow. I think this will be to all of your benefit in the long run.

Sincerely,



Edward J. White

EJW/e  
Copy to: Jean M. Nader

# Sunshine 1

Sunshine on the Lynch payment of \$125,188 to Jean O'Connell on April 21, 1991

Anthony O'Connell  
6541 Franconia Road  
Springfield, Virginia 22150  
May 29, 1992

Mr. Ed White, Attorney  
118 South Royal Street  
Alexandria, Virginia 22314

Reference: Your letter of May 19, 1992

Dear Mr. White:

Thank you for your letter concerning the Seventh Trust accounting. In the future would you please send letters concerning me or the trust directly to me? It will save the beneficiaries attorney expense. I would appreciate you sending a copy to Mr. Prichard.

I talked with Mr. Forrest Balderson today. Mr. Balderson prepared the account and states that the numbers are correct. He reminded me that court accounting and taxable accounting are different animals and often do not match. I believe this applies to your questions in paragraphs 1 and 2. Please feel free to call Mr. Balderson at (703) 549-7800.

I will try to address your paragraph 3. Rather than wait until the end of each year and calculate the exact net income of the trust to be distributed to my mother, I estimated the net income in April so I could make the distribution to her immediately after the trust received the annual April payment. The consequent year end adjustments were:

Third Account	\$ -5,906.72	{Mother owed to trust}
Fourth Account	- 687.03	{Mother owed to trust}
Fifth Account	+5,796.98	{Trust owed to mother}
Sixth Account	-2,908.97	{Mother owed to trust}
Net carryover	\$ -3,705.74	{Mother owed to trust}
Seventh Account, 1991	\$ +5,181.71	{Trust owed to mother}

The net carryover of \$ -3,705.74 up to the seventh account combined with the \$ +5,181.71 of the seventh account netted \$1,475.97 the trust owed my mother. This is the \$ 1,475.97 check I mailed to you.

Mr. Balderson tells me he called you concerning the real estate taxes before he did the account and discussed it with you. Is it necessary to change it now?

My trust accounting is on a cash basis. I think a per diem split of the September interest would be accrual accounting. I don't think I can mix the two methods. If the Commissioner of Accounts says it's appropriate, it's fine with me.

At this point in time, I believe Mr. Balderson and I are of one mind that the estate does not owe the trust and the trust does not owe the estate.

I have a few questions concerning my mother's 1991 tax return.

1. My copy shows she should be penalized by IRS and Virginia because adequate estimated tax payments were not made after her death. I believe my sister is convinced I am responsible for this. If it is my fault, I will pay for it out of my pocket. I feel the other beneficiaries should not be charged for the negligence of another. Would you please lay out the specifics on what happened? Please be very specific.

2. My copy also does not show the principal of \$125,188.17 paid to my mother by the Lynch Note in April of 1991. It does show the interest. With a gross profit percentage of .79 on the installment sale, about \$ 98,898.65 of the \$125,188.17 should have been reported on line 13 of the 1040 as a capital gain. It appears that this omission is up and above the penalties and interest already acknowledged. Why was it not reported? Will you amend the return?

3. On Schedule B under dividend income, what is the significance of "\*\*\*BAL ON 1040 OF JEAN NADER,SSN 225 50 9052"?

I look forward to your response.

Yours truly,

Anthony O'Connell

Enclosures:

Your letter of May 19, 1992

IRS Form 1040, Schedule B and Waiver of Penalty Request for Jean O'Connell, 1991. The other IRS forms attached to this return were not included in this enclosure.

Copies to:

Mr. Ed Prichard  
Mr. Forrest Balderson  
Ms. Jean Nader  
Ms. Sheila O'Connell

EDWARD J. WHITE  
ATTORNEY AT LAW  
118 SOUTH ROYAL STREET  
ALEXANDRIA, VIRGINIA 22314

TELEPHONE 836-5444

June 11, 1992

Mr. Anthony M. O'Connell  
6541 Franconia Rd.  
Springfield, Va. 22150

Re: Estate of Jean M. O' Connell

Dear Mr. O'Connell,

Thank you very much for your letter of June 9 and the appraisal.

I am helping Jean with the county matter and would appreciate your assistance since you certainly have much more expertise in the Accotink affair than anyone else. I agree that we must amplify the material previously sent to the county, and that the letter you enclosed is most pertinent. I had copies you sent me several years ago of the 1987 letters you wrote and received, but did not have the October letter.

Enclosed is a proposed addendum for the county which I wish you would look over, edit and add any comments that you think we should make. I am sure there are many factors that I have missed that you can add and welcome your input.

With regard to the income tax matter and the capital gain from the receipt of principal on the Lynch note in April 1991, I was following the 1990 return and simply did not pick up the fact that there was a principal payment in 1991. I will most certainly pay any interest and penalty which might accrue in this regard, and sincerely appreciate your calling it to my attention.

Again, I appreciate your help.

Sincerely,



Edward J. White

EJW/e

Copy to: Jean M. Nader  
Edgar A. Prichard, Esq.



EDWARD J. WHITE  
ATTORNEY AT LAW  
118 SOUTH ROYAL STREET  
ALEXANDRIA, VIRGINIA 22314

TELEPHONE 836-5444

June 30, 1992

INTERNAL REVENUE SERVICE

Re: Jean M. O'Connell  
SSN 230 50 6044  
1991 INCOME TAX RETURN

Gentlemen:

Enclosed is an amended return in this case. The amendment reflects the receipt of \$99,337.00 of taxable income which was due to a principal payment on a note.


This payment was received in the Spring of 1991. Mrs. O'Connell died in September 1991. The original returns were based upon her previous year's return when there was no such payment. At the time of filing the receipt of this capital gain had not been called to the attention of the Co-Executors.

It is requested that the interest and penalty in this case be waived.

Sincerely,

  
Edward J. White

Jean M. Nader  
Co-Executors



EJW/e



Department of the Treasury  
Internal Revenue Service  
PHILADELPHIA, PA 19255

Date of this notice: SEP. 14, 1992  
Taxpayer Identifying Number: 230-50-6044  
Form: 1040 Tax Period: DEC. 31, 1991



JEAN M OCONNELL DECD  
EDWARD WHITE & JEAN NADER CO EXEC  
118 S ROYAL ST  
ALEXANDRIA VA 22314-3392

For assistance you may call us at:  
649-2361 LOCAL RICHMOND  
1-800-829-1040 OTHER VA

Or you may write to us at the address shown at the left. If you write, be sure to attach the bottom part of this notice.

28222-112-33810-2

STATEMENT OF CHANGE TO YOUR ACCOUNT

AS YOU REQUESTED, WE CHANGED YOUR ACCOUNT FOR 1991 TO CORRECT YOUR CAPITAL GAINS DISTRIBUTIONS.

STATEMENT OF ACCOUNT

ACCOUNT BALANCE BEFORE THIS CHANGE	PRIOR PAYMENT	\$28,334.00CR	JULY 7, 1992
INCREASE IN TAX BECAUSE OF THIS CHANGE		28,334.00	
INTEREST CHARGED - SEE ENCLOSED NOTICE - CODE 09		526.55	
AMOUNT YOU NOW OWE		\$526.55	

YOU MAY AVOID ADDITIONAL INTEREST AND PENALTIES IF YOU PAY THE AMOUNT YOU OWE BY SEP. 24, 1992. PLEASE MAKE YOUR CHECK OR MONEY ORDER PAYABLE TO THE INTERNAL REVENUE SERVICE. WRITE YOUR SOCIAL SECURITY NUMBER ON YOUR PAYMENT AND RETURN IT WITH THE BOTTOM PART OF THIS NOTICE. AN ENVELOPE IS ENCLOSED FOR YOUR CONVENIENCE. THANK YOU FOR YOUR COOPERATION.

THIS IS A RESULT OF YOUR CORRESPONDENCE DATED JUNE 27, 1992.

**Duke & DeWitt Bank & Trust Co.**  
Alexandria, Va.

No. 19

June 27 1992 68-108/580

PAY TO THE ORDER OF LRS \$28,334.00

Twenty Eight Thousand Three Hundred Thirty Four and 00/100 DOLLARS

FOR 1991 Amended 1040 ESTATE OF Jean M O'Connell

SSN 230 50 6044 Jean M. Nader

CO-EXECUTOR

⑆056001066⑆ 01⑆90376⑆4⑆

EDWARD J. WHITE  
ATTORNEY AT LAW  
118 SOUTH ROYAL STREET  
ALEXANDRIA, VIRGINIA 22314

TELEPHONE 836-5444

June 30, 1992

Virginia Department of Taxation  
P. O. BOX 760  
RICHMOND, VA. 23206-0760

Re: Jean M. O'Connell  
SSN 230 50 6044  
1991 INCOME TAX RETURN

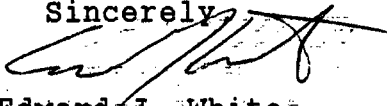
Gentlemen:

Enclosed is an amended return in this case. The amendment reflects the receipt of \$99,337.00 of taxable income which was due to a principal payment on a note.

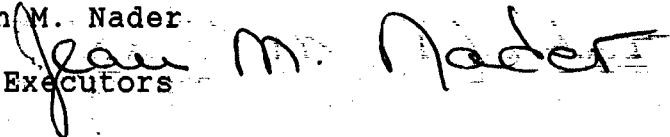
This payment was received in the Spring of 1991. Mrs. O'Connell died in September 1991. The original returns were based upon her previous year's return when there was no such payment. At the time of filing the receipt of this capital gain had not been called to the attention of the Co-Executors.

It is requested that the interest and penalty in this case be waived.

Sincerely,

  
Edward J. White

Jean M. Nader  
Co-Executors



EJW/e

COMMONWEALTH OF VIRGINIA  
 DEPARTMENT OF TAXATION  
 NOTICE OF ASSESSMENT  
 P.O. Box 2369, Richmond, VA 23218-2369  
 (804) 367-8031

Account # 230-50-6044  
 Bill # 02387  
 Death Date 9-15-91

ESTATE TAX  
 7-23-93

129 D 421P  
 129 D 422P  
 129 D 423P

57.97

ESTATE OF Jean M. O'Connell  
 c/o Edward J. White  
 118 South Royal Street  
 Alexandria, VA 23214

TOTAL AMOUNT DUE	\$57.97
------------------	---------

PSD-97-1  
 1505294 (REV 1/91)

**Duke & DeLoach Bank & Trust Co.**  
 Alexandria, Va.

No. 21

PAY  
 TO THE  
 ORDER OF

Virginia Dept of Taxation

Jan 30 19 92

68-108/580

Five Thousand Seven Hundred Twelve and 00/100

\$ 5712.00

DOLLARS

FOR AMENDED 1991 760

230 506044

ESTATE OF JEAN M. O'CONNELL

*Edward J. White*  
 Jean M. O'Connell  
 Co. EXECUTORS

⑆05600⑆066⑆ 01⑆90376⑆4⑆

# \$284.74

This is unusual and unusual is a flag. If you try to expose the accounting trail for the Lynch payment of \$125,188 to Jean O'Connell on April 21, 1991, I believe you will find that this \$284.74 is an accounting entanglement like the \$659.97 and the \$348.89; it, for one, covers the accounting trails with confusion and conflict so that you can not find out where the money went. Can we try to expose the accounting trails for the Lynch payment of \$125,188 to Jean O'Connell on April 21, 1991?

EDWARD J. WHITE  
ATTORNEY AT LAW  
118 SOUTH ROYAL STREET  
ALEXANDRIA, VIRGINIA 22314  
TELEPHONE 836-5444

September 14, 1992

Mrs. Jean M. Nader  
350 Fourth Ave.  
New Kensington, Pa. 15068

Re: 1991 Income Tax

Dear Jean,

Enclosed is the IRS reply to the amended income tax return which was filed to reflect the Lynch principal payment in 1991 which resulted in an additional \$28,334.00 in federal tax.


They did not assess a penalty, but did assess interest in the amount of \$526.55 for what I gather is the period from April 15 through July 7, 1992.

Since the estate would have had to pay the \$28,334.00 in taxes in April, and as a result of the non payment, earned interest on the money, I have split the payment of the IRS assessment between me and the estate.

During the period of 83 days that the money was in the estate account it earned an average of 3.753% which equates to \$241.81. My share is \$284.74. The checks are enclosed. Please sign the estate check if you agree and mail the package to the IRS. I am sure we will hear from Virginia to a lesser degree.

Please send a copy of this letter to Tony.

Sincerely,



Edward J. White

EJW/e  
Encl.

DISBURSEMENTS

Item	Ckno	
1 Colonial Emerg Phys (med bill)	1	10.40 ✓
VOID	2	
2 Fairfax Circ Ct. letters	3	14.00 ✓
3 Jean M. Nader probate tax reimb	4	1,269.00 ✓
4 NationsBank Car loan payoff	5	1,364.97 ✓
5 Checks		15.89 ✓
6 Jean Nader int on Hallmark acct while dep in estate acct	7	270.82 ✓ <sup>1</sup>
7 Commissioner of accounts Inventory	8	61.00 ✓
8 IRS 1991 1040 return	9	15,332.00 ✓
9 Va. Dept Tax 1991 return	10	2,856.00 ✓
10 Jean M. Nader, disb	11	75,000.00 ✓
11 Jean M. Nader, bills pd SHE IS OWED 30cents	12	8,559.00 ✓
12 Sheila Ann O'Connell-Shevenell, disb	13	75,000.00 ✓
13 Sheila Ann O'Connell-Shevenell, cem bill	14	475.00 ✓
14 Anthony M. O'Connell, disb	15	75,000.00 ✓
15 Anthony M. O'Connell int/disb 4/22-5/20	16	230.14 ✓ <sup>2</sup>
16 A. G. Edwards legal charge (debit fm div)		40.00 ✓
17 IRS estimated Estate Tax	17	119,000.00 ✓ <sup>3</sup>
18 Virginia estimated Estate Tax	18	31,000.00 ✓ <sup>4</sup>
19 IRS 1991 income tax	19	28,334.00 ✓
20 Va Dept Tax 1991 amended return	21	5,712.00 ✓
21 National Fire Ins Co of Hartford Nuveen bond	22	169.26 ✓ <sup>4</sup>
22 U. S. Trust processing fee	23	20.00 ✓ <sup>4</sup>
23 Harold O'Connell Trust, appraisal	24	2,000.00 ✓ <sup>5</sup>
24 Jean M. Nader, disbursement	101	33,000.00 ✓
25 Anthony M. O'Connell, disbursement	102	33,000.00 ✓
26 Sheila Ann O'Connell-Shevenell, dis	103	33,000.00 ✓
27 IRS est share of int due 91 amd tax	104	241.81 ✓ <sup>6</sup>
28 1988 Plymouth Van to Anthony O'Connell		8,000.00 ✓
<b>TOTAL DISBURSED</b>		<b>548,975.29 ✓</b>

BK0467 0193  
 Unclear  
 Etc.

chers in support of these disbursements are submitted herewith.

NOTES:

1. Decedent had a POD account in Hallmark Bank with Jean Nader. The bank erroneously paid the amount to the estate. This figure is the interest earned on that sum while in the estate account.
2. This represents interest earned in the estate account on the amount of the disbursement while the disbursal was delayed. This is to equalize the disbursements among the legatees.
3. Estimated tax was paid with an extension request.
4. Expenses incurred due to lost Nuveen certificate of ownership.

5. Decedent owned a partial interest in 15 acres of land in Accotink. The Harold O'Connell Trust owned the other share. The estate agreed to pay for the appraisal which hopefully will reduce the value of the tract by 50%. The beneficiaries of the Trust are the same persons as the devisees under the will and in the same shares.

6. When the 1991 income tax was prepared by Edward J. White, Co-Executor, a large capital gain was omitted necessitating the filing of an amended return. \$526.55 was assessed in interest by the IRS. The figure is the amount of interest earned by the estate while the amount due the IRS was in the estate bank account. The balance of the interest assessment was paid by Edward J. White.

7. Jean M. Nader and Sheila O'Connell-Shevenell agreed that the vehicle should be disbursed to Anthony M. O'Connell in addition to his 1/3 share of the remainder of the estate.

RECONCILIATION

SUM RECEIPTS	893,165.52 ✓
SUM DISBURSED	548,975.29 ✓
RECEIPTS LESS DISBURSEMENTS	344,190.23 ✓

ON HAND

Burke and Herbert Bank & Trust Co.	49,110.76
Investment Co. of America (A. G. Edwards)	71,067.78
Franklin Virginia Fund (A. G. Edwards)	56,987.19
Kemper Municipal Bond Fund (A. G. Edwards)	31,864.65
Fx Co. Ind Dev Bond (A. G. Edwards) Inv value	109,587.00
A. G. Edwards MMA and cash	3,666.60
Nuveen Premium Inc Mun Fund (A. G. Edwards)(invval)	11,200.00
Washington Gas Light Co. 200 sh (Inv value)	6,375.00
Signet Banking Corp 198 sh (Inv value)	4,331.25

TOTAL ON HAND TO BE DISTRIBUTED	344,190.23 ✓
DIFFERENCE	0.00

DATE: October 16, 1992

Edward J. White  
Co-Executor

Jean M. Nader  
Co-Executor

BK0467 0194



Debt

\$148,484

(Estimated)

EDWARD J. WHITE  
ATTORNEY AT LAW  
118 SOUTH ROYAL STREET  
ALEXANDRIA, VIRGINIA 22314

TELEPHONE 836-5444

February 25, 1992

Mr. Anthony M. O'Connell  
6541 Franconia Rd.  
Springfield, Va. 22150

Re: Estate of Jean M. O'Connell

Dear Mr. O'Connell,

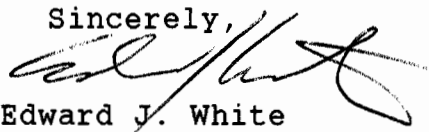
I have received your letter of February 24, 1992 in which you request that I reconsider my refusal to resign as co-executor of your mother's estate.

Once more I decline to take such action.

When your mother approached me about changing the co-executors of her will, we discussed the matter at length. She specifically desired to make the changes which are in effect now, and was quite firm in her decision. It would be clearly disloyal of me to dishonor her intentions.

If you are represented, I will be glad to discuss this matter with your counsel.

Sincerely,



Edward J. White

EJW/e

Copy to: Jean M. Nader

Anthony O'Connell  
6541 Franconia Road  
Springfield, Virginia 22150  
{703} 971-2855  
March 30, 1992

Mr. Ed White, Attorney  
118 South Royal Street  
Alexandria, Virginia 22314

Reference: Estate of Jean O'Connell

Dear Mr. White:

I have a few questions I hope you would be kind enough to answer.

1. As you know, the Lynch Limited Partnership plans to pay my Mother's estate \$545,820.43 on April 21, 1992. What is your best guess as to when and in what amount(s) you will make distribution(s) to the beneficiaries?

2. The license plates on my deceased Mother's Van expire in April of 1992. Virginia DMV requires a new title with the new owners name before they will issue new plates {The plates cannot be renewed by the co-executors signing for Jean O'Connell}. The bank will give the co-executors the title if you simply pay them the interest on the loan. I understand the principal on the loan has been paid and I am guessing that the interest is something in the range of \$1200 to \$1400. Would you please pay the bank the interest so they will give you the title? What is your decision as to who gets the van and how much will it cost?

3. What is your fee for being co-executor of my mother's estate?

Yours truly,

Anthony O'Connell

Copy to:

Ms. Jean O'Connell Nader  
350 Fourth Avenue  
New Kensington, Pennsylvania 15068

EDWARD J. WHITE  
ATTORNEY AT LAW  
118 SOUTH ROYAL STREET  
ALEXANDRIA, VIRGINIA 22314  
TELEPHONE 836-5444

April 4, 1992

Mr. Anthony M. O'Connell  
6541 Franconia Rd.  
Springfield, Va. 22150

Re: Estate of Jean M. O'Connell

Dear Mr. O'Connell,

I have received your letter of March 30, 1992.

The answers are:


Question 1. As soon as the money is received, the tax liabilities evaluated and upon consultation with the Co-Executor.

Question 2. Paid. It is not my decision as to what it will cost you, though I have been informed that you know full well.

Question 3. 2 1/2% of the receipts into the probate estate if approved by the Commissioner of Accounts.

I would call to your attention that on two separate occasions I drove to Sovran and spent a lengthy period of time on the question of the car loan. I did this in person since: I knew that you had the vehicle, that your sisters wanted you to have it, that the insurance and tags were due to expire soon and I did not want you to be inconvenienced. I could have done all of this by mail and it probably would have taken about three months, knowing the nature of the loan problem. I assumed I was doing you a favor.

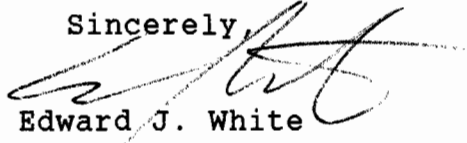
Now I receive your letter asking that I "simply pay them the interest" I paid the interest and principal in one check on March 12, received the title on March 22 and mailed it to Mrs. Nader to sign over to you on March 23. Have you any suggestions as to how it could have gone faster?

The information of the commission was given to you previously by Mrs. Nader. 

I do not know what your problem is, but in the future, please address all correspondence to Mrs. Nader.

I am trying to be patient with you, but I find that this estate is time consuming enough without having to deal with letters such as the last two that I have received.

Sincerely,

A handwritten signature in cursive script, appearing to read 'E. J. White', written in black ink.

Edward J. White

EJW/e

Copy to: Jean M. Nader

# Payment 2

The Lynch payment of \$545,820 to Jean O'Connell's estate on April 21, 1992, is not mentioned.

**Missing**

**\$545,820**

**April 21, 1992**

The accountants do not mention the cash payment of \$545,820 to the Estate from the payoff of Lynch Note 1 on April 21, 1992, and the payment does not show in the accountings or tax returns.

When the accountants told the beneficiaries that the Lynch note would not produce any capital gain, I told them that it would and the taxes were paid. At that time I did not know that they were not reporting the \$545,820 payment. So strangely, the payment was not reported but the taxes on the payment were paid.

Can we expose the accounting trails of the \$545,820 payment?

EDWARD J. WHITE  
ATTORNEY AT LAW  
118 SOUTH ROYAL STREET  
ALEXANDRIA, VIRGINIA 22314  
—  
TELEPHONE 836-5444



April 22, 1992

Mrs. Jean M. Nader  
350 Fourth Ave.  
New Kensington, Pa. 15068

Re: Disbursement

Dear Jean,

Enclosed is an agreement which should satisfy Tony as to the car. It cannot be any clearer.

Also enclosed is a preliminary analysis of the estate tax, which should be close to being accurate. I do need to check with Jo Ann Barnes as to a technical question as to whether or not any of your father's trust comes into this. I do not think it does, but there have been many changes in the law since that trust was established. I will have to ask her to bill us for that advice and any other technical tax matters I am not comfortable with. I can do most of the rest of the tax work and save the estate some money.

The executors' commission shown on the analysis is not figured on the value of the realty; however it does not include the 5% commission on the receipts of the estate in addition to the inventory.

In order to file that return and the subsequent Fiduciary Income tax return we will need an accounting from Tony from the date of his last accounting to the date of death. If he does not want to prepare it, I will not agree to any preliminary disbursement to him at all, and will seek your approval to file suit against him to compel the accounting, plus damages to the estate for his delay. Since that trust terminated on your mother's death, his final accounting is due now and not in October.

There will be no further explanations or written entreaties to him as far as I am concerned. He has the duty and he will perform it under a court order if necessary. Of course he will furnish that receipt.

The preliminary analysis contains three alternatives on Accotink at the bottom for your consideration.

In the event that we do seek a reduction in the assessment Tony will be given written notice that his prompt cooperation is necessary and that if he fails to cooperate that he is aware of the



Page 2  
Ltr to Mrs. Jean M. Nader  
April 27, 1992

adverse consequences to the estate and is responsible for them.

As far as further steps are concerned, we have a lot to do. No gift tax returns were filed for 1989 and 1991 which will have to be done. The results of those gifts are factored in under "Unified Credit used for gifts 9,784".

The paper trail in the court and IRS is as follows:

- File Estate tax by June 15, 1992
- File First Accounting (16 months after qualification but can be sooner)
- Ask for posting of Debts and Demands against the estate.
- File Fiduciary Income tax returns for period 9/15/91-9/15/92, due January 1, 1993.
- File Motion for a Show Cause why distribution should not be made. Submit Show Cause Order.
- Request Executor's exoneration letter from IRS and Virginia.
- Obtain closing letter from IRS and Virginia as to estate tax returns.
- File 1993 Fiduciary tax returns (Sept. 1992-distribution)
- File for Order allowing distribution.
- Distribute estate.
- File Final Accounting.

Normally distribution is withheld until the Order of Distribution is entered. As I indicated the creditors have one year to press claims against the estate. No prudent executor will distribute before that period, the entry of the Order of Distribution and the receipt of the tax closing letters.

Sincerely



Edward J. White

EJW/e  
Encl.

SH. NOTES. STOCKS & BONDS

ck Wash Gas Light Co. 8/1/91	105.00
ck Signet 8/5/91	39.60
ck A. G. Edwards 8/15/91	2,346.63
ck Kemper Mun Bond Fund 4/30/91	162.86
ck Kemper Mun Bond Fund 5/31/91	162.86
ck Kemper Mun Bond Fund 7/31/91	162.86
ck Kemper Mun Bond Fund 8/30/91	162.86
Ck Nuveen Fund 3/1/91	63.00
Ck Nuveen Fund 5/1/91	63.00
ck Nuveen Fund 6/3/91	63.00
ck Nuveen Fund 8/1/91	66.50
ck Nuveen Fund 9/3/91	66.50
ck American Funds 9/9/91	424.76
Sovran Bank #4536-2785	3,310.46
First Virginia Bank #4076-1509	22,812.52
Fx Co. Ind Dev Bond	109,587.00
Franklin Va. Fund 4556.001 sh	50,507.84
Investment Co. of America 3861.447 sh	65,663.91
Kemper Mun Bond Fund 2961.152 sh	30,396.23
Nuveen Premium Inc Mun Fund 700 sh	6,450.50
Washington Gas Light Co. 200 sh	6,375.00
Signet Banking Corp 198 sh	4,331.25
Lynch Properties note	518,903.26
Travelers Check	20.00
1988 Plymouth Van	8,000.00
Am Funds 5/10/91	326.60
USAA Subscriber savings acct	25.10
SUB TOTAL	830,599.10

OTHER ASSETS

1990 Virginia Tax refund	1,605.58
Debt from Harold O'Connell Trust	659.97
Blue Cross refund	88.78
SUB TOTAL	2,354.33

JOINT ASSETS

Hallmark Bank #1107849600	40,796.81
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REAL ESTATE

15 acres Fairfax Co. Va. 53.9006% interest	323,403.60
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TOTAL ASSETS	1,197,153.84
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DEBTS

Colonial Emerg Phys (med bill)	10.40
Fairfax Circ Ct. letters	14.00
Jean M. Nader probate tax reimb	1,269.00
Sovran Bank Car loan payoff	1,364.97
Checks	15.89
Commissioner of accounts Inventory	61.00
IRS 1991 1040 return	15,332.00
Va. Dept Tax 1991 return	2,856.00
Jean M. Nader, bills pd	8,559.00
Sheila Ann O'Connell-Shevenell, cem bill	475.00
Co-Executors' Commission	41,529.96
Commissioner of Accounts fee for Accounting	1,048.25

TOTAL DEBTS AND EXPENSES	72,535.46
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TAX COMPUTATION

GROSS ESTATE		1,197,153.84		
DEBTS & EXPENSES		72,535.46		
		-----		
TAXABLE ESTATE		1,124,618.38	ACC 75% 1,043,767.48	ACC 60% 995,256.94
				3 1/2% BRACKET
TENTATIVE TAX 41% bracket		396,893.53	363,744.67	343,950.21
Unified Credit before gift comp	192,800			
Unified Credit used for gifts	9,784			
UNIFIED CREDIT		183,016.00	183,016.00	183,016.00
CREDIT FOR VIRGINIA TAX		40,375.58	35,201.12	32,934.39
NET FEDERAL TAX		173,501.96	145,527.55	127,999.82
VIRGINIA TAX		40,375.58	35,201.12	32,934.39
		-----	-----	-----
TOTAL ESTATE TAXES		213,877.53	180,728.67	160,934.21

EDWARD J. WHITE  
ATTORNEY AT LAW  
118 SOUTH ROYAL STREET  
ALEXANDRIA, VIRGINIA 22314  
TELEPHONE 836-5444

May 4, 1992

Mrs. Jean M. Nader  
350 Fourth Ave.  
New Kensington, Pa. 15068

Dear Jean,

Enclosed is the form for appealing the tax assessment of the Accotink property. On page 2, it states that there is a June 1 deadline. I do not think we can make a claim of a lesser value on the estate tax return if we do not file an appeal with the county. To fail to do appeal it would hurt our argument with the IRS.

The summary of the estate tax computation and the interplay of the gift tax is as follows:

1. In computing the estate tax, the gross estate (which includes anything which passes due to death whether in the probate estate or not) is figured, the debts subtracted and the "taxable estate" is ascertained.
2. The tax is then computed on the taxable estate. From this figure is subtracted a "unified credit" of \$192,800 (equivalent to a taxable estate of \$600,000).
3. Lifetime gifts in excess of \$10,000 to any one individual are taxable at the estate/gift tax rates. Each year the donor should have filed a gift tax return, though no tax is due unless the entire \$192,800 credit has been used in making the gifts.
4. Each gift over \$10,000 uses a portion of the unified credit, thus reducing the amount of that credit available to apply to the estate tax.

In our case the lifetime gifts used up \$9784.00 of the available credit. A list of the gifts is enclosed. Returns for 1989 and 1991 must be filed. As fiduciaries we must certify to the IRS that the return is true and correct. We have personal liability in that regard. If we have knowledge of a gift to Tony of \$15,000, we must report it. Tony is going to have to answer that question before we can be satisfied. If he claims he did not receive the money, he will have to supply us with an affidavit to that effect.

As far as the management of an estate undergoing the probate process is concerned, the Executors are entitled to some latitude

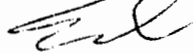
Page 2  
Ltr to Mrs. Jean M. Nader  
May 4, 1992

within the confines of their fiduciary duty. The decisions about the estate are theirs.

My personal operational mode in these matters is to keep the heirs fully supplied with the paperwork of the estate, and consult with them fully as to strategic and long range issues, such as the valuation of property in the Accotink situation. The day to day matters and the justification for tactical positions taken such as the contents of forms and accountings are the prerogative of the Executors and subject to the scrutiny and approval of the Commissioner of Accounts or the taxing authorities only.

With regard to the filing of the income tax return, my file indicates that I received a fax copy of the K-1 from the Harold O'Connell Trust on April 9, 1992, only six days before the tax return was due.

Sincerely,



Edward J. White

EJW/e  
Encl.

EDWARD J. WHITE  
ATTORNEY AT LAW  
118 SOUTH ROYAL STREET  
ALEXANDRIA, VIRGINIA 22314  
TELEPHONE 836-5444

November 13, 1992

Mr. Anthony M. O'Connell  
6541 Franconia Rd.  
Springfield, Va. 22150

Mrs. Jean M. Nader  
350 Fourth Ave.  
New Kensington, Pa. 15068

Mrs. Sheila O'Connell-Shevenell  
44 Carlton St.  
Portland, Maine 04102

Re: Estate of Jean M. O'Connell

When I agreed yesterday to the disbursement of the A. G. Edwards accounts by the end of the year, I had not looked at the bank balance of the estate for some time. There is \$64,216.83 in the estate account which includes the sum of \$14,408.53 received today from the IRS for the estate tax overpayment.

To date the sum of \$324,000.00 has been disbursed to the heirs, which has been done on the assumption that we have on hand enough money to pay the rest of the debts. Normally an estate is not disbursed until an Estate Tax Closing Letter has been received from the IRS and Virginia.

I cannot agree to a disbursement from the Edwards accounts until a closing letter is received. As you recall the Accotink property is assessed at \$600,000.00 by the county. Based on the appraisal, we used one half of that figure (times the percentage interest owned by your mother). In the event the IRS does not agree and insists on the full valuation, the estate tax liability could increase by about \$67,000.

Out of the bank account must come the executors' commission which will be about \$45,000.00, a fee for the Fiduciary Income Tax return preparation and various filing fees of a small nature. There simply is not enough money left to cover the contingencies. A disbursal in these conditions would be a violation of the duty of the fiduciaries.

Since the IRS has issued the refund (with interest), I would assume a closing letter is not far behind.

Some questions have arisen as to your tax liabilities. The

Page 2  
Ltr to Heirs  
November 13, 1992

Estate paid an estate tax on the value of the property owned by your mother at her death. Since the tax is paid, what is distributed to you is tax free.

In addition there is a fiduciary income tax on the earnings of the estate while it is open. The First Accounting shows income of \$56,928.52 from 9/15/91 through 9/15/92. Basically this is what will be taxed as estate income. Of this \$659.97 can be ignored as it was repayment of a debt from the O'Connell Trust and not income, and at least \$13,388.25 was tax free income. The fiduciary income tax is paid by the estate if it was not disbursed during the tax period. In your case it was disbursed, and you will receive a form K-1 showing how much should be added to your regular income. This is why it is called "pass through" income. This might be about \$14,000.00 each not counting deductions which are due to the estate. Jo Ann Barnes is preparing this return for the estate at present.

The question of capital gains comes up often in estate situations. Any asset owned by a decedent at the time of death is given a "stepped up" basis to its value at the date of death. If the heirs then sell the asset the only taxable capital gain (or loss) is the change in value between the date of death and the date of sale. The Accotink property falls in that category, though the basis on the share formerly held in trust has a basis as of the date of your father's death. The Lynch note will not produce any capital gain since it was taxed in the estate as part of your mother's assets. It will produce an income tax effect on the fiduciary income tax return since \$26,917.17 in interest was received by the estate. This is included in the \$56,928.52 referred to above.

The remaining items left to do in the estate are the filing of a request for the publication of Debts and Demands against the estate, filing a second and final accounting, obtaining a court order for the distribution of the estate and filing a second fiduciary income tax return from the period 9/15/92 through the date of disbursement.

Sincerely,

  
Edward J. White

EJW/e

# Sunshine 2

Sunshine on the Lynch payment of \$545,820 to Jean O'Connell's estate on April  
21, 1992



Anthony O'Connell  
6541 Franconia Road  
Springfield, Virginia 22150  
{703} 971-2855  
November 16, 1992

Mr. Ed White, Attorney  
118 South Royal Street  
Alexandria, Virginia 22314

Ref: Your letter of 11/13/92

Dear Mr. White:

Thank you for your letter. You mention that distributions from my mother's estate to the beneficiaries are tax free (except from after death income), and that the Lynch Note will not produce any capital gains.

Perhaps I am misinterpreting your letter or perhaps I'm just plain wrong. I hope I am wrong.

The Lynch Note to the estate, a result of the installment sale of my mother's residence on 4/21/88, carries with it a taxable capital gain. The IRS requires that this capital gains tax be paid by the estate or the beneficiaries if the taxable capital gain is passed through the estate to the beneficiaries before the end of the tax year.

The gross profit percentage on the sale was seventy-nine percent (79%). The payoff of the Lynch note to the estate on 4/21/92 was \$545,820.42 of which \$45,067.74 was income and \$500,752.68 was capital. Of that \$500,752.68 in capital, 79% or \$395,594.62 is taxable capital gain.

In order for the beneficiaries to minimize penalties and interest on their quarterly estimated tax payments to the IRS, would you please tell us what share of the capital gains tax liability or any tax liability, has been distributed from the estate to the beneficiaries?

I make much better tax plans if I know what my projected taxable and non-taxable income is going to be. Six weeks remain in the tax year. Would you please send the beneficiaries, with all deliberate haste, your close out schedule for my mother's estate? Please be as specific in dollars and dates as you possible can.

Yours truly,



Anthony O'Connell

Copy to:

Ms. Jean O'Connell Nader

Ms. Sheila O'Connell

Ms. JoAnn Barnes (with a copy of your 11/13/92 letter)

EDWARD J. WHITE  
ATTORNEY AT LAW  
118 SOUTH ROYAL STREET  
ALEXANDRIA, VIRGINIA 22314  
TELEPHONE 836-5444

November 16, 1992

Mr. Anthony M. O'Connell  
6541 Franconia Rd.  
Springfield, Va. 22150

Mrs. Jean M. Nader  
350 Fourth Ave.  
New Kensington, Pa. 15068

Mrs. Sheila O'Connell-Shevenell  
44 Carlton St.  
Portland, Maine 04102

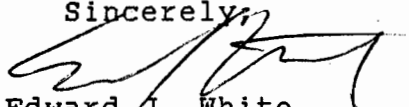
Re: Estate of Jean M. O'Connell

Regretfully I have to amend my letter of Friday. There is no "stepped up basis" on the Lynch note according to the accountants who are preparing the fiduciary income tax return. This is subject to a credit for tax paid on part of it in the estate tax return, but it will result in an estimated \$35,000 to \$40,000.00 in tax to the estate due to the note payoff. This is one of the reasons why a further disbursement would not be wise.

In addition, Jo Ann Barnes commented to me today that the Accotink valuation could well result in a question by the IRS and she feels no disbursement should be made.

Some sale of the Edwards accounts will probably be needed.

Jo Ann also reminds me that each of you should check with your own tax adviser after receiving the K-1 forms as to payment of estimated income taxes.

Sincerely,  
  
Edward J. White

EJW/e


EDWARD J. WHITE  
ATTORNEY AT LAW  
118 SOUTH ROYAL STREET  
ALEXANDRIA, VIRGINIA 22314  
—  
TELEPHONE 836-5444

November 17, 1992

Mr. Anthony M. O'Connell  
6541 Franconia Rd.  
Springfield, Va. 22150

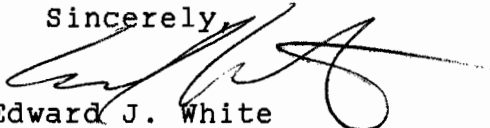
Re: Estate of Jean M. O' Connell

Dear Mr. O'Connell,

I received your letter of November 16, today. My letter of yesterday answers some of your questions. As I noted in that letter, unfortunately, you are correct on the capital gain situation. The tax will be paid by the estate on its fiduciary return. 

Jo Ann Barnes is working hard on the return, and we will get you the K-1 data as soon as possible. The estate's tax year ended on August 31, 1992 and the distribution of the \$33,000.00 in September will have some tax effect on each of you. That distribution will result in a deduction for the post 8/31/92 estate tax year and the money will be passed through to you. At this point I cannot tell how much of it is going to be income and how much a distribution of estate corpus. There has been very little income since 8/31, and I suspect that most of it will be corpus. I will ask Jo Ann to try and work this up as soon as possible so that you all can do some intelligent planning.

Sincerely,

  
Edward J. White

EJW/e  
Copy to: Jean M. Nader

EDWARD J. WHITE  
ATTORNEY AT LAW  
118 SOUTH ROYAL STREET  
ALEXANDRIA, VIRGINIA 22314  
TELEPHONE 836-5444

February 2, 1993

*I sent  
this to you  
before*

Mrs. Jean M. Nader  
350 Fourth Ave.  
New Kensington, Pa. 15068

Re: Estate events

Dear Jean,

At present the status of the estate is as follows:

Debts and Demands: A hearing following publication, for any creditors of the estate to come forward and press their claims was held on December 30, 1992 by the Commissioner of Accounts. No one appeared.

First Accounting: is still awaiting approval. I spoke to the Commissioner's office on January 29, and they said they are just beginning to review accounts filed in October. The account must be reviewed and any questions answered. (I have never known of a Commissioner who did not have some questions.) The account is then approved or disapproved, and the Commissioner files his report with the court. No time prediction can be made here as this is solely in the hands of the Commissioner.

Estate Tax Closing Letter or communication in lieu of a closing letter. No time prediction can be made here as this is solely in the hands of the IRS. In estate's of this size an audit of some or all of the return is not at all unusual.

Motion for an Order to Show Cause why the estate should not be distributed. Filed by the estate after the report of the accounting has been filed with the Court by the Commissioner.

Order to Show Cause why the estate should not be distributed. This is entered by the Court upon the request (and appearance) of the estate, following two weeks publication.

Order of Distribution. Presented to the Court following the Show Cause proceeding. The Show Cause - Order of Distribution statutory scheme is the protection for the executors.

Distribution in accordance with the Order.

Second (and Final) Accounting Filed after distribution

showing all transactions since the First Accounting.

Second Fiduciary Income Tax Return Filed after distribution for the period following the first return (9/1/92 - ?)

The unknown factors as far as time is concerned are: 1) the federal and state tax closing letters, 2) When the Commissioner approves the accounting, 3) When the Commissioner makes his report to the Court, 4) Delays in the Clerk's office. The fiduciary has no control whatsoever over any of these items

Enclosed are checks to be signed to the Commissioner and to Keller-Bruner for the tax preparation. The accountant's bill is reasonable considering the complexity of the return involving tax free income, preliminary distributions and capital gains.

As far as an income prediction for the Estate is concerned, I can make no intelligent prediction since I do not know how long it will remain open. I have been continuously burned in making gratuitous comments about the tax liability of the heirs, and counsel and other attorney friends have stated to me, that given the performance of Mr. O'Connell, that I should make no comment at all. I tried to be helpful, but that did not work. I can only say that had I not been adamant about re-valuing the Accotink property, Mr. O'Connell's initial approach would have cost this estate dearly. From the comments in his recent demands for "information", I can see that he is jumping to conclusions based on no knowledge at all. I will not reply directly to him on any future aspect of this estate. As a matter of fact I am precluded as an attorney from dealing with an adverse party who is represented by counsel. I have no intentions of having him dictate the duties of the fiduciaries. If his counsel wishes to discuss anything, I am certainly available.

The present assets of the estate are:

- |  |            |
|--|------------|
| 1. Burke and Herbert Bank<br>at a fluctuating interest rate (3.1% in January)          | \$8,602.89 |
| 2. Kemper Municipal Bond Fund (Edwards)<br>based on January share price x shares owned | 32,484.60  |
| 3. Franklin Va Fund (Edwards)<br>based on December share price x shares owned          | 58,185.78  |
| 4. Investment Co. of America (Edwards)<br>based on december share price x shares owned | 73,800.59  |
| 5. Nuveen Premium Inc Fund (Edwards)<br>based on Edwards 12/31/92 statement            | 11,812.50  |

6. 198 sh Signet Banking Corp (Edwards) based on Edwards 12/31/92 statement	8,910.00
7. 200 sh Washington Gas Light (Edwards) based on Edwards 12/31/92 statement	7,725.00
8. Centennial Money Market Trust (Edwards) based on Edwards 12/31/92 statement	3,949.07
9. Cash at Edwards based on Edwards 12/31/92 statement	224.60
10. Fairfax Co. 6.4% bond (Edwards) based on face value not market value	110,000.00

This totals \$315,695.03, but is out of date since there have been additions since 12/31/92. These figures are taken from data at hand and do not represent any formal accounting by me. They are not furnished for any individual's use for personal tax purposes, and I disclaim any personal tax liability which might arise.

I am enclosing Edwards 12/31/92 statement which contains an entry for each asset's estimated annual yield. The amounts received from all of these funds will vary with market conditions. All of these Edwards assets are being reinvested, either in the specific funds or in Edwards Centennial Money Market Account. The estimates on Franklin, Kemper and ICA are much harder to figure. A complicating factor is that Nuveen, Kemper, Franklin and the Fairfax bond are tax free, though not all of them are Virginia tax free.

The following are the earnings from 9/1/92, the beginning date for the next fiduciary income tax return.

	GROSS	TAXABLE
Nuveen 9/1/92	67.90	67.90
Nuveen 9/1/92	24.50	24.50
Int earned B&H	406.86	406.86
END FIRST ACCOUNTING		

SECOND ACCOUNTING PERIOD

Nuveen 5/1/92	66.50	66.50
Int earned B&H	150.45	150.45
Virginia Estate tax refund	1,596.01	
Virginia Estate tax refund, interest	14.04	14.04
U S Estate tax refund	14,050.52	
U S Estate tax refund interest	358.01	358.01
Int earned B&H	133.64	133.64

Int earned B&H	151.96	151.96
Int earned B&H	81.46	81.46
TOTAL TO DATE	17,101.85	1,455.32

It should be noted that some of these items are tax free.

Since the tax laws now require payment of estimated taxes after the first estate tax year, I will have to compute these later. They will be due in April, if the estate is still open then.

Finally, I would like, for the record some memorandum from you and Sheila concerning my earlier comments as to attempting a further reduction in the Accotink valuation.

Sincerely,



Edward J. White

EJW/e  
Encl.



# Virginia State Bar

Eighth and Main Building  
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February 10, 1993

PERSONAL AND CONFIDENTIAL

Mr. Anthony M. O'Connell  
6541 Franconia Road  
Springfield, Virginia 22150

Re: In the Matter of Edward James White  
VSB Docket No. 93-042-0976

Dear Mr. O'Connell:

This letter is in reference to your complaint against the above-referenced attorney received in our office on December 7, 1992. In addition, I acknowledge receipt of your supplemental correspondence dated January 26, 1993, received in my office on January 29. I have concluded my preliminary investigation of your original complaint and wish to advise you that your complaint presents no basis for further investigation by this office for the reasons I shall set out below.

The Respondent did not file a written answer to your complaint. However, Mr. White is represented by counsel in this matter, David R. Rosenfeld, Esquire, and I met with Mr. Rosenfeld and his associate in Alexandria to go over all of the factual matters related to this complaint.

Your complaint alleges that the Respondent served as co-executor of your father's estate along with your mother and that the Respondent allegedly withheld certain information concerning a trust which was set up under your father's will in which you were named as a trustee.

According to your complaint, you retained the Respondent in 1987 to handle a real estate closing and you allege that the Respondent appointed himself co-trustee on the note securing that transaction. Then, the day prior to closing, Respondent allegedly informed you that he was not representing your interests in this real estate transaction. You have also claimed that the Respondent has handled your mother's estate incompetently.

With respect to your first complaint, it appears that your mother, rather than you, retained the Respondent for legal assistance in her capacity as executrix



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of your father's will. Apparently, your mother removed you from her will as a co-executor and nominated the Respondent in your place. However, none of these matters fall within the scope of the Code of Professional Responsibility particularly in view of the fact that you and the Respondent did not share an attorney-client relationship.

Your father's will poured over into a trust in which you were nominated trustee. By your own complaint, you admit that you hired another attorney to look into the funding of the trust, i.e., what distributions the estate would make to the trust. It is my understanding that you came to Virginia to qualify as a trustee. Again, in respect to that matter, there is no attorney-client relationship between you and the Respondent, Mr. White.

In the absence of an attorney-client relationship between you and Mr. White, Mr. White was under no ethical obligation to follow any of your directions or instructions nor was he obligated to communicate directly with you. His ethical duties regarding competence, promptness and communication were owed to your mother.

It is my understanding, based upon a reading of your complaint, that the Respondent and your attorney reached an agreement regarding the funding of the trust and the Respondent agreed to cooperate by providing your attorney with a draft of the final accounting of your father's estate.

Your complaint initially provoked a thought on my part as to why the father's estate remained open so long. However, as indicated in your complaint, Mr. White was not retained by your mother until 1985. Thus, while your complaint states that you were not aware of the fact that your father had appointed you as a co-trustee until 1985, and that your father passed away in 1975, the Respondent appears to have notified you of that fact after he had become involved in 1985.

You have also complained that your mother executed a codicil to her will removing you as a co-trustee and naming Mr. White in your stead. I find nothing improper about that particular matter as it was certainly your mother's prerogative to amend or modify her will and it was Mr. White's responsibility to follow her instructions in that regard.

Your second complaint involves an allegation that Mr. White undertook to represent your interests in a real estate closing in 1987. By letter dated December 28, 1987, you purportedly asked the Respondent to represent your interests in a transfer of property to the Lynch Properties Limited Partnership. You complain that the Respondent failed to notify you of the closing date which you fortuitously discovered from the purchasers just before the closing. In addition, you point out that the Respondent and another party were named as trustees on the Deed of Trust securing the purchase loan without your knowledge or consent. When you confronted Respondent about this, he advised that he did not represent your interests in this real estate

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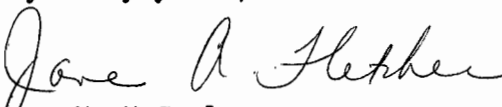
transaction.

My investigation reveals that the Respondent did not serve as settlement attorney for this transaction. In fact, the closing was handled by Coldwell Banker, and the legal instruments for the transaction were prepared under the supervision of McGuire, Woods, Battle & Boothe. I have seen the real estate closing file which was delivered to Mr. Wright by the McGuire, Woods firm, and I am firmly convinced that Mr. White took no part in that transaction other than to perhaps provide informal legal advice to your mother. Your letter of December 28, 1987 is insufficient as a matter of law to establish an attorney-client relationship unless there is some evidence that Mr. White did in fact undertake to handle the closing. Finally, there is no ethical issue raised simply because Mr. White is named as a co-trustee in the Deed of Trust securing the purchase by the Lynch Properties Limited Partnership.

The third complaint involved an allegation that Mr. White allegedly withheld a \$75,000 distribution until you agreed to obtain your own legal counsel. With respect to this allegation, Mr. White, in his capacity as an administrator or executor of an estate is under no obligation by law to make a interim distribution to you. Whether an interim distribution is made is entirely discretionary and the law requires a distribution to be made only upon the filing of a final accounting. With regard to your allegations of incompetence and delay on the part of Mr. White in handling your mother's estate, I have determined that Mr. White has filed in a timely manner the inventory and first accounting for this estate. No delinquency notices or show cause summonses have been issued. The only possible area of neglect appears to be the late filing of Mrs. O'Connell's income tax return, however, I am advised that Mr. White paid one-half of the accrued interest to the IRS, and that no penalties were assessed. In addition, Mr. White timely requested an extension for filing the decedent's last income tax return and therefore no penalties were involved. As justification for the delay, Mr. White points out that he experienced some delay in obtaining the K-1 from you and your own complaint appears to concede that there was a problem with getting the K-1 to Mr. White.

Based on the foregoing, I see no basis in fact or in law to conclude that Mr. White has engaged in any misconduct in violation of the Code of Professional Responsibility. Therefore, please be advised that no further action will be taken on your complaint. By copy of this letter to Respondent's counsel, Mr. Rosenfeld, I am advising him of my determination.

Very truly yours,

  
for James M. McCauley  
Assistant Bar Counsel

JMM/ge  
cc: David R. Rosenfeld, Esquire