

\$545,820

26p

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.

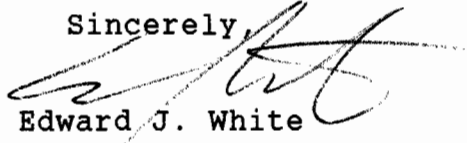
Now I receive your letter asking that I "simply pay them the interest" I paid the interest and principal in one check on March 12, received the title on March 22 and mailed it to Mrs. Nader to sign over to you on March 23. Have you any suggestions as to how it could have gone faster?

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

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.

5H. 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% 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
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TOTAL ESTATE TAXES		213,877.53	180,728.67	160,934.21

Unknown

At first I thought the enclosed document for the car was the document dated May 1, 1992, and signed by my sisters Jean Nader and Sheila O'Connell, but after finding out that the date when we all meet for the dedication of our Mother's Knoll Garden was May 15, 1992, things fell into place. I never saw whatever was enclosed here. On May 15, 1992, Jean Nader was in the process of giving me a document (That I am assuming was the same document that was enclosed here) to sign for the car but I did not sign it or look at it because I had resolved the car problem with my letter to my sisters of May 5, 1992, and Sheila O'Connell had already signed her part on May 9, 1992. The document for the car dated May 1, 1992, has no place for my signature.

Reference:

(1992.04.22 Edward White to Jean Nader, in part) "Enclosed is an agreement which should satisfy Tony as to the car. It cannot be any clearer". /// "Of course he will furnish that receipt."

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

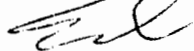
Page 2
Ltr to Mrs. Jean M. Nader
May 4, 1992

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

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.

DRAFT

Omitted from the previously submitted appeal was a copy of a letter from the Secretary of Transportation, dated October 13, 1987 in reply to Mr. Anthony O'Connell's letter to her of September 14, 1987 (a copy of which was attached to the appeal).

Mrs. Watts' reply makes quite clear that the county map of Cinderbed Road is in error. The road begins at Newington Road and continues for only 1.0 miles, not 1.5 miles.

The O'Connell tract lies one half mile beyond the end of Cinderbed Road and therefore there is no legal access at all to this property. This is an extremely important factor in justifying a reassessment of the property.

In addition, a full appraisal of the property by Thomas E. Reed has just been received setting a fair market value of \$300,000.00 on the tract. This appraisal notes that one third of the property lies in a flood plain, that the soil conditions are only rated "fair" for residential development and that the terrain is steep and rugged in places.

Mr. Reed is of the opinion that the only potential of the property would be to combine it with the 245 acre Hunter Tract to the south. He notes that the development of that project is apparently on hold due to economic factors.

Attached are extracts of the pertinent part of the report. The entire document is available and a full copy can be delivered to you upon request.

77160
 13-10-92
 10-26-92
 #12921
 11-2-92
 + 60. debts to demands here

VIRGINIA: IN THE CIRCUIT COURT OF FAIRFAX COUNTY

IN RE: ESTATE OF JEAN M. O'CONNELL

FIDUCIARY NO. 49160

Date of Qualification: December 10, 1991

FIRST ACCOUNTING OF

EDWARD J. WHITE AND JEAN M. NADER

CO-EXECUTORS

September 15, 1991 - September 15, 1992

RECEIPTS

Inventory Items

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	51,396.34 ✓ AMD ✓
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	11,200.00 ✓ AMD ✓
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 ck 5/10/91	326.60 ✓
USAA Subscriber sav acct	25.10 ✓ AMD ✓
Sub Total Inventory Items	836,237.10 ✓

BK0467 0191

SEP 25 1992

Receipts During Period

First Virginia Bank int	399.58
ck Nuveen 11/1/91	66.50
ck WGL 11/1/91	105.00
ck Kemper 10/31/91	162.86
ck Nuveen 10/1/91	66.50
ck Kemper 9/30/91	162.86
Va. 1990 refund	1,605.58
Nuveen 12/31/91	66.50
Kemper 12/31/91	384.95
Kemper 11/29/91	162.86
Signet 11/27/91	39.60
Nuveen 12/2/91	66.50
Blue Cross 10/10/91	88.78
Int B&H earned 2/11	111.22
Nuveen 2/3/92	66.50
WGL div 2/1/92	105.00
Sovran int DOD-3/2/92	71.52
ck Signet 2/26/92	39.60
ck A. G. Edwards (Fx bond) 2/18/92	3,520.00
ck Kemper 2/28/92	171.75
ck Nuveen 3/2/92	66.50
Int B&H 3/10	246.12
ck Kemper 1/31/92	171.75
Int B&H 4/10	210.76
Int Lynch Prop Note DOD-4/21/92	26,917.17
Int fm Harold 'Connell Trust	816.00
Debt fm Harold O'Connell Trust	659.97
Nuveen 4/1/92	66.50
USAA refund	34.37
Int B&H 5/11	1,144.70
A. G. Edwards 5/27-Signet \$107 div	
WGL div 39.60	146.60
Int earned B&H	1,037.93
Nuveen 6/1/92	66.50
Int earned B&H	666.39
Nuveen 7/1/92	66.50
Int earned B&H	451.50
Nuveen 8/3/92	66.50
Nuveen 9/1/92	67.90
Nuveen 9/1/92	24.50
Int earned B&H	406.86
Inc Invest Co. of America DOD-9/15/92	5,403.87
A. G. Edwards acct Fx bond int	3,520.00
A. G. Edwards acct Signet div	39.60
A. G. Edwards acct WGL div	107.00
Kemper Mun Bond Fund DOD-9/15/92	1,468.42
Franklin Va. Fund DOD-9/15/92	5,590.85
Sub Total Receipts during period	56,928.42 ✓
TOTAL RECEIPTS	893,165.52 ✓

DKU467 0192

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

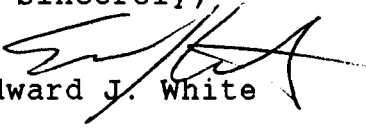
Estate paid an estate tax on the value of the property owned by your mother at her death. Since the tax is paid, what is distributed to you is tax free.

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

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

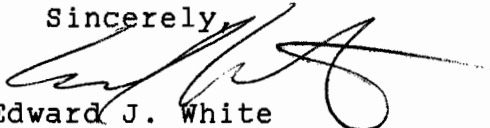
Re: Estate of Jean M. O' Connell

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
at a fluctuating interest rate (3.1% in January) | \$8,602.89 |
| 2. Kemper Municipal Bond Fund (Edwards)
based on January share price x shares owned | 32,484.60 |
| 3. Franklin Va Fund (Edwards)
based on December share price x shares owned | 58,185.78 |
| 4. Investment Co. of America (Edwards)
based on december share price x shares owned | 73,800.59 |
| 5. Nuveen Premium Inc Fund (Edwards)
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.

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

TELEPHONE 836-5444

February 28, 1995

File

The Hon. Thomas S. Kenney
Judge, Circuit Court of Fairfax County
4110 Chain Bridge Rd.
Fairfax, Va. 22030

Re: Estate of Jean M. O'Connell
Fid. #49160

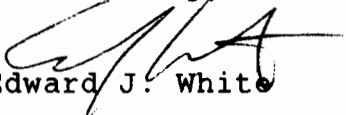
Dear Judge Kenny,

Normally I just let these things lie still, but Mr. Anthony O'Connell's latest in his letter to you needs some clarification.

I not only furnished Mr. O'Connell's attorney, Edgar A. Prichard, a copy of the entire financial history of the estate, noting that it would be from that document that the final accounting would be prepared (my ltr of 11/9/93), but a copy of the accounting itself (my ltr of 1/19/94). In addition, he received copies correspondence concerning every other event in the administration of this estate including all of my letters to the co-executor, his sister.

I have never received his "Exceptions" and have only heard from the Commissioner's office that they are 109 pages long.

Sincerely,


Edward J. White

EJW/e