

Payoff
tax in
fiduciary
return

\$545,820

Cash payment to the estate from the payoff of the Lynch note on

April 21, 1992

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

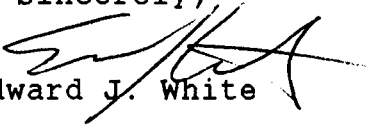
Estate paid an estate tax on the value of the property owned by your mother at her death. Since the tax is paid, what is distributed to you is tax free.

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

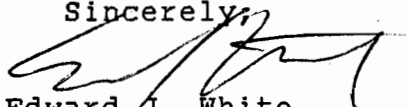
Re: Estate of Jean M. O'Connell

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

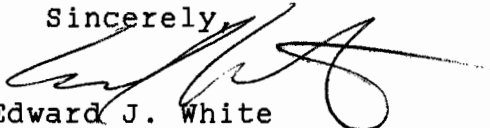
Re: Estate of Jean M. O' Connell

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

Fiduciary Return

Form **1041** U.S. Fiduciary Income Tax Return **1991**

Department of the Treasury - Internal Revenue Service

For the calendar year 1991 or fiscal year beginning **SEPTEMBER 15**, 1991, and ending **AUGUST 31**, 1992 OMB No. 1545-0092

| | | |
|---|--|--|
| A Type of Entity <input checked="" type="checkbox"/> Decedent's estate <input type="checkbox"/> Simple trust <input type="checkbox"/> Complex trust <input type="checkbox"/> Grantor type trust <input type="checkbox"/> Bankruptcy estate <input type="checkbox"/> Family estate trust <input type="checkbox"/> Pooled income fund | Name of estate or trust (grantor type trust, see instructions) | Employer identification number |
| | ESTATE OF JEAN M. O'CONNELL | 25 6377917 |
| | Name and title of fiduciary | Date entity created |
| | EDWARD J. WHITE & JEAN NADER CO-EXECUTOR | 09/15/1991 |
| | Number, street, and room or suite no. (if a P.O. box, see page 4 of instructions.) | Nonexempt charitable and split-interest trusts, check applicable boxes: <input type="checkbox"/> Described in section 4947(e)(1) <input type="checkbox"/> Not a private foundation <input type="checkbox"/> Described in section 4947(e)(2) |
| | 118 SOUTH ROYAL ST. ALEXANDRIA, VA 22314 | |

| | |
|--|---|
| B Number of Schedules K-1 attached 3 | Check applicable boxes: <input checked="" type="checkbox"/> Initial return <input type="checkbox"/> Final return <input type="checkbox"/> Amended return <input type="checkbox"/> Name or Address |
| | Change in Fiduciary's <input type="checkbox"/> |

| | | | | |
|--------|--|----------------|---|----------|
| Income | 1 Interest income | SEE SCHEDULE 1 | 1 | 50,225. |
| | 2 Dividends | SEE SCHEDULE 2 | 2 | 4,601. |
| | 3 Business income or (loss) (attach Schedule C (Form 1040)) | | 3 | |
| | 4 Capital gain or (loss) (attach Schedule D (Form 1041)) | | 4 | 398,660. |
| | 5 Rents, royalties, partnerships, other estates and trusts, etc. (attach Schedule E (Form 1040)) | | 5 | |
| | 6 Farm income or (loss) (attach Schedule F (Form 1040)) | | 6 | |
| | 7 Ordinary gain (or loss) (attach Form 4797) | | 7 | |
| | 8 Other income (state nature of income) | | 8 | 1,606. |
| | 9 Total income (combine lines 1 through 8) | | 9 | 455,092. |

| | | | | |
|---|---|----------|----------|------------|
| Deductions | 10 Interest | 10 | | |
| | 11 Taxes | 11 | 8,996. | |
| | 12 Fiduciary fees | 12 | | |
| | 13 Charitable deduction (from Schedule A, line 6) | 13 | | |
| | 14 Attorney, accountant, and return preparer fees | 14 | | |
| | 15 a Other deductions NOT subject to the 2% floor (attach schedule) | 15a | 2,000. | SCHEDULE 3 |
| | b Allowable miscellaneous itemized deductions subject to the 2% floor | 15b | | |
| | c Add lines 15a and 15b | 15c | 2,000. | |
| | 16 Total (add lines 10 through 14, and 15c) | 16 | 10,996. | |
| | 17 Adjusted total income or (loss) (subtract line 16 from line 9). Enter here and on Schedule B, line 1 | 17 | 444,096. | |
| 18 Income distribution deduction (from Schedule B, line 17) (attach Schedules K-1 (Form 1041)) | 18 | 217,337. | | |
| 19 Estate tax deduction (including certain generation-skipping transfer taxes) (attach computation) | 19 | 58,200. | | |
| 20 Exemption | 20 | 600. | | |
| 21 Total deductions (add lines 18 through 20) | 21 | 276,137. | | |

| | | | |
|--|---|---------|----------|
| Please attach check or money order here Tax and Payments | 22 Taxable income of fiduciary (subtract line 21 from line 17) | 22 | 167,959. |
| | 23 Total tax (from Schedule G, line 7) | 23 | 46,581. |
| | 24 Payments: a 1991 estimated tax payments and amount applied from 1990 return | 24a | |
| | b Treated as credited to beneficiaries (from Form 1041-T) | 24b | |
| | c Subtract line 24b from line 24a | 24c | |
| | d Tax paid with extension of time to file: <input type="checkbox"/> Form 2758 <input type="checkbox"/> Form 8736 <input type="checkbox"/> Form 8800 | 24d | |
| | e Federal income tax withheld | 24e | |
| | Credits: f Form 2439 ; g Form 4136 ; h Other ; Total | 24i | |
| | 25 Total payments (add lines 24c through 24e, and 24i) | 25 | |
| | 26 Penalty for underpayment of estimated tax | 26 | |
| 27 If the total of lines 23 and 26 is larger than line 25, enter TAX DUE | 27 | 46,581. | |
| 28 If line 25 is larger than the total of lines 23 and 26, enter OVERPAYMENT | 28 | | |
| 29 Amount of line 28 to be: a Credited to 1992 estimated tax ; b Refunded | 29 | | |

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than fiduciary) is based on all information of which preparer has any knowledge.

| | | | |
|--------------------------|--|------------|--------------------------------|
| Please Sign Here | Signature of fiduciary or officer representing fiduciary | Date | EIN of fiduciary |
| | Preparer's signature | Date | Preparer's social security no. |
| Paid Preparer's Use Only | Firm's name (or yours if self-employed) and address | E.I. No. | Preparer's social security no. |
| | KELLER BRUNER & COMPANY, P.C. 700 N. FAIRFAX STREET ALEXANDRIA, VA | 54 1040148 | |
| | | ZIP code | 22314 |

For Paperwork Reduction Act Notice, see page 1 of the separate instructions. Form 1041 (1991)

For the calendar year 1991 or fiscal year beginning **SEPTEMBER 15, 1991**, and ending **AUGUST 31, 1992** OMB No. 1545-0082

| | | |
|---|--|--|
| A Type of Entity <input checked="" type="checkbox"/> Decedent's estate <input type="checkbox"/> Simple trust <input type="checkbox"/> Complex trust <input type="checkbox"/> Grantor type trust <input type="checkbox"/> Bankruptcy estate <input type="checkbox"/> Family estate trust <input type="checkbox"/> Pooled income fund | Name of estate or trust (grantor type trust, see instructions) ESTATE OF JEAN M. O'CONNELL | Employer identification number 25 6377917 |
| | Name and title of fiduciary EDWARD J. WHITE & JEAN NADER CO-EXECUTOR | Date entity created 09/15/1991 |
| | Number, street, and room or suite no. (If a P.O. box, see page 4 of instructions.) 118 SOUTH ROYAL ST. | Nonexempt charitable and split-interest trusts, check applicable boxes: <input type="checkbox"/> Described in section 4947(e)(1) <input type="checkbox"/> Not a private foundation <input type="checkbox"/> Described in section 4947(e)(2) |
| | City, state, and ZIP code ALEXANDRIA, VA 22314 | |

| | |
|--|---|
| B Number of Schedules K-1 attached 3 | Check applicable boxes: <input checked="" type="checkbox"/> Initial return <input type="checkbox"/> Final return <input type="checkbox"/> Amended return <input type="checkbox"/> Change in Fiduciary's Name or Address |
|--|---|

| | | | | |
|---------------|--|----------------|---|----------|
| Income | 1 Interest income | SEE SCHEDULE 1 | 1 | 50,225. |
| | 2 Dividends | SEE SCHEDULE 2 | 2 | 4,601. |
| | 3 Business income or (loss) (attach Schedule C (Form 1040)) | | 3 | |
| | 4 Capital gain or (loss) (attach Schedule D (Form 1041)) | | 4 | 398,660. |
| | 5 Rents, royalties, partnerships, other estates and trusts, etc. (attach Schedule E (Form 1040)) | | 5 | |
| | 6 Farm income or (loss) (attach Schedule F (Form 1040)) | | 6 | |
| | 7 Ordinary gain (or loss) (attach Form 4797) | | 7 | |
| | 8 Other income (state nature of income) | | 8 | 1,606. |
| | 9 Total income (combine lines 1 through 8) | | 9 | 455,092. |

| | | | |
|---|---|----------|--------|
| Deductions | 10 Interest | 10 | |
| | 11 Taxes | 11 | 8,996. |
| | 12 Fiduciary fees | 12 | |
| | 13 Charitable deduction (from Schedule A, line 6) | 13 | |
| | 14 Attorney, accountant, and return preparer fees | 14 | |
| | 15 a Other deductions NOT subject to the 2% floor (attach schedule) | 15a | 2,000. |
| | b Allowable miscellaneous itemized deductions subject to the 2% floor | 15b | |
| | c Add lines 15a and 15b | 15c | 2,000. |
| 16 Total (add lines 10 through 14, and 15c) | 16 | 10,996. | |
| 17 Adjusted total income or (loss) (subtract line 16 from line 9). Enter here and on Schedule B, line 1 | 17 | 444,096. | |
| | 18 | 217,337. | |

EIN 25-6377917

Burke & Herbert Bank & Trust Co.
 Alexandria, Va.

No. **106**

PAY TO THE ORDER OF Internal Revenue Service

Forty Six Thousand Five Hundred Eighty One and 00/100 \$ **46,581.00** DOLLARS

FOR **1041 9/15/91 - 8/31/92**

ESTATE OF JEAN M. O'CONNELL
 EDWARD J. WHITE &
 JEAN M. NADER, CO-EXECUTORS

Jean M. Nader

⑈00000106⑈ ⑆056001066⑆ ⑆010090376⑆

| | | |
|--|-------------------------|--|
| Sign Here Signature of fiduciary or officer representing fiduciary <i>Edward J. White</i> | Date 12/14/92 | E.I.N. of fiduciary 54 0939102 |
| Paid Preparer's Use Only Preparer's signature <i>James Z. Burns</i> | Date 12/11/92 | Check if self-employed <input type="checkbox"/> Preparer's social security no. 579 44 3204 |
| Firm's name (or yours if self-employed) and address KELLER BRUNER & COMPANY, P.C. 700 N. FAIRFAX STREET ALEXANDRIA, VA | | E.I. No. 54 1040148 ZIP code 22314 |

For Paperwork Reduction Act Notice, see page 1 of the separate instructions. Form 1041 (1991)

Schedule A Charitable Deduction - Do not complete for a simple trust or a pooled income fund.

| | | | |
|---|--|---|--|
| 1 | Amounts paid or permanently set aside for charitable purposes from current year's gross income | 1 | |
| 2 | Tax-exempt interest allocable to charitable distribution | 2 | |
| 3 | Subtract line 2 from line 1 | 3 | |
| 4 | Enter the net short-term capital gain and the net long-term capital gain of the current tax year allocable to corpus paid or permanently set aside for charitable purposes | 4 | |
| 5 | Amounts paid or permanently set aside for charitable purposes from gross income of a prior year | 5 | |
| 6 | Total (add lines 3 through 5). Enter here and on page 1, line 13 | 6 | |

Schedule B Income Distribution Deduction

| | | | |
|----|--|----|------------|
| 1 | Adjusted total income (from page 1, line 17) | 1 | 444,096. |
| 2 | Adjusted tax-exempt interest | 2 | 15,663. |
| 3 | Net gain shown on Schedule D (Form 1041), line 17, column (a) (If net loss, enter zero.) | 3 | 171,901. |
| 4 | Enter amount from Schedule A, line 4 | 4 | |
| 5 | Long-term capital gain included on Schedule A, line 1 | 5 | |
| 6 | Short-term capital gain included on Schedule A, line 1 | 6 | |
| 7 | If the amount on page 1, line 4, is a capital loss, enter here as a positive figure | 7 | |
| 8 | If the amount on page 1, line 4, is a capital gain, enter here as a negative figure | 8 | <398,660.> |
| 9 | Distributable net income (combine lines 1 through 8) | 9 | 233,000. |
| 10 | Amount of income for the tax year determined under the governing instrument (accounting income) | 10 | |
| 11 | Amount of income required to be distributed currently | 11 | |
| 12 | Other amounts paid, credited, or otherwise required to be distributed | 12 | 233,000. |
| 13 | Total distributions (add lines 11 and 12). (If greater than line 10, see instructions.) | 13 | 233,000. |
| 14 | Enter the amount of tax-exempt income included on line 13 | 14 | 15,663. |
| 15 | Tentative income distribution deduction (subtract line 14 from line 13) | 15 | 217,337. |
| 16 | Tentative income distribution deduction (subtract line 2 from line 9) | 16 | 217,337. |
| 17 | Income distribution deduction. Enter the smaller of line 15 or line 16 here and on page 1, line 18 | 17 | 217,337. |

Schedule G Tax Computation

| | | | |
|----|---|----|---------|
| 1 | Tax: a <input type="checkbox"/> Tax rate schedule or <input checked="" type="checkbox"/> Schedule D <u>46,581.</u> ; b Other taxes _____; Total ▶ | 1c | 46,581. |
| 2a | Foreign tax credit (attach Form 1116) | 2a | |
| b | Credit for fuel produced from a nonconventional source | 2b | |
| c | General business credit. Check if from: <input type="checkbox"/> Form 3800 or <input type="checkbox"/> Form (specify) ▶ | 2c | |
| d | Credit for prior year minimum tax (attach Form 8801) | 2d | |
| 3 | Total credits (add lines 2a through 2d) | 3 | |
| 4 | Subtract line 3 from line 1c | 4 | 46,581. |
| 5 | Recapture taxes. Check if from: <input type="checkbox"/> Form 4255 <input type="checkbox"/> Form 8611 | 5 | |
| 6 | Alternative minimum tax (attach Form 8656) | 6 | |
| 7 | Total tax (add lines 4 through 6). Enter here and on page 1, line 23 | 7 | 46,581. |

Other Information

| | Yes | No |
|---|-----|----|
| 1 Did the estate or trust receive tax-exempt income? (If "Yes," attach a computation of the allocation of expenses.) Enter the amount of tax-exempt interest income and exempt-interest dividends ▶ \$ <u>15,663.</u> | X | |
| 2 Did the estate or trust have any passive activity losses? (If "Yes," enter these losses on Form 8582, Passive Activity Loss Limitations, to figure the allowable loss.) | | X |
| 3 Did the estate or trust receive all or any part of the earnings (salary, wages, and other compensation) of any individual by reason of a contract assignment or similar arrangement? | | X |
| 4 At any time during the tax year, did the estate or trust have an interest in or a signature or other authority over a financial account in a foreign country (such as a bank account, securities account, or other financial account)? (See the instructions for exceptions and filing requirements for Form TD F 90-22.1) If "Yes," enter the name of the foreign country ▶ | | X |
| 5 Was the estate or trust the grantor of, or transferor to, a foreign trust which existed during the current tax year, whether or not the estate or trust has any beneficial interest in it? (If "Yes," you may have to file Form 3520, 3520-A, or 926.) | | X |
| 6 Check this box if this entity has filed or is required to file Form 8264, Application for Registration of a Tax Shelter ▶ <input type="checkbox"/> | | |
| 7 Check this box if this entity is a complex trust making the section 663(b) election ▶ <input type="checkbox"/> | | |
| 8 Check this box to make a section 643(e)(3) election (attach Schedule D (Form 1041)) ▶ <input type="checkbox"/> | | |
| 9 Check this box if the decedent's estate has been open for more than 2 years ▶ <input type="checkbox"/> | | |
| 10 Check this box if the trust is a participant in a Common Trust Fund that was required to adopt a calendar year ▶ <input type="checkbox"/> | | |

Capital Gains and Losses

1991

Department of the Treasury
Internal Revenue Service

▶ File with Form 1041.

Name of estate or trust

Employer identification number

ESTATE OF JEAN M. O'CONNELL

25-6377917

Do not report section 644 gains on Schedule D

Part I Short-Term Capital Gains and Losses - Assets Held One Year or Less

| (a) Description of property (Example, 100 shares 7% preferred of "Z" Co.) | (b) Date acquired (mo., day, yr.) | (c) Date sold (mo., day, yr.) | (d) Gross sales price | (e) Cost or other basis, as adjusted, plus expense of sale | (f) Gain (or loss) (col. (d) less col. (e)) |
|---|--------------------------------------|----------------------------------|-----------------------|--|--|
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| 2 Short-term capital gain from installment sales from Form 6252 | | | | | 2 |
| 3 Net short-term gain (or loss) from partnerships, S corporations, and other fiduciaries | | | | | 3 |
| 4 Net gain (or loss) (combine lines 1 through 3) | | | | | 4 |
| 5 Short-term capital loss carryover from 1990 Schedule D, line 28 | | | | | 5 () |
| 6 Net short-term gain (or loss) (combine lines 4 and 5). Enter here and on line 15 below | | | | | 6 |

Part II Long-Term Capital Gains and Losses - Assets Held More Than One Year

| | | | | | |
|---|--|--|--|--|--------------------------------|
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| 8 Long-term capital gain from installment sales from Form 6252 | | | | | 8 397,330. |
| 9 Net long-term gain (or loss) from partnerships, S corporations, and other fiduciaries | | | | | 9 |
| 10 Capital gain distributions SEE SCHEDULE 5 | | | | | 10 1,330. |
| 11 Enter gain, if applicable, from Form 4797 | | | | | 11 |
| 12 Net gain (or loss) (combine lines 7 through 11) | | | | | 12 398,660. |
| 13 Long-term capital loss carryover from 1990 Schedule D, line 35 | | | | | 13 () |
| 14 Net long-term gain (or loss) (combine lines 12 and 13). Enter here and on line 16 below | | | | | 14 398,660. |

| Part III Summary of Parts I and II | | (a) Beneficiaries | (b) Fiduciary | (c) Total |
|--|-----------|-------------------|---------------|-----------|
| 15 Net short-term gain (or loss) from line 6, above | 15 | | 0. | |
| 16 Net long-term gain (or loss) from line 14, above | 16 | 171,901. | 226,759. | 398,660. |
| 17 Total net gain (or loss) (combine lines 15 and 16) | 17 | 171,901. | 226,759. | 398,660. |

If lines 16 and 17, column (c), are net gains, enter the gain on Form 1041, line 4, go to Part VI, and DO NOT complete Parts IV and V. If line 17, column (c), is a net (loss), complete Parts IV and V, as necessary.

Part IV Computation of Capital Loss Limitation

| | | | |
|----|---|----|-----|
| 18 | Enter here and enter as a (loss) on Form 1041, line 4, the smaller of: (i) The net loss on line 17, column (c); or (ii) \$3,000 | 18 | () |
|----|---|----|-----|

If the net loss on line 17, column (c) is more than \$3,000, OR if the taxable income on line 22, page 1, of Form 1041 is zero or less, complete Part V to determine your capital loss carryover.

Part V Computation of Capital Loss Carryovers From 1991 to 1992

Section A. - Computation of Carryover Limit

| | | | |
|----|--|----|----|
| 19 | Enter taxable income (or loss) for 1991 from Form 1041, line 22 | 19 | |
| 20 | Enter loss from line 18, above, as a positive amount | 20 | |
| 21 | Enter amount from Form 1041, line 20 | 21 | |
| 22 | Adjusted taxable income (Combine lines 19, 20, and 21, but do not enter less than zero.) | 22 | |
| 23 | Enter the lesser of lines 20 or 22 | 23 | 0. |

Section B. - Short-Term Capital Loss Carryover

(Complete this part only if there is a loss on line 6, Schedule D, Part I, and line 17, column (c).)

| | | | |
|----|--|----|----|
| 24 | Enter loss from line 6 as a positive amount | 24 | |
| 25 | Enter gain, if any, from line 14. (If that line is blank or shows a loss, enter -0-.) | 25 | |
| 26 | Enter amount from line 23, above | 26 | |
| 27 | Add lines 25 and 26 | 27 | |
| 28 | Subtract line 27 from line 24. If zero or less, enter -0-. This is the fiduciary's short-term capital loss carryover from 1991 to 1992. If this is the final return of the estate or trust, also enter on line 12b, Schedule K-1 (Form 1041) | 28 | 0. |

Section C. - Long-Term Capital Loss Carryover

(Complete this part only if there is a loss on line 14 and line 17, column (c).)

| | | | |
|----|---|----|----|
| 29 | Enter loss from line 14 as a positive amount | 29 | |
| 30 | Enter gain, if any, from line 6. (If that line is blank or shows a loss, enter -0-.) | 30 | |
| 31 | Enter amount from line 23, above | 31 | |
| 32 | Enter amount, if any, from line 24, above | 32 | |
| 33 | Subtract line 32 from line 31. If zero or less, enter -0- | 33 | |
| 34 | Add lines 30 and 33 | 34 | |
| 35 | Subtract line 34 from line 29. If zero or less, enter -0-. This is the fiduciary's long-term capital loss carryover from 1991 to 1992. If this is the final return of the estate or trust, also enter on line 12c, Schedule K-1 (Form 1041) | 35 | 0. |

Part VI Tax Computation Using Maximum Capital Gains Rate (Complete this part only if lines 16 and 17, column (c) are net capital gains for 1991.)

| | | | |
|----|---|----|----------|
| 36 | Taxable income (from Form 1041, line 22) | 36 | 167,959. |
| 37 | Net capital gain for 1991 (Enter the smaller of line 16 or 17, column (b).) | 37 | 226,759. |
| 38 | Subtract line 37 from line 36, but not less than zero | 38 | |
| 39 | Enter the greater of line 38 or \$10,350 | 39 | 10,350. |
| 40 | Tax on amount on line 39 from the 1991 Tax Rate Schedule. If \$10,350, enter \$2,449.50 | 40 | 2,450. |
| 41 | Subtract line 39 from line 36, but not less than zero | 41 | 157,609. |
| 42 | Multiply line 41 by (.28) | 42 | 44,131. |
| 43 | Maximum capital gains tax (add lines 40 and 42) | 43 | 46,581. |
| 44 | Regular tax on amount on line 36 from the 1991 Tax Rate Schedule | 44 | 51,308. |
| 45 | Tax. (Enter the lesser of line 43 or line 44.) Enter here and on line 1a of Schedule G, Form 1041 | 45 | 46,581. |

Installment Sale Income

Department of the Treasury Internal Revenue Service

Attach to your tax return.

Use a separate form for each sale or other disposition of property on the installment method.

Name(s) shown on return

Identifying number

ESTATE OF JEAN M. O'CONNELL

25-6377917

A Description of property 6541 FRANCONIA RD.

B Date acquired (month, day, and year)

C Date sold (month, day, and year) 04/21/88

D Was the property sold to a related party after May 14, 1980? Yes No

E If the answer to D is "Yes," was the property a marketable security? If "Yes," complete Part III. If "No," complete Part III for the year of sale and for 2 years after the year of sale. Yes No

Part I Gross Profit and Contract Price (Complete this part for the year of sale only.)

Table with 14 rows for Part I: Selling price, mortgages, subtract line 2, cost, depreciation, adjusted basis, commissions, income recapture, add lines 6-8, subtract line 9, main home, gross profit, subtract line 9 from line 2, contract price.

Part II Installment Sale Income (Complete this part for the year of sale and any year you receive a payment or have certain debts you must treat as a payment on installment obligations.)

Table with 12 rows for Part II: Gross profit percentage, for year of sale only, payments received during year, add lines 16 and 17, payments received in prior years, installment sale income, part of line 20, subtract line 21.

Part III Related Party Installment Sale Income (Do not complete if you received the final payment this tax year.)

F Name, address, and taxpayer identifying number of related party

G Did the related party, during this tax year, resell or dispose of the property ("second disposition")? Yes No

H If the answer to question G is "Yes," complete lines 23 through 30 below unless one of the following conditions is met (check only the box that applies)

- Conditions for question H: The second disposition was more than 2 years after the first disposition, first disposition was a sale or exchange of stock, involuntary conversion, death of original seller, tax avoidance.

Table with 10 rows for Part III: Selling price of property sold by related party, enter contract price, smaller of line 23 or line 24, total payments received, subtract line 26, multiply line 27, part of line 28, subtract line 29.

ESTATE OF JEAN M. O'CONNELL
EDWARD J. WHITE AND JEAN M. NADER, CO- EXECUTORS
118 SOUTH ROYAL STREET
ALEXANDRIA, VIRGINIA 22314

YEAR ENDING: 8/31/92
FEIN: 25-6377917

SCHEDULE K-1 (FORM 1041), LINE 5

INCOME IN RESPECT OF A DECEDENT UNDER
IRC SECTION 691 FROM THE ESTATE OF
JEAN M. O'CONNELL

VALUE OF INCOME DESCRIBED IN IRC SECTION 691(a)(1)
INCLUDED IN COMPUTING GROSS ESTATE:

| | |
|-------------------------------|----------------|
| LYNCH NOTE - INSTALLMENT GAIN | 397,330 |
| LYNCH NOTE - INTEREST | 18,151 |
| STATE REFUND | 1,606 |
| H. O'CONNELL TRUST - INTEREST | 816 |
| | <u>417,903</u> |

DEDUCTION IN COMPUTING GROSS ESTATE PER
IRC SECTION 691(b):

| | |
|----------------------------|----------------|
| PERSONAL PROPERTY TAX | (428) |
| STATE TAX - 1991 | (2,856) |
| STATE TAX - 1991 AMENDMENT | (5,712) |
| | <u>(8,996)</u> |

NET VALUE 408,907

| | |
|--|----------|
| NET ESTATE TAX | 104,950 |
| LESS: ESTATE TAX WITHOUT ITEMS ABOVE PORTION OF ESTATE TAX ATTRIBUTABLE TO INCOME IN RESPECT OF A DEDEDENT | <u>0</u> |
| | 104,950 |

VALUE IN GROSS ESTATE OF ITEMS DESCRIBED IN
IRC SECTION 691(a)(1) RECEIVED IN THE
CURRENT YEAR 417,903

| | |
|----------------|----------------|
| RATIO | <u>100.00%</u> |
| CREDIT FOR IRD | <u>104,950</u> |

FIDUCIARY 55.4549%
EACH BENEFICIARY 14.8484%

Department of the Treasury
Internal Revenue Service

▶ Attach to Forms 1041 or 990-T.

1991

Name of estate or trust

Employer identification number

ESTATE OF JEAN M. O'CONNELL

25-6377917

Part 1 Fiduciary's Share of Alternative Minimum Taxable Income

| | | | | |
|--|------------|-----------|----------|------------|
| 1 Adjusted total income or (loss) (from Form 1041, line 17) | | 1 | 444,096. | |
| 2 Net operating loss deduction (Do not enter as a negative amount.) | | 2 | | |
| 3 Add lines 1 and 2 | | 3 | 444,096. | |
| 4 a Interest | 4a | | | |
| b Taxes | 4b | | | 8,996. |
| c Miscellaneous itemized deductions (from Form 1041, line 15b) | 4c | | | |
| d Refund of taxes | 4d | | | (1,606.) |
| e Combine lines 4a through 4d | | 4e | 7,390. | |
| 5 Adjustments: | | | | |
| a Depreciation of property placed in service after 1986 | 5a | | | |
| b Circulation and research and experimental expenditures paid or incurred after 1986 | 5b | | | |
| c Mining exploration and development costs paid or incurred after 1986 | 5c | | | |
| d Long-term contracts entered into after February 28, 1986 | 5d | | | |
| e Pollution control facilities placed in service after 1986 | 5e | | | |
| f Installment sales of certain property | 5f | | | |
| g Adjusted gain or loss | 5g | | | |
| h Certain loss limitations | 5h | | | |
| i Tax shelter farm activities | 5i | | | |
| j Passive activities | 5j | | | |
| k Beneficiaries of other estates or trusts | 5k | | | |
| l Combine lines 5a through 5k | | 5l | | |
| 6 Tax preference items: | | | | |
| a Appreciated property charitable deduction | 6a | | | |
| b Tax-exempt interest from private activity bonds issued after August 7, 1986 | 6b | | | |
| c Depletion | 6c | | | |
| d Combine lines 6a through 6c | | 6d | | |
| 7 Other items of tax preference: | | | | |
| a Accelerated depreciation of real property placed in service before 1987 | 7a | | | |
| b Accelerated depreciation of leased personal property placed in service before 1987 | 7b | | | |
| c Amortization of certified pollution control facilities placed in service before 1987 | 7c | | | |
| d Intangible drilling costs | 7d | | | |
| e Combine lines 7a through 7d | | 7e | | |
| 8 Add lines 3, 4e, 5l, 6d, and 7e | | 8 | 451,486. | |
| 9a Adjustment based on energy preferences | 9a | | | |
| b Alternative tax net operating loss deduction (see instructions for limitations) | 9b | | | |
| c Add lines 9a and 9b | | | | 9c |
| 10 Adjusted alternative minimum taxable income (line 8 less line 9c). Enter here and on line 13 Note: Complete Part II before proceeding with line 11. | | 10 | 451,486. | |
| 11 a Income distribution deduction from line 27 | 11a | | | |
| b Estate tax deduction (from Form 1041, line 19) | 11b | | | 217,819. |
| c Add lines 11a and 11b | | | | 11c |
| 12 Fiduciary's share of alternative minimum taxable income (line 10 less line 11c) | | 12 | 175,467. | |

H761 For Paperwork Reduction Act Notice, see page 1 of the instructions.

Form 8656 (1991)

119961
12-09-91

Part II Income Distribution Deduction on a Minimum Tax Basis

| | | | |
|----|---|----|--------------|
| 13 | Adjusted alternative minimum taxable income (from line 10) | 13 | 451,486. |
| 14 | Adjusted tax-exempt interest (other than amounts included in line 6b) | 14 | 15,663. |
| 15 | Net capital gain from Schedule D (Form 1041), line 17, column (a) (if a loss, enter -0-.) | 15 | 171,901. |
| 16 | Capital gains allocable to corpus paid or set aside for charitable purposes (from Schedule A, Form 1041, line 4) | 16 | |
| 17 | Capital gains paid or permanently set aside for charitable purposes from current year's income (from Schedule A, Form 1041, line 1) | 17 | |
| 18 | Capital gains computed on a minimum tax basis included in line 10 | 18 | (398,660.) |
| 19 | Capital losses computed on a minimum tax basis included in line 10 (Do not enter as a negative amount.) | 19 | |
| 20 | Distributable net alternative minimum taxable income (DNAMTI) (combine lines 13 through 19) | 20 | 240,390. |
| 21 | Income required to be distributed currently | 21 | |
| 22 | Other amounts paid, credited, or required to be distributed | 22 | 233,000. |
| 23 | Total distributions (add lines 21 and 22) | 23 | 233,000. |
| 24 | Tax-exempt income included on line 23 (other than amounts included in line 6b) | 24 | 15,181. |
| 25 | Tentative income distribution deduction on a minimum tax basis (line 23 less line 24) | 25 | 217,819. |
| 26 | Tentative income distribution deduction on a minimum tax basis (line 20 less line 14) | 26 | 224,727. |
| 27 | Income distribution deduction on a minimum tax basis (Enter the smaller of line 25 or line 26.) Enter here and on line 11a | 27 | 217,819. |

Part III Computation of Alternative Minimum Tax

Note: If line 12 is \$20,000 or less, you are not liable for the alternative minimum tax.

| | | | |
|------|--|-----|----------|
| 28 | Enter amount from line 12 | 28 | 175,467. |
| 29 | Exemption amount | 29 | \$20,000 |
| 30 | Phase-out of exemption amount | 30 | \$75,000 |
| 31 | Line 28 less line 30 (if zero or less, enter -0-.) | 31 | 100,467. |
| 32 | Multiply line 31 by 25% (.25) | 32 | 25,117. |
| 33 | Line 29 less line 32 (if zero or less, enter -0-.) | 33 | 0. |
| 34 | Line 28 less line 33 | 34 | 175,467. |
| 35 | Multiply line 34 by 24% (.24) | 35 | 42,112. |
| 36 | Alternative minimum foreign tax credit | 36 | |
| 37 | Tentative minimum tax (line 35 less line 36) | 37 | 42,112. |
| 38 a | Regular tax before credits | 38a | 46,581. |
| b | Section 644 tax (from line 1b, Schedule G, Form 1041) | 38b | 0. |
| c | Add lines 38a and 38b | 38c | 46,581. |
| 39 | Alternative minimum tax (line 37 less line 38c). Enter here and on line 6, Schedule G, Form 1041 | 39 | |

H761

SCHEDULE K-1
(Form 1041)

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

OMB No. 1545-0082

Department of the Treasury
Internal Revenue Service

for the calendar year 1991, or fiscal year
beginning SEPTEMBER 15, 1991, ending AUGUST 31, 1992

1991

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

Name of estate or trust

Amended K-1
 Final K-1

ESTATE OF JEAN M. O'CONNELL

Beneficiary's identifying number ▶ **225509052**

Estate's or trust's employer identification number ▶ **25-6377917**

Beneficiary's name, address, and ZIP code

JEAN M. NADER
350 FOURTH AVE.
NEW KENSINGTON, PA. 15068

Fiduciary's name, address, and ZIP code

EDWARD J. WHITE & JEAN NADER CO-EXEC
118 SOUTH ROYAL ST.
ALEXANDRIA VA 22314

| (a) Allocable share item | (b) Amount | (c) Calendar year 1991 Form 1040 filers enter the amounts in column (b) on: |
|--|------------|---|
| 1 Interest | 13,479. | Schedule B, Part I, line 1 |
| 2 Dividends | 1,235. | Schedule B, Part II, line 5 |
| 3a Net short-term capital gain | | Schedule D, line 4, column (g) |
| b Net long-term capital gain | 57,300. | Schedule D, line 11, column (g) |
| 4 Business income and other non-passive income before directly allocable deductions. | 431. | Schedule E, Part III |
| a Depreciation | | |
| b Depletion | | |
| c Amortization | | |
| 5 Rental, rental real estate, and other passive income. | | |
| a Depreciation | | |
| b Depletion | | |
| c Amortization | | |
| 6 Income for minimum tax purposes | 72,606. | |
| 7 Income for regular tax purposes (add lines 1 through 5) | 72,445. | |
| 8 Adjustment for minimum tax purposes (subtract line 7 from line 6) | 161. | |
| 9 Estate tax deduction (including certain generation-skipping transfer taxes) (attach computation) | 15,583. | 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 | | |
| 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 | 5,221. | Form 1040, line 8b |
| c | | (Include on the applicable line of appropriate tax form) |
| d | | |
| e | | |
| f | | |
| g | | |
| h | | |

For Paperwork Reduction Act Notice, see page 1 of the Instructions for Form 1041.

Schedule K-1 (Form 1041) 1991

H761

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 SEPTEMBER 15, 1991, ending AUGUST 31, 1992

1991

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

Name of estate or trust

Amended K-1
 Final K-1

ESTATE OF JEAN M. O'CONNELL

Beneficiary's identifying number ▶ 224547273

Estate's or trust's employer identification number ▶ 25-6377917

Beneficiary's name, address, and ZIP code

SHEILA O'CONNELL-SHEVENELL
44 CARLTON ST.
PORTLAND, ME. 04102

Fiduciary's name, address, and ZIP code

EDWARD J. WHITE & JEAN NADER CO-EXEC
118 SOUTH ROYAL ST.
ALEXANDRIA VA 22314

| (a) Allocable share item | (b) Amount | (c) Calendar year 1991 Form 1040 filers enter the amounts in column (b) on: | |
|---|------------|---|--------------------|
| 1 Interest | 13,480. | Schedule B, Part I, line 1 | |
| 2 Dividends | 1,235. | Schedule B, Part II, line 5 | |
| 3a Net short-term capital gain | | Schedule D, line 4, column (g) | |
| b Net long-term capital gain | 57,300. | Schedule D, line 11, column (g) | |
| 4 Business income and other non-passive income before directly allocable deductions. | 431. | Schedule E, Part III | |
| a Depreciation | | | |
| b Depletion | | | |
| c Amortization | | | |
| 5 Rental, rental real estate, and other passive income. | | | |
| a Depreciation | | | |
| b Depletion | | | |
| c Amortization | | | |
| 6 Income for minimum tax purposes | 72,606. | | |
| 7 Income for regular tax purposes (add lines 1 through 5) | 72,446. | | |
| 8 Adjustment for minimum tax purposes (subtract line 7 from line 6) | 160. | | Form 6251, line 5r |
| 9 Estate tax deduction (including certain generation-skipping transfer taxes) (attach computation) | 15,584. | 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) | |
| f | | | |
| 13 Other (itemize): | | | |
| a Trust payments of estimated taxes credited to you | | Form 1040, line 55 | |
| b Tax-exempt interest | 5,221. | Form 1040, line 8b | |
| c | | (Include on the applicable line of appropriate tax form) | |
| d | | | |
| e | | | |
| f | | | |
| g | | | |
| h | | | |

For Paperwork Reduction Act Notice, see page 1 of the instructions for Form 1041.

Schedule K-1 (Form 1041) 1991

H761

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 SEPTEMBER 15, 1991, ending AUGUST 31, 1992

1991

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

Name of estate or trust

Amended K-1
 Final K-1

ESTATE OF JEAN M. O'CONNELL

Beneficiary's identifying number ▶ **225527637**

Estate's or trust's employer identification number ▶ **25-6377917**

Beneficiary's name, address, and ZIP code

ANTHONY M. O'CONNELL
6541 FRANCONIA RD.
SPRINGFIELD, VA. 22150

Fiduciary's name, address, and ZIP code

EDWARD J. WHITE & JEAN NADER CO-EXEC
118 SOUTH ROYAL ST.
ALEXANDRIA VA 22314

| (a) Allocable share item | (b) Amount | (c) Calendar year 1991 Form 1040 filers enter the amounts in column (b) on: |
|---|----------------|---|
| 1 Interest | 13,479. | Schedule B, Part I, line 1 |
| 2 Dividends | 1,235. | Schedule B, Part II, line 5 |
| 3a Net short-term capital gain | | Schedule D, line 4, column (g) |
| b Net long-term capital gain | 57,301. | Schedule D, line 11, column (g) |
| 4 Business income and other non-passive income before directly allocable deductions. | 431. | Schedule E, Part III |
| a Depreciation | | |
| b Depletion | | |
| c Amortization | | |
| 5 Rental, rental real estate, and other passive income. | | |
| a Depreciation | | |
| b Depletion | | |
| c Amortization | | |
| 6 Income for minimum tax purposes | 72,607. | |
| 7 Income for regular tax purposes (add lines 1 through 5) | 72,446. | |
| 8 Adjustment for minimum tax purposes (subtract line 7 from line 6) | 161. | |
| 9 Estate tax deduction (including certain generation-skipping transfer taxes) (attach computation) | 15,583. | 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 | | |
| | | (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 | 5,221. | |
| c | | |
| d | | |
| e | | |
| f | | |
| g | | |
| h | | |
| | | (Include on the applicable line of appropriate tax form) |

For Paperwork Reduction Act Notice, see page 1 of the instructions for Form 1041.

Schedule K-1 (Form 1041) 1991

H761

FORM 1041

INTEREST

SCHEDULE 1

| SOURCE | U.S. INTEREST | OTHER TAXABLE INTEREST |
|--|---------------|------------------------|
| FIRST VIRGINIA BANK | | 400. |
| SOVRAN BANK | | 72. |
| LYNCH NOTE | | 45,068. |
| H. O'CONNELL TRUST | | 816. |
| BURKE & HERBERT BANK | | 3,869. |
| SUB-TOTAL | | 50,225. |
| TOTAL INTEREST TO FORM 1041, LINE 1 | | 50,225. |

FORM 1041

DIVIDENDS

SCHEDULE 2

| SOURCE | US INTEREST DIVIDENDS | REGULAR DIVIDENDS |
|---|-----------------------|-------------------|
| WASHINGTON GAS LIGHT | | 424. |
| SIGNET | | 158. |
| INVESTMENT CO OF AMERICA | | 3,960. |
| KEMPER MUNI BOND FUND | | 59. |
| SUB-TOTAL | | 4,601. |
| TOTAL DIVIDENDS TO FORM 1041, LINE 2 | | 4,601. |

FORM 1041

OTHER DEDUCTIONS NOT SUBJECT TO FLOOR LIMITATION

SCHEDULE 3

RATIO OF OTHER DEDUCTIONS ATTRIBUTABLE TO TAX-EXEMPT INCOME

| | |
|--|----------|
| 1. TAX-EXEMPT INCOME | 15,663. |
| 2. TAXABLE INCOME | 56,432. |
| 3. NET CAPITAL GAINS | |
| 4. TOTAL GROSS INCOME (TOTAL OF LINES 1, 2, 3) | 72,095. |
| 5. ALLOCATION RATIO (LINE 1 DIVIDED BY LINE 4) | .2172550 |

OTHER DEDUCTIONS NOT SUBJECT TO FLOOR:

| APPRAISAL | DIRECT | INDIRECT |
|--|---------------|------------------------|
| | 2,000. | 0. |
| TOTAL | 2,000. | 0. |
| LESS (INDIRECT AMOUNT TO TAX-EXEMPT | 0. | 0. X RATIO .2172550) = |
| TOTAL OTHER DEDUCTIONS NOT SUBJECT TO FLOOR | | 2,000. |

FORM 1041

NONTAXABLE INTEREST

SCHEDULE 4

SOURCE

PRINCIPAL

INCOME

AG EDWARDS FAIRFAX CO BD
 FRANKLIN VIRGINIA FUND
 NUVEEN TAX EXEMPT
 NUVEEN TAX EXEMPT
 KEMPER MUNI BOND FUND

7,040.
 5,591.
 18.
 714.
 2,300.

TOTALS

15,663.

TOTAL NONTAXABLE INTEREST

15,663.

FORM 1041

CAPITAL GAIN DIVIDENDS

SCHEDULE 5

SOURCE

AMOUNT

INVESTMENT CO OF AMERICA

1,004.

KEMPER MUNI BOND FUND

326.

1,330.

TOTAL CAPITAL GAIN DIVIDENDS TO FORM 1041, SCH D LN 10