

# Three Reasons

The accountants gave three reasons to the IRS for the delay of the estate tax return: **appraisal**, **gifts**, and **debts**. Does it look as if the reasons were used as wedges to divide and blame the family, and to cover and divert attention from the actual money trails?

The accountants gave three reasons to the IRS for the delay of the estate tax return. Does it look as if:

- (1) The reasons were carried into the estate when they should have been resolved before hand?
- (2) The family was blamed for the reasons?
- (x) The reasons were planted between family members for the family to resolve when the family members had no power to do it?
- (X) The reasons were used as wedges to drive through the family?
- (2) The confusion and conflict from the reasons cover and divert attention the actual money trails?
- (2) The family was blamed for the confusion and conflict resulting from the reasons. reasons?

The reasons were carried into the estate when they should have been, resolved before hand?

- (3) The reasons were planted between family members for the family to resolve when the family members had no power to do it?

**Delay  
Covers  
\$70,051**

“Delay” for appraisal, gifts and debts

ESTATE OF JEAN M. O'CONNELL

PART II EXTENSION OF TIME TO FILE The original due date was June 15, 1992

1. The decedent was a part owner of a tract of ground the value of which is to be determined by an appraisal in progress. The enclosed payment is based on the maximum value for the property and will be changed.

2. The estate does not at this date possess full data for certain gifts and debts of the estate and other needed information.

The trustee will be made to appear responsible for the appraisal, gifts, and debts. Innocent Jean Nader will be used to carry out the accountant's instructions to the trustee for the appraisal and for the gift of the car.

# Appraisal

May 7

DEAR TONY

1992.05.07

part 1 of 4

Enclosed is an application for Revision of Real Property Assessment Mr White and I feel that it is in the best interest of you, Sheila and to have the \$600,000 value of Accotink lowered, perhaps to 300,000 or 400,000. The bottom line for the beneficiaries of the estate is to receive the most money possible.

Our thinking includes these reasons.

- 1) Accotink is suffering bad real estate times.
- 2) Accotink is lacking good access.
- 3) Accotink is not receiving an income.
- 4) Accotink's assessment tax has been raised to \$1.25 per -  
Accotink's tax bill will be in the neighborhood of \$7,500 per year.

1992.05.07  
part 2 of 4

- 5) Accotink is  
1/3 wet land  
1/3 clay land  
1/3 good land

6) When Accotink does have a buyer, the land can be appraised.

7) This appeal saves the estate 2500 for an appraiser for the most qualified to do this form and represent the property. This form is due June 1<sup>st</sup> 1992 not "no deadline" as appears on the blue form. I have also enclosed a copy of the form to use as a work sheet. If you decide to do this for the benefit of you and I and Sheila, please send each of us a copy.

Thanking you for your consideration - GORE JEWELL

The answers to your question

1992.05.07

part 3 of 4

1) Yes, you have a copy of the original Tax form even though it is not dated nor signed.

2) We are applying for "waiver of penalty request" because -

a. it took me several weeks to go through the many boxes you left here.

~~and~~ I did find important papers. <sup>boxes in the fall it would have helped -</sup> If I had had those

b. the April 9 receipt of K-1 from the "trust" through FAX

c. finding the Washington <sup>ans = light -</sup>

d. ~~we are~~ still looking for Newen

stock certificate - now we  
are assuming it's lost and  
going through paper work  
with Navman to secure the  
certificate

- e) getting info to  
complete the final  
accounting -

1992.05.07  
part 4 of 4



Anthony O'Connell  
6541 Franconia Road  
Springfield, Virginia 22150  
May 12, 1992

Mrs. Jean Nader  
350 4th Avenue  
New Kensington, Penn 15068

Reference: Accotink Revision  
of Assessment

Dear Jean:


I am returning to you the reassessment applications I received yesterday with the June 1, 1992, deadline.

I would not touch this with a ten foot pole for fear of Mr. White convincing you to sue me for something.

I talked to my zoning attorney this morning. He advised me that asking for a lower assessment would not interfere with future plans for Accotink. The appraiser he recommended estimated the very detailed kind of appraisal that goes to the IRS would cost about \$2,000. He could probably have it by the end of the month.

I want to solve the problem. Because \$2,000.00 is a reasonable figure rather than the \$7,000.00 to \$7,500.00 for the appraiser recommended by Mr. White {Who would not be available until October of 1992?}, I hired this appraiser and will pay for it out of the trust if necessary. However, it would save the beneficiaries about \$800 if it were paid out of the estate because of the estate tax. To me it is not worth a fight.

If you would like to solve problems in which you want information from me, please give me a list now so that I can plan for it. Please, no more surprise requirements and deadlines.

Sincerely,  
  
Anthony O'Connell

Enclosure: Reassessment Applications

Copies, less enclosures, to:  
Ms. Sheila O'Connell  
Mr. White

Anthony O'Connell  
6541 Franconia Road  
Springfield, Virginia 22150  
June 9, 1992

Ms. Jean Nader  
350 Fourth Avenue  
New Kensington, Penn 15068

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

Dear Jean and Mr. White:

Enclosed is the appraisal of Accotink, indicating a value of \$300,000.00. The cost of the appraisal was \$2,000.00 and was paid for by the trust.

Jean, thank you for sending me a copy of the reassessment form you sent to Fairfax County. I noticed you used my letters of August 3, 1987, of September 14, 1987, and a tax map to document that Cinder Bed Road is not maintained. This documentation implies Cinder Bed Road is a legal access to Accotink. I thought this also until I received a response to the September letter from the Secretary of Transportation, a copy of which was included in the Accotink file I sent to you. This letter is very significant. It invalidates the documentation. The county road map is incorrect. The tax map showing solid lines for Cinder Bed Road all the way to our parcel is incorrect. Cinder Bed Road stops short of it, something like half a mile short. There is no legal access to Accotink. I think this is a very big factor in applying for reassessment. It is also the sole justification for getting a public road access through the planned development to the east. If we don't get this access, our property will be of little value. Personally, I would recommend that you make it clear to the county that there is at this time no legal access. I do not want to hurt your feelings. I feel you and all concerned should know the situation. I feel how Accotink is managed from here on out will very significantly effect its value. If there is any future correspondence concerning Accotink that you might like me to review, I would be happy to do so. Thank you for the nice letter I received from you today.

Sincerely,



Anthony O'Connell

Enclosures:

Appraisal of Accotink  
Application For Revision of Real Property Assessment  
Secretary of Transportation's letter of October 13, 1987

Copies to:

Mr. Ed Prichard  
Ms. Sheila O'Connell

1. What is the status of the Fairfax County re-assessment matter?

1992.07.27 (estimated)

2. Are you handling it?

part 1 of 1

3. You mentioned that you have brought to the Board's attention the fact that the appraisal did not factor in the marine clay issue. Can the appraiser amend his report to reflect a lower value so that it can be used on the estate tax return.?

5. Since the trust was supposed to terminate on Mother's death, the \$2000.00 for the appraisal should be paid to the beneficiaries, not to the trust. The checks from Sheila and me can then be paid back to you.

6. Please send a copy of the appraiser's bill and his notation that it has been paid so that the estate may claim the payment for the appraisal as a deduction.

DEAR TOM -

I hope All is well with you -

H<sup>I</sup> and I are going to visit Jen

and Mike in N.C. this week -

I'm looking forward to a good time

Will you answer the enclosed

questions? Either to Ed White or me

Love Jean

# Gifts

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

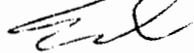
Page 2  
Ltr to Mrs. Jean M. Nader  
May 4, 1992

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.

90%

old to help to mail in standard #9 or #10 window envelope.

Reorder from 

© COPYRIGHT CURTIS 1000, INC. 1984

6-48877

**FROM**

**BRUNER, KANE & MCCARTHY, LTD.**  
CERTIFIED PUBLIC ACCOUNTANTS  
700 NORTH FAIRFAX STREET  
POST OFFICE BOX 1250  
ALEXANDRIA, VIRGINIA 22313-1250

TO: Mr. Anthony O'Connell  
6541 Franconia Road  
Springfield, Va. 22150

DATE: 5-14-92

SUBJECT:



- URGENT
- AS SOON AS POSSIBLE
- NO REPLY NECESSARY

As per our telephone conversation, enclosed is a copy of your mother's 1988 Gift tax return, Form 709.

When we may be of further service, please call us.

REPLY TO: Dorothy Uhler

ENC 37  
SIGNED:

DATE:

RECIPIENT — REPLY AND RETAIN THIS COPY. DETACH AND RETURN PINK COPY TO SENDER.

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

TELEPHONE 836-5444

July 16, 1992

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

Re: Estate of Jean M. O' Connell

Dear Mr. O'Connell,

In order that I might file an accurate estate tax return, I need to know the following:

At any time prior to your mother's death did you receive in any one or more calendar years, gifts from her totalling more than \$10,000.00?

If you did, please list the dates and amounts of each gift.

If you did not, let me know.

Sincerely,

  
Edward J. White

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



Anthony O'Connell  
6541 Franconia Road  
Springfield, Virginia 22150  
{703} 971-2855  
July 17, 1992

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

Reference: Your letter of July 16, 1992

Dear Mr. White:

I received one and only one gift from my mother in excess of \$10,000.00. As shown on her enclosed Form 709 for 1988, I received \$15,000.00 on April 22, 1988.

Please let me know if you need any other information.

Yours truly,

A handwritten signature in cursive script that reads "Anthony O'Connell". The signature is written in dark ink and is positioned to the right of the typed name.

Anthony O'Connell

Enclosure:  
Form 709 from Jean O'Connell's 1988 Tax Return

Copy to:  
Ms. Jean O'Connell Nader  
Mr. Edgar Prichard

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

TELEPHONE 836-5444

July 20, 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 sending a copy of the 1988 gift tax return. I could tell from the 1990 return that a gift had been made to someone, but I never had a copy of the 1988 return.

Your assistance has been most helpful.

As soon as we can arrive at a final figure for Accotink, we should be able to file the estate tax return.

Sincerely,

  
Edward J. White

EJW/e

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

# Car as Gift

Wishing  
a very happy  
Easter...

1992.03.22 (estimated)  
part 1 of 1



DEAR Tony

Wishing you a  
good Easter -  
We had one  
warm beautiful  
day, and now  
were back to  
30's - J

hope it  
wasn't last long.  
I have not  
yet talked to  
Sheila.

To answer a  
few questions -  
The van does not  
lessen your  $\frac{1}{3}$  share  
of the estate. It  
was agreed by Sheila  
and I that if you  
wanted it, it was  
yours - The only  
tax that you  
pay will

your  
personal property  
tax since the  
van is in your  
name -  
Enjoy -  
Love  
John

Designed by Linda K. Powell

FORGET ME NOT  
AMERICAN GREETINGS

+ E 0234-1H +

© AMERICAN GREETINGS CORP.  
MADE IN U.S.A.

DEAR Tony

1992.03.31 (post marked)

Certified P237 220 464

part 2 of 2

I hope you  
are having a  
good day -

Enclosed is

- ① the Van title,
- ② a death certificate,
- ③ a court appointment  
and a ④ receipt.

You need # 1, 2, 3  
to have the Van  
transferred to your  
name - The receipt

# 4, must be  
returned to me or  
Ed White as soon  
as possible because  
it must be filed with  
our accounting to  
the court -

Jean Nader

1992.04.14

part 1 of 2

April 14<sup>th</sup>

DEAR Anthony O'Connell,

The enclosed information is the result of your April 9<sup>th</sup> letter concerning the Plymouth.

Yes, you have received an \$8,000 value of the estate. It DOES NOT alter your 1/3 portion of the estate. It is a wish of Sheila and I that you have the loan and it does not count against what you would already receive when we



divide the estate into 1/3's.

The only tax you will  
pay, will be your personal  
property tax - when the car  
becomes your property -

I hope this answers  
your questions -

Jan Nader

1992.04.14

part 2 of 2

I am assuming that the accountants are treating the car as a gift



AGREEMENT CONFIRMING DISTRIBUTION OF VEHICLE

We, Jean M. Nader and Sheila O'Connell-Shevenell, hereby confirm that one 1988 Plymouth Van was distributed to our brother, Anthony M. O'Connell by the Estate of Jean M. O'Connell, and that we hereby confirm and agree to that distribution.

We further confirm and agree that this distribution shall not be charged against Anthony M. O'Connell's ~~share~~ of the estate and that the remaining net proceeds of the ~~estate~~ after settlement of all debts and obligations shall be divided in three equal shares.

DATE: May 1, 1992

I believe this was actually signed just after May 15, 1992.

\* Jean M. Nader

\* Sheila O'Connell

1993.11.05 Edward White to E. A. Prichard, in part:  
"I will admit that I am furious about this continual petty harassment. From inception of this estate including the time that his sisters gave him the vehicle and I merely asked for a receipt so that a proper accounting might be filed, Mr. O'Connell has tried one stunt after another to disrupt the flow of administration, notwithstanding my repeated attempts to calm him down."



# Debts

Trust U/W Harold O'Connell  
Anthony O'Connell, Trustee  
6541 Franconia Road  
Springfield, Virginia 22150

April 29, 1992  
As of April 11, 1992

BRUNER, KANE & MCCARTHY, LTD.  
A PROFESSIONAL CORPORATION  
CERTIFIED PUBLIC ACCOUNTANTS  
700 NORTH FAIRFAX STREET  
POST OFFICE BOX 1250  
ALEXANDRIA, VIRGINIA 22313

ARTHUR J. BRUNER, CPA  
JOHN T. KANE, CPA  
JOANNE L. BARNES, CPA  
CHARLES W. BALLOU, CPA  
NICHOLAS GREKSOUK, CPA  
RICHARD G. COLE, JR., CPA  
DANIEL F. MCCARTHY, CPA  
CONSULTANT

(703) 549-7800  
FAX (703) 836-5591

MEMBERS  
AMERICAN INSTITUTE OF  
CERTIFIED PUBLIC ACCOUNTANTS  
AICPA DIVISION FOR CPA FIRMS  
SEC PRACTICE SECTION  
PRIVATE COMPANIES PRACTICE SECTION  
THE MCGLADREY NETWORK

MAKE CHECKS PAYABLE TO "BKM, LTD."  
(PLEASE INCLUDE REF. NO. ON YOUR CHECK)

CLIENT # 96085-THO

REF. NO. 9059

FOR PROFESSIONAL SERVICES RENDERED:

Preparation of Federal and Virginia fiduciary income  
tax returns for the year ended December 31, 1991 and  
preparation of annual court accounting for the year  
ended December 31, 1991

\$3,100

*paid  
5/6/92*

A 1 1/2 % PER MDNTH LATE PAYMENT PENALTY WILL BE ADDED TO ALL ACCOUNTS NOT  
PAID WITHIN 40 DAYS OF THE BILLING DATE.

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 disbursal to her of \$1794.89. If these two disbursals are added the sum is \$41,794.89. This leaves \$348.89 which I cannot figure out. It could well be a disbursal 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 a 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

