

# Note 2

Accounting entanglement \$230.14

## DISBURSEMENTS

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

Vouchers in support of these disbursements are submitted herewith.

## NOTES:

1. Decedent had a POD account in Hallmark Bank with Jean Nader. The bank erroneously paid the amount to the estate. This figure is the interest earned on that sum while in the estate account.

2. This represents interest earned in the estate account on the amount of the disbursement while the disbursal was delayed. This is to equalize the disbursements among the legatees.

3. Estimated tax was paid with an extension request.

4. Expenses incurred due to lost Nuveen certificate of ownership.

BK0467 0193

UNCLEAR  
ETC.

**Missing**

**\$545,820**

**April 21, 1992**

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

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

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

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

April 22, 1992

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

Re: Disbursement

Dear Jean,

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

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

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

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

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

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

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

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

adverse consequences to the estate and is responsible for them.

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

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

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

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

Sincerely



Edward J. White

EJW/e  
Encl.

SH. NOTES. STOCKS & BONDS

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

OTHER ASSETS

1990 Virginia Tax refund	1,605.53
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

TAX COMPUTATION

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

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

\* Jean M. Nader

\* Sheila O'Connell



Anthony O'Connell  
6541 Franconia Road  
Springfield, Virginia 22150  
May 6, 1992

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

Dear Jean,

I will send you and Mr. White a copy of the court accounting from the trust for the period 1/1/91 thru 12/31/91 by the end of this month. If that is not soon enough please let me know and I will do what I can. It is all but complete but I want to go over it again and possible make some adjustments. The estate may owe the trust something. That would be to the beneficiaries benefit because that would avoid the estate tax so the eventual distribution to the beneficiaries would be greater. As you can see from the attached enclosure, the Commissioner of Accounts has advised me that this account is not due until 10-20-93.

If there is any other information Mr. White needs from the trust, he should write to me, the trustee, telling me what it is. If he is not willing to do this, I can not be responsible. Mr. White position as co-executor allows him no authority over the trust. He should not charge us extra to find that out.

Please tell me if there is anything else you need besides the 1991 court accounting from the trust, or of any other way I can be of help to you. For a second opinion on anything, I would suggest you call Mr. Ed Prichard of McGuire, Woods, Battle & Boothe at {703} 712-5000. I will take care of any fees you incur.

Love,

  
Anthony O'Connell

Enclosure (1)

Copy  
Mr. White

7  
Anthony O'Connell  
6541 Franconia Road  
Springfield, Virginia 22150  
May 12, 1992

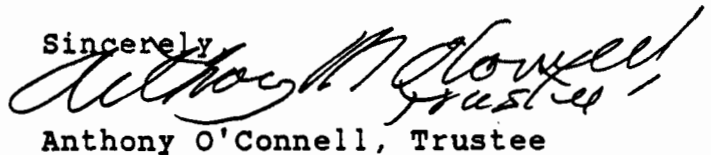
Mr. Jesse B. Wilson III  
Commissioner of Accounts  
Fair Oaks Plaza  
Suite 500  
11350 Random Hills Road  
Fairfax, Virginia 22030

Reference:  
Trust u/w H.A. O'Connell  
Fiduciary Number 21840  
Seventh Account, 1/1/91-12/31/91

Dear Commissioner Wilson:

A check for \$ 50.00 is enclosed to file this Seventh Account.

Sincerely,

  
Anthony O'Connell, Trustee

Copies to:  
Ms. Jean Nader  
Ms. Sheila O'Connell  
Mr. Ed White

Seventh.pgl

IN THE CIRCUIT COURT OF FAIRFAX COUNTY, VIRGINIA

FID# 21840  
 SOCIAL 6-20-86  
 FILED 5-14-92  
 PAID \$50.00  
 TAPED SK  
 POSTED 6-1-92

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

ACCOUNT OF Anthony O'Connell, Trustee

FIDUCIARY # 21840

Number of this account Seventh Account

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

DESCRIPTION	ASSETS RECEIVED (or On Hand)	DISBURSEMENTS
<b>ASSETS HELD FOR ACCOUNTING ON DECEMBER 31, 1990 PER SIXTH ACCOUNT</b>		
Lynch note	\$ 535,346.51	
46.0994% interest in 15 acres	34,574.55	
Cash - Continental checking	14,164.63	
- Continental Certificate of Deposit	<u>36,122.21</u>	
	<u>\$ 620,207.90</u>	
<b>RECEIPTS:</b>		
Lynch note 4/22/91	\$ 48,181.18	
Continental Federal Savings Bank:		
Checking:		
<u>1991</u>		
1/31	\$ 64.35	
2/28	49.37	
3/31	52.70	
4/30	157.61	
5/31	80.79	
6/30	40.99	
7/31	18.80	
8/31	<u>15.45</u>	
	\$ 480.06	
9/30	9.61	
10/31	48.87	
11/30	230.23	
12/31	<u>185.03</u>	953.80
Certificate of Deposit		
<u>1991</u>		
3/31	\$ 692.88	
6/30	<u>1,437.05</u>	
	\$ 2,129.93	
9/30	1,730.80	
11/1	590.82	
11/4	57.38	
11/14	<u>58.53</u>	4,567.46
Trustbank Savings FSB		
<u>1991</u>		
6/22	\$ 686.25	
9/21	<u>925.83</u>	1,612.08
Balance forward	\$ 55,314.52	

EK0480 1765

## IN THE CIRCUIT COURT OF FAIRFAX COUNTY, VIRGINIA

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

ACCOUNT OF Anthony O'Connell, TrusteeFIDUCIARY # 21840Number of this account Seventh AccountCovering period from 1/1/91 to 12/31/91

DESCRIPTION	ASSETS RECEIVED (or On Hand)	DISBURSEMENTS
Balance brought forward	\$ 55,314.52 ✓	
Lynch Note		
Balance per 6th account	\$ 535,346.51	
Curtil 4/22/91	107,069.30	
Balance per 7th account	<u>\$ 428,277.21</u> ✓	
<b>TOTAL RECEIPTS</b>	<b>\$ 55,314.52</b>	
<b>DISBURSEMENTS:</b>		
First American Bank		
Safe deposit box		\$ 27.00 ✓
Jesse B. Wilson, III, Commissioner of Accounts		
Filing fee re 6 <sup>th</sup> Account		50.00 ✓
Miles & Stockbridge		
Legal fees		350.00 ✓
McGuire, Wood, Battle & Boothe		
Legal fees		275.00 ✓
Continental Federal Savings Bank		
Bank service charges		37.40 ✓
Trustee's administrative expenses		
Copying, stamps, etc.		240.34 ✓
Internal Revenue Service		
Estimated Federal fiduciary income taxes for 1991		3,000.00 ✓
Virginia Department of Taxation		
Estimated Virginia fiduciary income taxes for 1991		2,500.00 ✓
Fairfax County		
Real estate taxes		
Trust's share - 1 <sup>st</sup> half - (46.0994%)	\$ 1,535.11 ✓	
- 2 <sup>nd</sup> half	<u>1,535.11</u> ✓	
	\$ 3,070.22 ✓	3,070.22 ✓
Income beneficiaries - 1 <sup>st</sup> half (53.9006%)	1,794.89 ✓	
- 2 <sup>nd</sup> half	<u>1,794.89</u> ✓	
	<u>\$ 6,660.00</u> ✓	
Balance forward		\$ 9,549.96 ✓

1766

## IN THE CIRCUIT COURT OF FAIRFAX COUNTY, VIRGINIA

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

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

DAU480 1767

IN THE CIRCUIT COURT OF FAIRFAX COUNTY, VIRGINIA

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

ACCOUNT OF Anthony O'Connell, Trustee

FIDUCIARY # 21840

Number of this account Seventh Account

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

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

DUPLICATE 1768

John Stewart

Vouchers in support of disbursements are submitted herewith.

5/11/92  
Date

  
Anthony O'Connell, Trustee

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

TELEPHONE 836-5444

May 14, 1992

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

Re: Estate of Jean M. O'Connell

Dear Mr. O'Connell,

Enclosed is the Estate's check in the amount of \$75,000.00 as a partial disbursement. Similar sums have been paid to Jean and Sheila.

I have mailed an additional check to you in the amount of \$230.14 to Jean to be signed. This represents interest at 4% (the bank rate on the estate account) from April 22, the day of the disbursements to Sheila and Jean, through May 20, 1992, approximately the day you should receive it from her.

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

May 19, 1992

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

Re: Estate of Jean M. O'Connell

Dear Mr. O'Connell,

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

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

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

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

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

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

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

I believe that the income received from the savings accounts



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

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

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

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

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

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

Sincerely,



Edward J. White

EJW/e  
Copy to: Jean M. Nader