

Note 5

Accounting entanglement \$2,000.00

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 ✓ ¹
7 Commissioner of accounts Inventory	8	61.00 ✓
8 IRS 1991 1040 return	9	15,332.00 ✓
9 Va. Dept Tax 1991 return	10	2,856.00 ✓
10 Jean M. Nader, disb	11	75,000.00 ✓
11 Jean M. Nader, bills pd SHE IS OWED 30cents	12	8,559.00 ✓
12 Sheila Ann O'Connell-Shevenell, disb	13	75,000.00 ✓
13 Sheila Ann O'Connell-Shevenell, cem bill	14	475.00 ✓
14 Anthony M. O'Connell, disb	15	75,000.00 ✓
15 Anthony M. O'Connell int/disp 4/22-5/20	16	230.14 ✓ ²
16 A. G. Edwards legal charge (debit fm div)		40.00 ✓
17 IRS estimated Estate Tax	17	119,000.00 ✓ ³
18 Virginia estimated Estate Tax	18	31,000.00 ✓ ³
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 ✓ ⁴
22 U. S. Trust processing fee	23	20.00 ✓ ⁴
23 Harold O'Connell Trust, appraisal	24	2,000.00 ✓ ⁵
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 ✓ ⁶
28 1988 Plymouth Van to Anthony O'Connell		8,000.00 ✓
TOTAL DISBURSED		548,975.29 ✓

BK0467 0193
NUEEN
ETC.

chers in support of these disbursements are submitted herewith.

NOTES:

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

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

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

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

RECONCILIATION

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

ON HAND

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

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

DATE: October 16, 1992

Edward J. White
Co-Executor

Jean M. Nader
Co-Executor

BK0467 0194

Appraisal Fee

The \$2000 appraisal fee was paid for by the Trust. Bk467p191 says it was paid
for by the Estate

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

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

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

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



THOMAS E. REED

REAL ESTATE APPRAISER - REALTOR

4031 CHAIN BRIDGE ROAD • SUITE 301
FAIRFAX, VIRGINIA 22030

703/591-3739



ASSOCIATES

SAMUEL L. SHANKS
THOMAS E. (TED) REED

June 8, 1992

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

Re: Property Owned by Anthony M. O'Connell, Trustee
and Jean M. O'Connell
Fairfax County Tax Map Number 90-4-((1))-17

Appraisal Services.....\$2,000.00

--Total due upon receipt
--Please make checks payable to
Thomas E. Reed

PAID IN FULL
check # 309
[Signature]
6/9/92

Thomas E. Reed
SS#228-30-3062

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^I 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

KELLER BRUNER & COMPANY, P.C.

Certified Public Accountants • Management Consultants

February 12, 1993

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

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

Dear Mr. O'Connell:

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

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

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

700 N. Fairfax Street • Suite 400 • P.O. Box 1250 • Alexandria, Virginia • 22313
(703) 549-7800 FAX (703) 836-5591

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Mr. Anthony O'Connell
February 12, 1993

Page 2

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


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

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

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

Very truly yours,

KELLER BRUNER & COMPANY, P.C.


Forest N. Balderson

FNB/hoc
Enclosures