

12th-actual22p

# Twelfth Account

Anthony M. O'Connell,  
Trustee u/w of H. A. O'Connell  
216 Governor's Lane Apt 12  
Harrisonburg, Virginia 22801  
August 9, 1999

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

Assistant Commissioner of Accounts Henry C. Mackall  
Mackall Mackall Walker & Gibb  
4031 Chain Bridge Road  
Fairfax, Virginia 22030

Reference:  
Trust u/w H. A. O'Connell  
Fiduciary Number 21840  
Twelfth Account covering the period  
1/1/96-12/31/96

A check for \$ 63.00 is enclosed to file this Twelfth Account. This is not a Final Account.

The accounting for the Trust u/w of H. A. O'Connell was entangled with the accounting of the Estate of Jean M. O'Connell, fiduciary # 49160, by the CPA (firm) I hired and by the lawyer who is co-executor for the Estate:

Ms. Jo Anne Barnes, CPA (firm)  
Bruner, Kane & McCarthy, Limited  
700 North Fairfax  
Alexandria, Virginia 22313

Mr. Edward White, Attorney and Co-Executor  
P. O. Box 207  
Kinsale, Virginia 22488 (Last known address)

Those who control the entanglements control the people and assets that are entangled. I have experienced the CPA-lawyer entanglements before and know it would be foolhardy to try to sell Accotink (my family's remaining real estate, B8845 p1444 and B8307 p1446) until all the entanglements are removed and the accountings are clear.

To keep this Twelfth Account simple and clear I will only address one of the known entanglements. In short, the CPA (firm) did the Trust's Seventh Court Account in a manner that required me to pay the Estate \$ 1,475.97. The lawyer discovers that this is \$659.97 too much. I can't get the CPA (firm) or the lawyer to address this \$659.97 debt much less pay it back. This one is easy to see because it is clearly stated in the beginning of the Estate accounting as a *Debt from the Harold O'Connell Trust 659.97*. If you review the attached pages 1 through 17 that are part of this Twelfth Account you may notice that:

- The lawyer unilaterally hires the CPA into the Estate (page 1).
- The lawyer will seek my sister's approval to sue me if I don't file the Trust's Seventh Court Account early (page 1). The combined advice of the CPA(firm) and the lawyer force me to file it approximately eighteen months earlier than the Commissioner's scheduled date of October 20, 1993, because I cannot convince my sister, Jean Nader, that their combined advice is wrong (pages 5, 6 and 7). This places the filing of the Trust Account before the filing of the Estate Tax Return that is due on June 15, 1992. This makes it easier to entangle the Trust accounting with the Estate Tax Return accounting and make it appear to my family that the estate was damaged by my management of the Trust.
- The lawyer's letter of April 22, 1992 lists a *Debt from the Harold O'Connell Trust 659.97* (page 3) even though I do not sign or submit the Trust's Seventh Court Account that created the \$659.97 debt until May 11, 1992 (page 8). The lawyer's letter of May 19, 1992 makes it appear that he doesn't know what this \$659.97 is about and that it is my fault (pages 9 and 10).
- This \$659.97 debt is reported to the IRS (page 16 ). But when I ask the lawyer and CPA (firm) about this \$659.97 debt they avoid it (page 15), don't know what I'm talking about (text box on page 16), or don't respond (page 17).

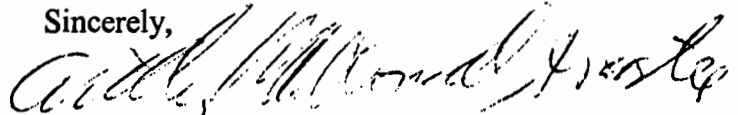
Do any of you have the power to compel the CPA (firm) and the lawyer to:

1. Explain why they created this \$ 659.97 debt.
2. Explain why I am made to appear responsible for it.
3. Show exactly where this \$ 659.97 debt is now.
4. Pay the \$ 659.97 back from the estate to the trust.
5. Do it without inflicting anymore cost and conflict on any member of my family.

I want to keep this simple but you have to understand that the CPA (firm) and the lawyer avoid accountability by using a trusting family member, with no accounting background, such as my sister, Jean Nader, co-executor, to cover for them. Please note the advice that the lawyer expects Jean Nader to rely upon in his letter of April 22, 1992. Jean Nader is innocent and is being used. She does not understand that she is being used. She is not responsible for what the CPA (firm) and the lawyer did. She did not do the accounting. I did not do the accounting. The CPA (firm) and lawyer did the accounting. They will use Jean Nader again and again and again. She has been led to believe that keeping estate accountings a secret is being loyal to our mother (which makes me appear disloyal). You have to go around Jean Nader to compel the CPA (firm) and the lawyer to be accountable. Please; positively, absolutely, completely, and without exception, do not allow the CPA (firm) and the lawyer to inflict anymore cost and conflict on any member of my family. If you don't have the power to compel the CPA (firm) and the lawyer to expose and remove the entanglements they created, please understand how I can't.

I would appreciate any effort you might make. Thank you.

Sincerely,



Anthony M. O'Connell,  
Trustee u/w of H. A. O'Connell

Copy to:

Ms. Jo Anne Barnes, CPA

Mr. Ed White, Attorney and Co-Executor

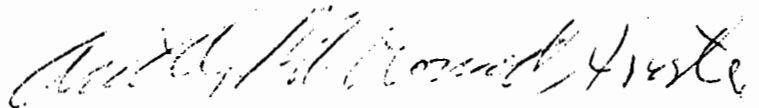
Ms. Jean Nader, Beneficiary and Co-Executor

Ms. Sheila O'Connell, Beneficiary

IN THE CIRCUIT COURT OF FAIRFAX COUNTY, VIRGINIA  
Trust u/w of H. A. O'Connell  
Fiduciary # 21840  
Anthony O'Connell, Trustee  
Twelfth Account  
Covering the period from 1/1/96 to 12/31/96

(This is not a Final Account)

Description	Assets Received (or on hand)
Balance brought forward from the Eleventh Account: (Based on the known information and understanding at that time)	\$ 000.00
Due from the Estate of Jean M. O'Connell:	\$ 659.97
<i>Are there any other debts which your mother owed the Trust?</i> (From the lawyer's letter of May 19, 1999. For me to find that out requires that I have access to all the estate accountings.)	?
Known balance due from the Estate of Jean M. O'Connell at this time:	\$ 659.97



Anthony M. O'Connell,  
Trustee u/w of H. A. O'Connell

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

This letter is a rare look at  
the secret advice given to  
a trusting family member

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

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	1,605.58
Debt from Harold O'Connell Trust	659.97
Blue Cross refund	88.78
SUB TOTAL	2,354.33



JOINT ASSETS

Hallmark Bank #1107849600	40,796.81
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REAL ESTATE

15 acres Fairfax Co. Va. 53.9006% interest	323,403.60
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TOTAL ASSETS

1,197,153.84

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DEBTS

Colonial Emerg Phys (med bill)	10.40
Fairfax Circ Ct. letters	14.00
Jean M. Nader probate tax reimb	1,269.00
Sovran Bank Car loan payoff	1,364.97
Checks	15.89
Commissioner of accounts Inventory	61.00
IRS 1991 1040 return	15,332.00
Va. Dept Tax 1991 return	2,856.00
Jean M. Nader, bills pd	8,559.00
Sheila Ann O'Connell-Shevenell, cem bill	475.00
Co-Executors' Commission	41,529.96
Commissioner of Accounts fee for Accounting	1,048.25

TOTAL DEBTS AND EXPENSES



M. O'CONNELL ESTATE TAX ANALYSIS

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
TENTATIVE TAX 41% bracket		396,893.53	363,744.67	343,950
Unified Credit before gift comp	192,800			37% of 343,950
Unified Credit used for gifts	9,784			
UNIFIED CREDIT		183,016.00	183,016.00	183,016
CREDIT FOR VIRGINIA TAX		40,375.58	35,201.12	32,934
NET FEDERAL TAX		173,501.96	145,527.55	127,999
VIRGINIA TAX		40,375.58	35,201.12	32,934
		-----	-----	-----
TOTAL ESTATE TAXES		213,877.53	180,728.67	160,934

This letter of April 22, 1992 shows that the lawyer knew that there was a \$659.97 debt created by the Trust's Seventh Court Account (see arrow) before I signed or submitted the Trust's Seventh Court Account on May 11, 1992. On May 19, 1992, the lawyer makes it appear to Jean Nader that I am responsible for the \$659.97 debt the CPA (firm) created.

The Trust has no responsibility to the Estate except, like any other income-producing source for Jean O'Connell, to report her income to the Estate. To recognize how outrageous this letter is please imagine that I am a bank where my mother has a saving account.

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

My advice to my sister that the Trust's Seventh Court Account is not due until October 20, 1993, even with the documentation from the Commissioner of Accounts Office, is no match against the combined advice of the CPA (firm) and the Lawyer.

COMMISSIONER OF ACCOUNTS OFFICE

CIRCUIT COURT OF FAIRFAX COUNTY

FAIR OAKS PLAZA, SUITE 500  
11350 RANDOM HILLS ROAD FAIRFAX, VIRGINIA 22030  
TELEPHONE: (703) 385-0268



JESSE B. WILSON, III.  
COMMISSIONER OF ACCOUNTS



ROBERT J. McCANDLISH, JR.  
DEPUTY COMMISSIONER OF ACCOUNTS

4-22-92

Anthony M. O'Connell  
6541 Franconia Road  
Springfield, VA 22150

My advice to my sister that the Trust's Seventh Court Account is not due until October 20, 1993, even with the documentation from the Commissioner of Accounts Office, is no match against the combined advice of the CPA (firm) and the Lawyer.

RE: Harold O'Connell Trust  
FIDUCIARY NO: 021840

Please be advised that the 6th Accounting, filed with this office on 6/28/91, and posted for 7/1/91, was approved on 4-18-92, and was, or is being, sent to the Clerk of the Circuit Court of Fairfax County, for filing therein, on 4-22-92

Jesse B. Wilson, III  
Commissioner of Accounts

Robert J. McCandlish, Jr.  
Deputy Commissioner of Accounts

Supporting vouchers  
previously returned \_\_\_\_\_

Supporting vouchers  
returned herewith

Your next Accounting is due in this office by 10-20-93.

BRUNER, KANE & McCARTHY, LTD.

INSTRUCTIONS FOR FILING COURT ACCOUNTING

1. All enclosed copies should be signed and dated.
2. File on or before April 30, 1993 or [ ] as soon as possible.  
We recommend you mail the accounting, vouchers and payment by CERTIFIED MAIL - RETURN RECEIPT REQUESTED and keep your receipts.
3. Remit \$ 50 with accounting, payable to:  
Commissioner of Accounts
4. File two copies with:
  - [ ] Henry A. Thomas, Esq.  
Commissioner of Accounts  
520 King Street - Suite 306  
Alexandria, Virginia 22314
  - [ ] Gordon P. Peyton, Esq.  
Asst. Commissioner of Accounts  
1216 King Street  
Alexandria, Virginia 22314
  - [X] Jesse B. Wilson, III, Esq.  
Commissioner of Accounts  
Fair Oaks Plaza - Suite 500  
11350 Random Hills Road  
Fairfax, Virginia 22030
  - [ ] \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_
- [ ] USE ATTACHED ENVELOPE
- [ ] You should submit vouchers or cancelled checks as evidence of disbursements.
5. Each executor or beneficiary should be given a copy.

The CPA (firm)'s advice to file the Trust's Seventh Court Account on or before April 30, 1992, rather than on or before the scheduled date of October 20, 1993, is similar to the lawyer's advice of April 22, 1992: **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 [October 20, 1993].**  
From the lawyer's letter of April 22, 1992

My advice to my sister that the Trust's Seventh Court Account is not due until October 20, 1993, even with the documentation from the Commissioner of Accounts Office, is no match against the combined advice of the CPA (firm) and the Lawyer.

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)	
	\$ (3,705.74)	
Income per 7 <sup>th</sup> Account	5,181.71	
	\$ 1,475.97	
<b>TOTAL ASSETS HELD FOR FUTURE ACCOUNTING</b>		\$ 508,254.31
<b>TOTALS</b>	\$ 675,522.42	\$ 675,522.42

Vouchers in support of disbursements are submitted herewith.

5/11/92  
Date

*Anthony O'Connell, Trustee*  
Anthony O'Connell, Trustee

This makes me appear responsible for what the CPA (firm) and lawyer did. The CPA (firm) does not have to sign as Preparer. You could not tell from looking at this that, (1) I was forced to submit it approximately 18 months before it was due, that (2) an entanglement was created, and that (3) I don't have the power to clean it up.

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

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.

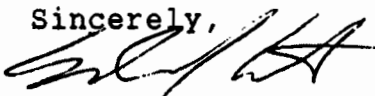
Are there any other debts which your Mother owed the Trust?

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.

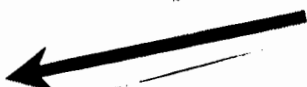
Sincerely,



Edward J. White

EJW/e

Copy to: Jean M. Nader



This makes it appear to my sister that I am responsible for what the CPA(firm) did.

“ Due to a personal vendetta with me, Mr. O’Connell, obviously without the sanction of his counsel, has decided to voice any conceivable complaint about the administration of his mother’s estate by his sister and myself. All of his efforts have been rebuffed.....The Show Cause and Order of Distribution procedure is a proforma matter for the benefits of creditors and Mr. O’Connell is not entitled to notice unless he is a creditor...”

From the lawyer’s letter of November 12, 1993 to Judge Bach.

Anthony O'Connell  
6541 Franconia Road  
Springfield, Virginia 22150  
May 29, 1992

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

Reference: Your letter of May 19, 1992

Dear Mr. White:

Thank you for your letter concerning the Seventh Trust accounting. In the future would you please send letters concerning me or the trust directly to me? It will save the beneficiaries attorney expense. I would appreciate you sending a copy to Mr. Prichard.

I talked with Mr. Forrest Balderson today. Mr. Balderson prepared the account and states that the numbers are correct. He reminded me that court accounting and taxable accounting are different animals and often do not match. I believe this applies to your questions in paragraphs 1 and 2. Please feel free to call Mr. Balderson at (703) 549-7800.

I will try to address your paragraph 3. Rather than wait until the end of each year and calculate the exact net income of the trust to be distributed to my mother, I estimated the net income in April so I could make the distribution to her immediately after the trust received the annual April payment. The consequent year end adjustments were:

Third Account	\$ -5,906.72	{Mother owed to trust}
Fourth Account	- 687.03	{Mother owed to trust}
Fifth Account	+5,796.98	{Trust owed to mother}
Sixth Account	<u>-2,908.97</u>	{Mother owed to trust}
Net carryover	\$ -3,705.74	{Mother owed to trust}
Seventh Account, 1991	\$ +5,181.71	{Trust owed to mother}

The net carryover of \$ -3,705.74 up to the seventh account combined with the \$ +5,181.71 of the seventh account netted \$1,475.97 the trust owed my mother. This is the \$ 1,475.97 check I mailed to you.

Mr. Balderson tells me he called you concerning the real estate taxes before he did the account and discussed it with you. Is it necessary to change it now?

My trust accounting is on a cash basis. I think a per diem split of the September interest would be accrual accounting. I don't think I can mix the two methods. If the Commissioner of Accounts says it's appropriate, it's fine with me.

At this point in time, I believe Mr. Balderson and I are of one mind that the estate does not owe the trust and the trust does not owe the estate.





I have a few questions concerning my mother's 1991 tax return.

1. My copy shows she should be penalized by IRS and Virginia because adequate estimated tax payments were not made after her death. I believe my sister is convinced I am responsible for this. If it is my fault, I will pay for it out of my pocket. I feel the other beneficiaries should not be charged for the negligence of another. Would you please lay out the specifics on what happened? Please be very specific.

2. My copy also does not show the principal of \$125,188.17 paid to my mother by the Lynch Note in April of 1991. It does show the interest. With a gross profit percentage of .79 on the installment sale, about \$ 98,898.65 of the \$125,188.17 should have been reported on line 13 of the 1040 as a capital gain. It appears that this omission is up and above the penalties and interest already acknowledged. Why was it not reported? Will you amend the return?

3. On Schedule B under dividend income, what is the significance of "\*\*BAL ON 1040 OF JEAN NADER, SSN 225 50 9052"?

I look forward to your response.

Yours truly,



Anthony O'Connell

Enclosures:

Your letter of May 19, 1992

IRS Form 1040, Schedule B and Wavier of Penalty Request for Jean O'Connell, 1991. The other IRS forms attached to this return were not included in this enclosure.

Copies to:

Mr. Ed Prichard

Mr. Forrest Balderson

Ms. Jean Nader

Ms. Sheila O'Connell

Anthony O'Connell  
6541 Franconia Road  
Springfield, Virginia 22150  
(703) 971-2855  
January 21, 1993

Ms. Joanne Barnes  
Bruner, Kane & McCarthy, LTD  
Post Office Box 1250  
Alexandria, Virginia 22313

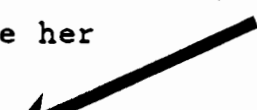
Dear Ms. Barnes:

The Commissioner of Accounts Office tells me they can not approve the Seventh Account your office prepared (enclosure 1). I understand the court account requires a separation of income and capital. Would you be willing to have these corrections made?

Would you be kind enough to answer a question of mine on total distributions?

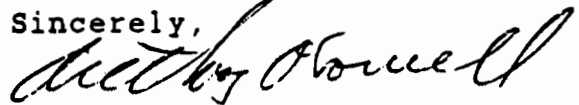
The 1991 "TOTAL DISTRIBUTIONS" amount in the Seventh Account, page 3, is \$148,589.78, and the "Total distributions" amount on Form 1041, Schedule B, line 13, is \$146,795. I understand the Court Account amount of \$148,589.78 but not the Form 1041 amount of \$146,795. Because the "Total distributions" on Form 1041 includes "Other amounts paid, credited, or otherwise required to be distributed"\* from line 12, I'm thinking the total distributions on Form 1041 should be \$150,065.75. I'm probably wrong, so please tell me why.

\$ 40,000.00	income distribution to primary beneficiary
105,000.00	distributions to secondary beneficiaries
1,794.89	real estate taxes-1st half, primary beneficiary
(\$146,794.89)	
1,794.89	real estate taxes-2nd half, secondary beneficiaries
(\$148,589.78)	
*1,475.97	balance of income owed my Mother before her
	death in 1991 but not paid until 1992.
<u>\$150,065.75</u>	



\*Would you tell me how I should treat this \$1,475.97 with respect to a K-1 and in what year? I thank you in advance.

Sincerely,



Anthony O'Connell

Enclosure: Commissioner of Accounts letter of January 12, 1993

# 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  
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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

The CPA firm does not mention the \$816.00 or the \$659.97 in this letter. I could not find the \$816.00 or the \$659.97 in the three spreadsheets I obtained. I believe the CPA firm intentionally had me pay from the trust to the estate, more than necessary, so as to create an accounting entanglement of a debt ( $\$1,475.69 - \$816.00 = \$659.69$  overpayment or debt)

Date of: **JEAN M. O'CONNELL**

**SCHEDULE F—Other Miscellaneous Property Not Reportable Under Any Other Schedule**

(For jointly owned property that must be disclosed on Schedule E, see the instructions for Schedule E.)  
 (If you elect section 2032A valuation, you must complete Schedule F and Schedule A-1.)

	Yes	No
1 Did the decedent at the time of death own any articles of artistic or collectible value in excess of \$3,000 or any collections whose artistic or collectible value combined at date of death exceeded \$10,000? If "Yes," full details must be submitted on this schedule		X
2 Has the decedent's estate, spouse, or any other person, received (or will receive) any bonus or award as a result of the decedent's employment or death? If "Yes," full details must be submitted on this schedule		X
3 Did the decedent at the time of death have, or have access to, a safe deposit box? If "Yes," state location, and if held in joint names of decedent and another, state name and relationship of joint depositor.	X	

If any of the contents of the safe deposit box are omitted from the schedules in this return, explain fully why omitted.

Item number	Description <small>For securities, give CUSIP number, if available</small>	Alternate valuation date	Alternate value	Value at date of death
1	1988 Plymouth Van INCOME WITH RESPECT TO DECEDENT			8,000.00
2	Interest owed on Lynch Properties Note described in Schedule C			18,150.57
3	Virginia 1990 tax refund			1,605.58
4	Blue Cross payment due			88.78
4	Interest due Harold O'Connell Trust			816.00
5	Debt due from Harold O'Connell Trust			659.97
	(TOTAL IRD 21,320.90)			
6	TWO CEMETARY LOTS FAIRFAX MEMORIAL PARK FAIRFAX VIRGINIA AMENDED ITEM			2,000.00

**Your question regarding the wording of Schedule F of the estate tax return which was filed in September 1992, implying something or another, makes no sense at all.**

From the lawyer's letter of July 20, 1995

Note: The lawyer told the IRS in Schedule F of (1) the Estate Tax Return of September 1992, in (2) the First Amended Estate Tax Return of June 1993, and in (3) the Second Amended Estate Tax Return of April 1995, that there was a:

**Debt due from Harold O'Connell Trust 659.97**

Total from continuation schedule(s) (or additional sheet(s)) attached to this schedule	<del>XXX,XXX,XXX</del>
<b>TOTAL</b> (Also enter on Part 5, Recapitulation, page 3 at item 6)	31,320.90

(If more space is needed, attach the continuation schedule from the end of this package or additional sheets of the same.)

Anthony O'Connell  
216 Governors Lane  
Suite 12  
Harrisburg, Virginia 22801  
March 4, 1996

Ms. Jo Anne Barnes, CPA  
Bruner, Kane & McCarthy, Limited  
700 North Fairfax  
Alexandria, Virginia 22313  
(703) 549-7800

Ref: Estate of Jean O'Connell  
Trust u/w of Harold O'Connell

Dear Ms. Barnes:

Would you be kind enough to explain item 4 and 5 of Schedule F,  
of my mother's estate tax return?

4	Interest due Harold O'Connell Trust	816.00
5	Debt due from Harold O'Connell Trust	659.97

I thank you in advance.

The CPA (firm) did not  
respond to this letter.

Sincerely,

Anthony O'Connell

Enclosure: Schedule F of the estate tax return of Jean O'Connell