\$348.89

This is an accounting entanglement called a "debt"

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

	(EDULE K-1 m 1041)	Beneficiary's Share of I		me, Deduction	s, Credits, Etc.	OMB No. 1545-0092
	ment of the Treasury I Revenue Service	beginning	, 1991,	•		1991
Nam	e of estate or tru					Amended K-1
Rene	ficiary's identifying o	umber ► 230-50-6044		Estate's or trust's amo	loyer identification number	
Bane	ficiary's name, add	iress, and ZIP coda		Fiduciary's name, ad		02-0209107
	ean M. O'Co				nnell, Trustee	
		Nader, Executrix		6541 Francor		
	50 Fourth A			Springfield,		
		on, Pennsylvania 15068		Shringitera,	. VIERTHIA 2213	
					(c) Calendar year 1991	Form 1040 files enter
		(a) Aliocabia share item		(b) Amount	the amounts/(n	columny (b) on:
1	Interest		, ,	41,446, 5	Schedule B, Part I, II	p6_1/
2	Dividends				Schedule B, Part II,/	ine 5
		capital gain	,	1 00	Schedule D, line 4/(c	
_ь	Net long-term o	apital gain	<u> </u>	/ (ب	Schedule D, line /11	column (g)
44		e and other non-passive income be edeductions. (see instructions) .		1	Schedule E, Part III	
ь	•		• •			
			•			
			• •			
	Rental, rental r	eal estate, and other passive included included including the contraction of the contract				
_	•	- ·	•			
C d	Amortization	· · · · · · · · · · · · · · · · · · ·	• •		*////////////////////////////////////	
				43,546		
6		mum tax purposes		41,446		
7 6		ilar tax purposes (add lines 1 throug minimum tax purposes (subtract lin		71(440		
_	from line 6)			2,100	Form 6251, line 5r	BYM)
9	skipping transfe	duction (including certain general or taxes) (attach computation) ist on a separate sheet)			Schedule A, line 25 Form 1116 or Schedu	i e A (Form 1040), line 1
11	Tax preference					
	•	preciation				***************************************
ь			• •			the applicable
					- line of Form	n 6251 /
ă	Exclusion items				1992 Form 8801	
12		the final year of estate or trust:	<u> </u>			
14		ons on termination (attach computa	tion)		Schedule A. line 20	**************************************
ь		tal loss carryover	•		Schedule D, line 5, d	eniumo (A
~		tal loss carryover			Schedule D, line 14,	
d	-	oss (NOL) carryover	٠.		Form 1040, line 22	oolerini (i)
	7		• •		_ · · · · · · · · · · · · · · · · · · ·	the applicable line \
f	**************		••••		of appropri	
13	Other (itemize):	···				
	Trust payments	of estimated taxes credited to you			Form 1040, line 55	•
ь	Tax-exempt into	orest, , , , , , , , , , , , , , , , , , ,			Form 1040, line 8b	
C			••••		4	
đ	***************************************	• • • • • • • • • • • • • • • • • • • •	••••		_	
•	*******************				Include on	the applicable line)
f	,,	***************************************	• • • • •		\ of appropri	ate tax form /
_					1)

NAME TRUST WW H. A. O CONNECT ANTHONY O. CONNELL, Trustee ADDRESS 65-41 Franchia Road Spring field, Vinginia 22157 FEDERAL IDE	RITY NO.	131/91
ADDRESS 65-41 Francia Road PEDERAL IDE	INTIFICATION NO.	62-620916
Schedule K-1 (Form 1041)		1
Schedute (C-1 (Form 1841)		
1/1/91 to 9/15/91 for Jean M. O'Connell		
	1.1	
Real estate taxes paid	1.795	
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n// +		
Attach to K-1. Bo not attach to return		
R-1.		
do not attack		
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IN THE CIRCUIT COURT OF FAIRFAX COUNTY, VIRGINIA

ESTATE OF TRUST U/W OF H.A. O'CONNE	<u>SLL</u>		188		
ACCOUNT OF Anthony O'Connell, Trustee			FII	UCIAF	RY # <u>21840</u>
Number of this account Seventh Account	110.00		•		
Covering period from1/1/91	_ to _	12/31/91			
DESCRIPTION			ASSETS RECEIVED (or On Hand)	Disi	BURSEMENTS
Balance brought forward	3			s	9,549.96
Purchase of computer program Compass Anthony O'Connell					250.79 ~ 97.71 ~
Trustees' fees - Income - Principal					2,510.97 6,268.90
TOTAL DISBURSEMENTS				<u>\$</u>	18,678.33
DISTRIBUTIONS Jean M. O'Connell					
Income distribution 4/22/91 Real estate taxes - 1 st half (beneficiary's share - 53.9006%)				S	40,000.00 ~ 1,794.89 ~
Sheila O'Connell Real estate taxes - 2 nd half (heir's share of 53.9006%)			/	ı	598.30 ,
Principal distributions 9/30/91 11/14/91 Jean O'Connell Nader	-	20,000.00			35,000.00
Real estate taxes - 2 nd half (heir's share of 53.9006%) Principal distribution 9/30/91	:	20,000.00			598.30
11/14/91	-	15,000.00			35,000.00
Anthony O'Connell Real estate taxes - 2 nd half (heir's share of 53.9006%)			/		598.29
Principal distributions 9/30/91 11/14/91	\$ -	20,000.00 <u>15,000.00</u>			35,000.00
TOTAL DISTRIBUTIONS				S	148,589.78

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	15,000.00
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

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.

Fórest N. Balderson

FNB/hoc Enclosures

SCHEDULE K-1 Beneficiary's Share of Income, Deductions, Credits, Etc. (Form 1041)							
Depart nterna	1991						
	ne of estate or tru	Trust u/w H.A. O'Connell	·	· · · · · · · · · · · · · · · · · · ·	Amended K-1		
		number > 225-50-9052		ployer identification number	62-6209167		
3ene	ificiary's name, ado	tress, and ZIP code		ddress, and ZIP code	<u> </u>		
Ţ	Jean O'Conne	ell Nader	Anthony O'	Connell, Trustee			
3	350 Fourth A	venue	6541 France	onia Road			
1	lew Kensingt	on, Pennsylvania 15068	Springfield	d, Virginia 2215	0		
	_	(4) Aliocable share item	(b) Amount	(c) Calendar year 1991 the amounts in			
1	interest			Schedule B, Part I, lie	ne 1		
2				Schedule B, Part II, II			
_		capital gain		Schedule D, line 4, c			
		apital gain	32,673	Schedule D, line 11,			
48		ne and other non-passive income before e deductions. (see instructions)		Schedule E, Part III			
ь	•	, , , , , , , , , , , , , , , , , , , ,					
c							
ď	Amortization						
5a	Rental, rental r	real estate, and other passive income allocable deductions. (see instructions)					
Ь	Depreciation						
C							
₫	Amortization .						
6	Income for mini	mum tax purposes	34,018				
7	Income for regu	lar tax purposes (add lines 1 through 5)	32,673				
6	Adjustment for	minimum tax purposes (subtract line 7	1,345	Form 6251, line 5r			
9	skipping transfe	duction (including certain generation- er taxes) (attach computation)		Schedule A, line 25	A (Fam. 40.10)		
0		ist on a separate sheet)		Form 1116 or Schedul			
1	Tax preference i	•					
		preciation,			the applicable \		
Ь				- line of Form			
q	Amortization . Exclusion items			1002 Form 8801			
_				1992 Form 8801			
2		the final year of estate or trust: ons on termination (attach computation)		Schedule A, line 20			
8		ital loss carryover		Schedule D, line 5, c	oluma <i>(</i> f)		
C	·-	tal loss carryover		Schedule D, line 14,			
d	-	oss (NOL) carryover		Form 1040, line 22	waterini (i)		
•					the applicable line)		
13	Other (itemize):						
	- · · · · · · · · · · · · · · · · · · ·	of estimated taxes credited to you		Form 1040, line 55			
b	• •	erest		Form 1040, line 8b			
c				10, 10, 10, 10, 10, 10, 10, 10, 10, 10,			
d							
•				/ Include on	the applicable line		
			1	1 4			

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ANTHONEY O'CONNE (1, Traster SOCIAL SECI	URITY NO	1/91
Schedule K-1 (Form 1041) 	SHIFTGATION NO.	
Realistate taxes paid 5 \$ 3,530 (53,900690)	1795	
- Heir's 1/3 rol share		599
24 (Jak-1		
Attach to K-1		
to return		
•		

	EDULE K-1 Beneficiary's Share of Inc	•	s, Credits, Etc.	OMB No. 1545-0092
Departm	for the calendar nent of the Tressury Revenue Service for the calendar beginning, 19 Complete a separate \$			1991
Nam	e of estate or trust Trust u/w H.A. O'Connell		•	Amended K-1
Benefi	iciary's identifying number ➤ 224-54-7273		loyer identification number	62-6209167
	iciary's name, address, and ZIP code	Fiduciary's name, add		
S	heila O'Connell	Anthony O'Co	nnell, Trustee	
44	4 Carleton Street	6541 Francor	ia Road	
P	ortland, Maine 04102	Springfield,	Virginia 22150	0
	(a) Allocable share item	(b) Amount	(c) Calendar year 1991 the amounts in	
1	interest		Schedule B, Part I, li	ne 1
•	Dividends		Schedule B, Part II, I	
	Net short-term capital gain		Schedule D, line 4, c	
ь	Net long-term capital gain	32,673	Schedule D, line 11,	column (g)
	Business income and other non-passive income before directly allocable deductions. (see instructions)		Schedule E, Part III	
	Depreciation			
C	Depletion			
d	Amortization			
54	Rental, rental real estate, and other passive income before directly allocable deductions. (see instructions)	•		
ь	Depreciation			
	Depletion			
d	Amortization			
8	Income for minimum tax purposes			
7	Income for regular tax purposes (add lines 1 through 5	32.673		
	Adjustment for minimum tax purposes (subtract line 7			
	from line 6)	1.345	Form 6251, line 5r	
	Estate tax deduction (Including certain generation- skipping transfer taxes) (attach computation)		Schedule A, line 25 Form 1116 or Schedu	la A (Form 1040) line i
	Foreign taxes (list on a separate sheet)			le A (Point 1040), line
	Tax preference items (itemize):			
	Accelerated depreciation	,	/ Include on	the applicable \
	Depletion	•	line of Form	n 62 51 /
ď	Amortization		1992 Form 8801	
			1992 FORM 6601	
	Distributions in the final year of estate or trust:		T	
	Excess deductions on termination (attach computation	·	Schedule A, line 20	and common of the
	Short-term capital loss carryover	•	Schedule D, line 5, c	• ,
C	Long-term capital loss carryover		Schedule D, line 14, Form 1040, line 22	column (t)
d	Net operating loss (NOL) carryover	•		the applicable line \
•	***************************************		of appropri	ate tax form
13	Other (itemize):			
	Trust payments of estimated taxes credited to you .		Form 1040, line 55	
a b	Tax-exempt interest		Form 1040, line 8b	
_		•		
d				
4			/ Include on	the applicable line \
•				ate tax form
1		•	-	·

		7	
NAME TRUST 4/W H. A. O CONNECL	YEAR ENDING	/2/	31/91
ADDRESS 6541 Francoia Road Springfield, Vinginia 22150 Schedule K-1 (Form 1041)	SOCIAL SECUR	RITY NO	12 (000)
Springfield, Vinginia 22/50	FEDERAL IDE	NTIFICATION NO	o. 62-6209167
Schedule K-1 (Form 1041)			
9/16/91 to 12/31/91 to heir's			
Realistate taxes paid (53.9006%)		1795	
(53.9006%)			
- Heir's 1/3 rd share			598
			_
			-
	,		
			-

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SCHEDULE	K-1
(Form 1041)	1

Beneficiary's Share of Income, Deductions, Credits, Etc. OMB No. 1545-0092

for the calendar year 1991, or fisc

١	•	Ç	ı	ı	y	X	r								
									,	1	9		•		

Fiduciary's name, address, and ZIP code

Department of the Treasury Internal Revenue Service

beginning, 1991, ending ► Complete a separate Schedule K-1 for each beneficiary.

	-			
ame M	~1	estate	Δr	tra iet

Beneficiary's name, address, and ZIP code

Trust u/w H.A. O'Connell Beneficiary's identifying number ➤ 225-52-7637

Amended K-1 Final K-1 Estate's or trust's employer identification number > 62-6209167

Anthony O'Connell 6541 Franconia Road	Anthony O'Connell, Trustee 6541 Franconia Road				
Springfield, Virginia 22150	Springfield	i, Virginia 22150			
(a) Allocable share item	(b) Amount	(c) Calendar year 1991 Form 1040 filers enter the emounts in column (b) on:			
1 Interest		Schedule B, Part I, line 1 Schedule B, Part II, line 5 Schedule D, line 4, column (g)			
b Net long-term capital gain		Schedule D, line 11, column (g) Schedule E, Part III			
b Depreciation					
before directly allocable deductions, (see instructions) . b Depreciation	,				
6 Income for minimum tax purposes , , , ,					
7 income for regular tax purposes (add lines 1 through 5) 8 Adjustment for minimum tax purposea (aubtract line 7 from line 6)		Form 6251, line 5r			
9 Estate tax deduction (including certain generation- skipping transfer taxes) (attach computation)		Schedule A, line 25 Form 1116 or Schedule A (Form 1040), line			
11 Tax preference Items (itemize): a Accelerated depreciation		(Include on the applicable) line of Form 6251			
12 Distributions in the final year of estate or trust:					
a Excess deductions on termination (attach computation) b Short-term capital loss carryover c Long-term capital loss carryover d Net operating loss (NOL) carryover		Schedule A, line 20 Schedule D, line 5, column (f) Schedule D, line 14, column (f) Form 1040, line 22 (Include on the applicable line of appropriate tax form			
13 Other (itemize): a Trust payments of estimated taxes credited to you		Form 1040, line 55			
b Tax-exempt interest. c d e		Form 1040, line 8b (Include on the applicable line) of appropriate tax form			

For Paperwork Reduction Act Notice, see page 1 of the Instructions for Form 1041. Cat. No. 113800 Schedule K-1 (Form 1041) 1991 19034

State modifications: \$834 State income tax-addition

599

235 15 - 705

NAME TRUST U/W H. A. O'CONNELL
ANTHONCY O'CONNELL, Trustee
ADDRESS 6541 Francoia Road
Souriation, Vinginia 22/50

Schedule K-1 (Form 1041)			
Schedule K-1 (Form 1041)			
			
9/16/91 to 12/31/91 to heir's			╁
4/16/91 FO /2/8/191 TO NEW S			
		_	ļ
Keal estate taxes paid	1795		
Real estate taxes paid (53.9006%)			l
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- Heir's 1/310 share		598	-
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