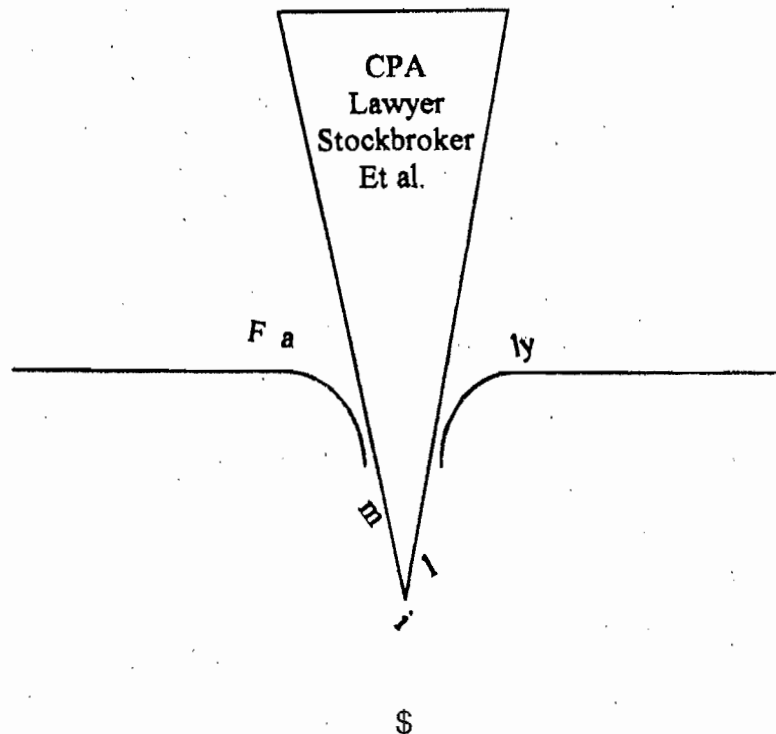


# Trifecta

$$1,475 - 816 = 659$$

Small numbers are used to create accounting entanglements (example: 1,475.97 - 816.00 = 659.97) to make them appear unworthy of attention, as if the issue were the amounts. The issue is not the amount. The issue is that they entangle.



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

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.

# Trifecta

Three numbers

$$1,475.97 - 816.00 = 659.97$$

↑  
**Trust** accounting

↑  
↑  
**Estate** accounting

The CPA Joanne Barnes created the accounting entanglement  $1,475.97 - 816.00 = 659.97$  by reporting different amounts to different entities when the amounts should be the same. For the **Trust**, she reported 1,475.97 to the Court and 816.00 to the IRS. If the 1,475.97 and the 816.00 were corrected to the same number, the accounting entanglement would be removed. For the **Estate**, she reported the difference of 659.97 to the Court and to the IRS.

What accounting trail(s) did Commissioner Jesse B. Wilson, III, approve for these numbers if not  $1,475.97 - 816.00 = 659.97$ ?

"Int fm Harold O'Connell Trust ..... 816.00 (From **Estate** account at bk467p192)  
Debt fm Harold O'Connell Trust ..... 659.97" (From **Estate** account at bk467p192)  
"Payable to the Estate of Jean M. O'Connell ..... \$ 1,475.97" (From **Trust** account at bk480p1768)

$$1,475 - 816 = 659$$

## 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
<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	5,706.98	
Deficit per 6 <sup>th</sup> Account (restated)	(3,705.74)	
Income per 7 <sup>th</sup> Account	5,181.71	
	<u>1,475.97</u>	
<b>TOTAL ASSETS HELD FOR FUTURE ACCOUNTING</b>		\$ 508,254.31 ✓
<b>TOTALS</b>	\$ 675,522.42 ✓	\$ 675,522.42 ✓

The \$1,475.97 in this trust accounting was approved by Jesse Wilson on October 4, 1993: I don't understand why he will not recognize the accounting entanglement trail 1,475.97 - 816.00 = 659.97 in his report to the Judges on August 8, 2000..

Vouchers in support of disbursements are submitted herewith.

5/11/92  
Date

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

$$1,475.97 - 816.00 = 659.97$$

"Int fm Harold O'Connell Trust ..... 816.00 (From **Estate** account at bk467p192)  
Debt fm Harold O'Connell Trust ..... 659.97" (From **Estate** account at bk467p192)  
"Payable to the Estate of Jean M. O'Connell ..... \$ 1,475.97" (From **Trust** account at bk480p1768)

1,475

Trust accounting

"Late" K-1

**SCHEDULE K-1  
(Form 1041)**

Department of the Treasury  
Internal Revenue Service

**Beneficiary's Share of Income, Deductions, Credits, Etc.**

for the calendar year 1991, or fiscal year

beginning ..... 1991, ending ..... 19 .....

► Complete a separate Schedule K-1 for each beneficiary.

OMB No. 1545-0092

**1991**

Name of estate or trust

Trust u/w H.A. O'Connell

☐ Amended K-1  
☐ Final K-1

Beneficiary's identifying number ► 25-6377917

Estate's or trust's employer identification number ► 62-6209167

Beneficiary's name, address, and ZIP code

Estate of Jean M. O'Connell  
c/o Jean O. Nader, Executrix  
350 Fourth Avenue  
New Kensington, Pennsylvania 15068

Fiduciary's name, address, and ZIP code

Anthony O'Connell, Trustee  
6541 Franconia Road  
Springfield, Virginia 22150

(a) Allocable share item	(b) Amount	(c) Calendar year 1991 Form 1040 filers enter the amounts in column (b) on:
1 Interest . . . . .	816	Schedule B, Part I, line 1
2 Dividends . . . . .		Schedule B, Part II, line 5
3a Net short-term capital gain . . . . .		Schedule D, line 4, column (g)
b Net long-term capital gain . . . . .		Schedule D, line 11, column (g)
4a Business income and other non-passive income before directly allocable deductions. (see instructions) . . . . .		Schedule E, Part III
b Distributions of capital gain . . . . .		
c Dividends . . . . .		
d Royalties . . . . .		
5a Rental income and expenses . . . . .		
b Depreciation . . . . .		
c Depletion . . . . .		
d Amortization . . . . .		
6 Income for minimum tax purposes . . . . .	816	
7 Income for regular tax purposes (add lines 1 through 5) . . . . .	816	
8 Adjustment for minimum tax purposes (subtract line 7 from line 6) . . . . .	0	Form 6251, line 5r
9 Estate tax deduction (including certain generation-skipping transfer taxes) (attach computation) . . . . .		Schedule A, line 25
10 Foreign taxes (list on a separate sheet) . . . . .		Form 1118 or Schedule A (Form 1040), line 7
11 Tax preference items (itemize):		
a Accelerated depreciation . . . . .		(Include on the applicable line of Form 6251)
b Depletion . . . . .		
c Amortization . . . . .		
d Exclusion items . . . . .		1992 Form 8801
12 Distributions in the final year of estate or trust:		
a Excess deductions on termination (attach computation) . . . . .		Schedule A, line 20
b Short-term capital loss carryover . . . . .		Schedule D, line 5, column (f)
c Long-term capital loss carryover . . . . .		Schedule D, line 14, column (f)
d Net operating loss (NOL) carryover . . . . .		Form 1040, line 22
e . . . . .		(Include on the applicable line of appropriate tax form)
f . . . . .		
13 Other (itemize):		
a Trust payments of estimated taxes credited to you . . . . .		Form 1040, line 55
b Tax-exempt interest . . . . .		Form 1040, line 8b
c . . . . .		
d . . . . .		
e . . . . .		(Include on the applicable line of appropriate tax form)
f . . . . .		
g . . . . .		
h . . . . .		

Virginia Bar to me, February 10, 1993, in part - "As justification for the delay, Mr. White points out that he experienced some delay in getting the K-1 from you and your own complaint appears to concede that there was some delay in getting the K-1 to Mr. White." (The CPA Joanne Barnes did the accounting for the Estate and for the Trust. This means she was late in getting her K-1 to herself.)

For Paperwork Reduction Act Notice, see page 1 of the Instructions for Form 1041.

Cat. No. 113800

Schedule K-1 (Form 1041) 1991

State modifications: NONE

**- 816**

1,475.97 - 816.00 = 659.97



# Lynch Note Interest

## Receipts During Period

First Virginia Bank int	399.58
ck Nuveen 11/1/91	66.50
ck WGL 11/1/91	105.00
ck Kemper 10/31/91	162.86
ck Nuveen 10/1/91	66.50
ck Kemper 9/30/91	162.86
Va. 1990 refund	1,605.58
Nuveen 12/31/91	66.50
Kemper 12/31/91	384.95
Kemper 11/29/91	162.86
Signet 11/27/91	39.60
Nuveen 12/2/91	66.50
Blue Cross 10/10/91	88.78
Int B&H earned 2/11	11.22
Nuveen 2/3/92	66.50
WGL div 2/1/92	65.00
Sovran int DOD-3/2/92	71.52
ck Signet 2/26/92	39.60
ck A. G. Edwards (Fx bond) 2/18/92	520.00
ck Kemper 2/28/92	171.75
ck Nuveen 3/2/92	66.50
Int B&H 3/10	216.12
ck Kemper 1/31/92	171.75
Int B&H 4/10	210.76
Int Lynch Prop Note DOD-4/21/92	26,917.17
Int fm Harold 'Connell Trust	816.00
Debt fm Harold O'Connell Trust	659.97
Nuveen 4/1/92	66.50
USAA refund	34.37
Int B&H 5/11	144.75
A. G. Edwards 5/27-Signet \$107 div	
WGL div 39.60	146.60
Int earned B&H	1,037.93
Nuveen 6/1/92	66.50
Int earned B&H	666.39
Nuveen 7/1/92	66.50
Int earned B&H	451.50
Nuveen 8/3/92	66.50
Nuveen 9/1/92	67.90
Nuveen 9/1/92	24.50
Int earned B&H	406.86
Inc Invest Co. of America DOD-9/15/92	5,403.87
A. G. Edwards acct Fx bond int	3,520.00
A. G. Edwards acct Signet div	39.60
A. G. Edwards acct WGL div	107.00
Kemper Mun Bond Fund DOD-9/15/92	1,468.42
Franklin Va. Fund DOD-9/15/92	5,590.85

Sub Total Receipts during period

56,928.42 ✓

TOTAL RECEIPTS

893,165.52 ✓

= 659

DKU467 0192