

First Supplement to Memorandum 85-36

Subject: Study L-1050 - Probate Code (Accountings--contents of account)

Memorandum 85-36 sets out an alternative provision for the contents of the account of a personal representative, intended to be more informative and more in accord with standard accounting principles than existing law. The staff notes that the alternative account proposed in the memorandum is basically comparable to that required by law for guardians and conservators. Probate Code Section 2620 provides:

(a) At the expiration of one year from the time of appointment and thereafter not less frequently than biennially, unless otherwise ordered by the court, the guardian or conservator shall present the account of the guardian or conservator to the court for settlement and allowance.

(b) The account shall state the period covered by the account and contain a summary showing all of the following:

(1) If the first account, the amount of appraisal; if a subsequent account, the amount chargeable from the prior account.

(2) The amount of any supplemental appraisal filed within the period covered by the account.

(3) The amount of cash receipts, excluding amounts reported under paragraph (4).

(4) The gains on sales or other increases in assets, if any.

(5) The amount of cash disbursements, excluding amounts reported under paragraph (6).

(6) The losses on sales or other decreases in assets, if any.

(7) The amount of property on hand.

(c) The account shall contain itemized schedules showing receipts, disbursements, transactions, and balance of property on hand.

(d) The petition for approval of the account or a report accompanying the petition shall contain all of the following:

(1) Descriptions of all sales, purchases, changes in the form of assets, or other transactions occurring during the period of the account that are not otherwise readily understandable from the schedules.

(2) Explanations of any unusual items appearing in the account.

(3) Any additional information required by the court.

(e) The petition requesting approval of the account may include additional requests for authorization, instruction, approval, or confirmation authorized by this division, including, but not limited to, a request for any order authorized under Chapter 8 (commencing with Section 2640).

(f) When an account is rendered by or on behalf of two or more joint guardians or conservators, the court, in its discretion, may settle and allow the account upon the verification of any of them.

We have also been forwarded material by Luther J. Avery, relating to national fiduciary accounting standards. An effort is being made by the American College of Probate Counsel to encourage the adoption of model uniform standards. The suggested standards and illustrative material are attached as Exhibit 1. The Commission should review this material to determine whether it would be useful for California to statutorily embrace these accounting standards.

Respectfully submitted,

Nathaniel Sterling
Assistant Executive Secretary

EXHIBIT 1

Fiduciary Accounting Principles

I. ACCOUNTS SHOULD BE STATED IN A MANNER THAT IS UNDERSTANDABLE BY PERSONS WHO ARE NOT FAMILIAR WITH PRACTICES AND TERMINOLOGY PECULIAR TO THE ADMINISTRATION OF ESTATES AND TRUSTS.

Commentary: In order for an account to fulfill its basic function of communication, it is essential that it be stated in a manner that recognizes that the interested parties are not usually familiar with fiduciary accounts. It is neither practical nor desirable to require that accounts be tailored to meet individual disabilities of particular parties but any account should be capable of being understood by a person of average intelligence, literate in English, and familiar with basic financial terms who has read it with care and attention.

Problems arising from terminology or style are usually a reflection of the fact that people who become versed in a particular form of practice tend to forget that terms which are familiar and useful to them may convey nothing to someone else or may even be affirmatively misleading. For example, the terms "debit" and "credit" are generally incomprehensible to people with no knowledge of bookkeeping and many people who are familiar with them in other contexts would assume that in the context of fiduciary accounting, the receipt of an item is a "credit" to the fund rather than a "debit" to the fiduciary.

While the need for concise presentation makes a certain amount of abbreviation both acceptable and necessary, uncommon abbreviation of matters essential to an understanding of the account should be avoided or explained.

No position is taken for or against the use of direct print-outs from machine accounting systems. The quality of the accounts produced by these systems varies widely in the extent to which they can be understood by persons who are not familiar with them. To endorse or object to a direct print-out because it is produced by machine from previously stored data would miss the essential point by focusing attention upon the manner of preparation rather than the product.

Fiduciary Accounting Principles

II. A FIDUCIARY ACCOUNT SHALL BEGIN WITH A CONCISE SUMMARY OF ITS PURPOSE AND CONTENT.

Commentary: Very few people can be expected to pay much attention to a document unless they have some understanding of its general purpose and its significance to them. Even with such an understanding, impressions derived from the first page or two will often determine whether the rest is read. The use that is made of these pages is therefore of particular significance.

The cover page should disclose the nature and function of the account. While a complete explanation of the significance of the account and the effect of its presentation upon the rights of the parties is obviously impractical for inclusion at this point, there should be at least a brief statement identifying the fiduciary and the subject matter, noting the importance of examining the account and giving an address where more information can be obtained.

It is assumed that the parties would also have enough information from other sources to understand the nature of their relationship to the fund (e.g., residuary legatee, life tenant, remainderman), the function of the account, and the obligation of the fiduciary to supply further relevant information upon request. It is also assumed that *notice* will be given of any significant procedural considerations such as limitation on the time within which objections must be presented. This would normally be provided by prior or contemporaneous memoranda, correspondence or discussions.

A summary of the account shall also be presented at the outset. This summary, organized as a table of contents, shall indicate the order of the details presented in the account and shall show separate totals for the aggregate of the assets on hand at the beginning of the accounting period; transactions during the period; and the assets remaining on hand at the end of the period. Each entry in the summary shall be supported by a schedule in the account that provides the details on which the summary is based.

Fiduciary Accounting Principles

III. A FIDUCIARY ACCOUNT SHALL CONTAIN SUFFICIENT INFORMATION TO PUT THE INTERESTED PARTIES ON NOTICE AS TO ALL SIGNIFICANT TRANSACTIONS AFFECTING ADMINISTRATION DURING THE ACCOUNTING PERIOD.

Commentary: The presentation of the information in an account shall allow an interested party to follow the progress of the fiduciary's administration of assets during the accounting period without reference to an inventory or earlier accounting that is not included in the current account.

An account is not complete if it does not itemize assets on hand at the beginning of the accounting period.

Illustrations:

3.1 The first account for a decedent's estate or a trust should detail the items received by the fiduciary and for which he is responsible. It should not simply refer to the total amount of an inventory filed elsewhere or assets described in a schedule attached to a deed of trust.

3.2 In later accounts for an estate or trust, the opening balance should not simply refer to the total value of principal on hand as shown in detail in the prior account, but should list each item separately.

Instead of retyping the complete list of assets in the opening balance, the accountant may prefer to attach as an exhibit a copy of the inventory, closing balance from last account, etc., as appropriate.

Transactions shall be described in sufficient detail to give interested parties notice of their purpose and effect. It should be recognized that too much detail may be counterproductive to making the account understandable. In accounts covering long periods or dealing with extensive assets, it is usually desirable to consolidate information. For instance, where income from a number of securities is being accounted for over a long period of time, a statement of the total dividends received on each security with appropriate indication of changes in the number of shares held will be more readily understandable and easier to check for completeness than a chronological listing of all dividends received.

Although detail should generally be avoided for routine transactions, it will often be necessary to a proper understanding of an event that is somewhat out of the ordinary.

Illustrations:

3.3 Extraordinary appraisal costs should be shown separately and explained.

3.4 Interest and penalties in connection with late filing of tax returns should be shown separately and explained.

3.5 An extraordinary allocation between principal and income such as apportionment of proceeds of property acquired on foreclosure should be separately stated and explained.

3.6 Computation of a formula marital deduction gift involving non-probate assets should be explained.

Fiduciary Accounting Principles

IV. A FIDUCIARY ACCOUNT SHALL INCLUDE BOTH CARRYING VALUES — REPRESENTING THE VALUE OF ASSETS AT ACQUISITION BY THE FIDUCIARY — AND CURRENT VALUES AT THE BEGINNING AND END OF THE ACCOUNTING PERIOD.

Commentary: In order for transactions to be reported on a consistent basis, an appropriate carrying value for assets must be chosen and employed consistently.

The carrying value of an asset should reflect its value at the time it is acquired by the fiduciary (or a predecessor fiduciary). When such a value is not precisely determinable, the figure used should reflect a thoughtful decision by the fiduciary. For assets owned by a decedent, inventory values or estate tax values — generally reflective of date of death values — would be appropriate. Assets received in kind by a trustee from a settlor of an inter-vivos trust should be carried at their value at the time of receipt. For assets purchased during the administration of the fund, cost would normally be used. Use of Federal income tax bases for carrying value is acceptable when basis is reasonably representative of real values at the time of acquisition. Use of tax basis as a carrying value under other circumstances could be affirmately misleading to beneficiaries and therefore is not appropriate.

In the Model Account, carrying value is referred to as "fiduciary acquisition value." The Model Account establishes the initial carrying value of assets as their value at date of death for inventoried assets, date of receipt for subsequent receipts and cost for investments.

Carrying value would not normally be adjusted for depreciation.

Except for adjustments that occur normally under the accounting system in use, carrying values should generally be continued unchanged through successive accounts and assets should not be arbitrarily "written up" or "written down." In some circumstances, however, with proper disclosure and explanation, carrying value may be adjusted.

Illustrations:

4.1 Carrying values based on date of death may be adjusted to reflect changes on audit of estate or inheritance tax returns.

4.2 Where appropriate under applicable local law, a successor fiduciary may adjust the carrying value of assets to reflect values at the start of his administration.

4.3 Assets received in kind in satisfaction of a pecuniary legacy should be carried at the value used for purposes of distribution.

Though essential for accounting purposes, carrying values are commonly misunderstood by laymen as being a representation of actual values. To avoid this, the account should include both current values and carrying values.

The value of assets at the beginning and ending of each accounting period is necessary information for the evaluation of investment performance. Therefore, the account should show current values at the start of the period for all assets whose carrying values were established in a prior accounting period.

Illustrations:

4.4 The opening balance of the first account of a testamentary trustee will usually contain assets received in kind from the executor. Unless the carrying value was written up at the time of distribution (e.g., 4.2 or 4.3 supra) these assets will be carried at a value established during the executor's administration. The current value at the beginning of the accounting period should also be shown.

4.5 An executor's first account will normally carry assets at inventory (date of death) values or cost. No separate listing of current values at the beginning of the accounting period is necessary.

Current values should also be shown for all assets on hand at the close of the accounting period. The date on which current values are determined shall be stated and shall be the last day of the accounting period, or a date as close thereto as reasonably possible.

Current values should be shown in a column parallel to the column of carrying values. Both columns should be totalled.

In determining current values for assets for which there is no readily ascertainable current value, the source of the value stated in the account shall be explained. The fiduciary shall make a good faith effort to determine realistic values but should not be expected to incur expenses for appraisals or similar costs when there is no reason to expect that the resulting information will be of practical consequence to the administration of the estate or the protection of the interests of the parties.

Illustrations:

4.6 When an asset is held under circumstances that make it clear that it will not be sold (e.g., a residence held for use of a beneficiary) the fiduciary's estimate of value would be acceptable in lieu of an appraisal.

4.7 Considerations such as a pending tax audit or offer of the property for sale may indicate the advisability of not publishing the fiduciary's best estimate of value. In such circumstances, a statement that value was fixed by some method such as "per company books", "formula under buy-sell agreement", "300% of assessed value" would be acceptable, but the fiduciary would be expected to provide further information to interested parties upon request.

Fiduciary Accounting Principles

V. GAINS AND LOSSES INCURRED DURING THE ACCOUNTING PERIOD SHALL BE SHOWN SEPARATELY IN THE SAME SCHEDULE.

Commentary: Each transaction involving the sale or other disposition of securities during the accounting period shall be shown as a separate item in one combined schedule of the account indicating the transaction, date, explanation, and any gain or loss.

Although gains and losses from the sale of securities can be shown separately in accounts, the preferred method of presentation is to present this information in a single schedule. Such a presentation provides the most meaningful description of investment performance and will tend to clarify relationships between gains and losses that are deliberately realized at the same time.

Fiduciary Accounting Principles

VI: THE ACCOUNT SHALL SHOW SIGNIFICANT TRANSACTIONS THAT DO NOT AFFECT THE AMOUNT FOR WHICH THE FIDUCIARY IS ACCOUNTABLE.

Commentary: Transactions such as the purchase of an investment, receipt of a stock split or change of a corporate name do not alter the total fund for which a fiduciary is accountable but must be shown in order to permit analysis and an understanding of the administration of the fund. These can be best shown in information schedules.

One schedule should list all investments made during the accounting period. It should include those subsequently sold as well as those still on hand. Frequently the same money will be used for a series of investments. Therefore, the schedule should not be totalled in order to avoid giving an exaggerated idea of the size of the fund.

A second schedule (entitled "Changes in Investment Holdings" in the Model Account) should show all transactions affecting a particular security holding such as purchase of additional shares, partial sales, stock splits, change of corporate name, divestment distributions, etc. This schedule, similar to a ledger account for each holding, will reconcile opening and closing entries for particular holdings, explain changes in carrying value and avoid extensive searches through the account for information scattered among other schedules.

Model Executor's Account

FIRST AND FINAL ACCOUNT OF
William C. Doe, Executor
For
ESTATE OF John Doe, Deceased

Date of Death: November 14, 1978
Date of Executor's Appointment: November 24, 1978
Accounting for the Period: November 24, 1978 to
November 30, 1979

Purpose of Account: William C. Doe, Executor, offers this account to acquaint interested parties with the transactions that have occurred during his administration.

*The account also indicates the proposed distribution of the estate.

It is important that the account be carefully examined. Requests for additional information or questions or objections can be discussed with:

[Name of Executor, Counsel or other appropriate person]

[address and telephone number]

[*Note:* See discussion under Fiduciary Accounting Principal II with respect to presentation of collateral material needed by beneficiaries.]

*optional — for use if applicable

Summary of Account

	<i>Page</i>	<i>Current Value</i>	<i>Fiduciary Acquisition Value</i>
*Proposed Distribution to Beneficiaries	12	<u>\$102,974.56</u>	<u>\$ 90,813.96</u>
Principal			
Receipts	3-4		\$160,488.76
Net Gain (or Loss) on Sales or Other Disposition	5		<u>2,662.00</u>
			<u>\$163,150.76</u>
Less Disbursements:			
Debts of Decedent	6	\$ 485.82	
Funeral Expenses	6	1,375.00	
Administration Expenses	6	6,156.34	
Fees	6	<u>11,689.64</u>	<u>19,706.80</u>
Balance before Distributions			\$143,443.96
Distributions to Beneficiaries	7		<u>52,630.00</u>
Principal Balance on Hand	8		\$ 90,813.96
For Information:			
Investments Made	9		
Changes in Investment Holdings	9		
Income			
Receipts	10		\$ 2,513.40
Less Disbursements	11		<u>178.67</u>
Balance Before Distributions			\$ 2,334.73
Distributions to Beneficiaries	11		<u>2,334.73</u>
Income Balance on Hand			-0-
Combined Balance on Hand			<u>\$ 90,813.96</u>

*Optional — for use if applicable

Receipts of Principal

<i>Assets Listed in Inventory (Valued as of Date of Death)</i>	<i>Fiduciary Acquisition Value</i>
Cash:	
First National Bank — checking account	\$ 516.93
Prudent Saving Fund Society — savings account	2,518.16
Cash in possession of decedent	<u>42.54</u>
	\$ 3,077.63
Tangible Personal Property:	
Jewelry —	
1 pearl necklace	515.00
Furniture —	
1 antique highboy	\$ 2,000.00
1 antique side table	60.00
1 antique chair	<u>55.00</u>
	2,115.00
Stocks:	
200 shs. Home Telephone & Telegraph Co., common	\$ 25,000.00
50 shs. Best Oil Co., common	5,000.00
1,000 shs. Central Trust Co., capital	50,850.00
151 shs. Electric Data Corp., common	1,887.50
50 shs. Fabulous Mutual Fund	1,833.33
200 shs. XYZ Corporation, common	<u>6,000.00</u>
	90,570.83
Realty:	
Residence — 86 Norwood Road West Hartford, CT	50,000.00
Total Inventory	<u>\$146,278.46</u>
 <i>Receipts Subsequent to Inventory (Valued When Received)</i>	
2/22/79 Proceeds of Sale — Best Oil Co., rights to subscribe received 2/15/79	\$ 50.00*
3/12/79 Fabulous Mutual Fund, capital gains dividend received in cash	32.50
5/11/79 Refund of overpayment of 1978 U.S. individual income tax	127.80
9/25/79 From Richard Roe, Ancillary Administrator, net proceeds on sale of oil and gas leases in Jefferson Parish, Louisiana	<u>10,000.00</u>
	\$ 10,210.30

*Proceeds of sale of rights may be treated as an additional receipt, as illustrated here, or may be applied in reduction of carrying value as illustrated on page T-8 of the Model Trustee's Account. Either method, consistently applied, is acceptable.

Adjustment to Carrying Values

Increased value of 200 shs. XYZ Corporation,
common stock upon audit of Federal Estate Tax Return:

Adjusted value upon audit	\$ 10,000.00	
Value per Inventory	<u>6,000.00</u>	\$ 4,000.00
Total Receipts of Principal		<u>\$160,488.76</u>

Note: To facilitate preparation, the accountant may prefer to detail the starting balance by attaching a copy of the inventory as an exhibit. (This would be inappropriate if the inventory is prepared in a form that includes substantial extraneous material or does not list assets in an orderly manner.) The opening entry would then read:

“Assets Listed in Inventory per copy attached \$146,278.46”

Gains and Losses on Sales or Other Dispositions

		<i>Gain</i>	<i>Loss</i>
2/7/79	100 shs. Home Telephone & Telegraph Co., common		
	Net Proceeds	\$14,025.00	
	Fiduciary Acquisition Value	<u>12,500.00</u>	
		\$ 1,525.00	
3/15/79	1,000 shs. Central Trust Co., capital		
	Net Proceeds	27,467.00	
	Fiduciary Acquisition Value	<u>25,425.00</u>	
		2,042.00	
3/15/79	200 shs. XYZ Corporation, common		
	Fiduciary Acquisition Value	10,000.00	
	Net Proceeds	<u>9,000.00</u>	
			\$ 1,000.00
5/21/79	35 shs. Electric Data Corp., common		
	Net Proceeds	530.00	
	Fiduciary Acquisition Value	<u>437.50</u>	
		92.50	
7/20/79	\$10,000 U.S. Treasury Bonds, 3%, due 7/1/82		
	Net Proceeds	10,000.00	
	Fiduciary Acquisition Value	<u>9,997.50</u>	
		2.50	
	Total Gains and Losses	\$ 3,662.00	\$ 1,000.00
	Less Loss	<u>1,000.00</u>	
	Net Gain	<u>\$ 2,662.00</u>	

Disbursements of Principal

Debts of Decedent			
1/25/79	John T. Hill, M.D., professional services	\$ 250.00	
4/12/79	State Tax Commissioner, 1978 state capital gains tax	156.00	
1/25/79	Thomas Pharmacy, prescriptions	23.82	
2/1/79	Sanders Hardware, purchases per bill dated 12/15/78	56.00	\$ 485.82
Funeral Expenses			
1/10/79	Smith Funeral Home, services	1,200.00	
2/15/79	Jones Memorials, grave marker	175.00	1,375.00
Administration Expenses			
11/14/78	Clerk of Court, probate costs	72.00	
2/22/79	Henry Smith, appraisal of jewelry and antiques	50.00	
11/16/79	Arden, Miles & Solomon, disbursements	56.00	
	Various miscellaneous affidavits, registered mail, toll telephone charges and other costs	16.25	194.25
Federal and State Taxes			
8/13/79	State Tax Commissioner, state death tax	2,501.33	
8/13/79	Internal Revenue Service, federal estate tax	2,663.29	
11/15/79	Internal Revenue Service, U.S. fiduciary income tax for fiscal year ending 7/31/78 (attributable to capital gains)	283.84	
11/23/79	Internal Revenue Service, deficiency in Federal Estate Tax interest 8/14/79 to 11/24/79	\$505.24 8.39	
		513.63	5,962.09
Fees			
11/16/79	Albert Schryver, Esq., fee as Guardian ad litem	375.00	
11/16/79	William C. Doe, Executor's principal commission 5% on \$50,000 4% on \$50,000 3% on \$60,488	6,314.64	
11/16/79	Arden, Miles & Solomon, attorney's fees	5,000.00	11,689.64
			\$ 19,706.80

Distributions of Principal to Beneficiaries

TO: Janet Doe, in satisfaction of gift under Article FIRST of Will			
12/1/78	1 pearl necklace	\$ 515.00	
	1 antique highboy	2,000.00	
	1 antique side table	60.00	
	1 antique side chair	55.00	\$ 2,630.00
TO: Janet Doe, in satisfaction of gift under Article SECOND of Will			
12/1/78	Residence — 86 Norwood Road		
	West Hartford, CT		50,000.00
	Total Distributions of Principal to Beneficiaries		\$ 52,630.00

Principal Balance on Hand

	<i>Current Value 12/10/79 or as noted</i>	<i>Fiduciary Acquisition Value</i>
Cash	\$ 5,305.63	\$ 5,305.63
Stocks:		
50 shs. Best Oil Co., common	4,500.00	5,000.00
1,000 shs. Central Trust Co., capital — value at most recent sale, 9/18/79	32,168.76	25,425.00
116 shs. Electric Data Corp., common — not traded, value per company books, 12/29/78	1,684.00	1,450.00
50 shs. Fabulous Mutual Fund	4,016.17	1,833.33
200 shs. Home Telephone & Telegraph Co., common	16,000.00	12,500.00
\$40,000 U.S. Treasury Bills due 12/14/79	39,300.00	39,300.00
	<u>\$102,974.56</u>	<u>\$ 90,813.96</u>

Information Schedules — Principal

			<i>Cost</i>
	Investments Made		
2/1/79	\$10,000 U.S. Treasury Bonds, 3%	\$ 10,022.50	
	Less accrued interest collected 6/29/79	<u>25.00</u>	\$ 9,997.50
9/14/79	\$40,000 U.S. Treasury Bills, due 12/14/79		39,300.00
	Changes in Investment Holdings		
	Central Trust Co.		
11/14/78	1,000 shs. Capital stock, par \$5 inventoried		\$ 50,850.00
1/15/79	1,000 shs. additional received in 2 - 1 split, _____ par reduced to \$2.50		
	2,000 shs. par \$2.50 carried at		<u>50,850.00</u>
3/15/78	<u>1,000</u> shs. sold, carried at		<u>25,425.00</u>
	<u>1,000</u> shs. remaining, carried at		<u>\$ 25,425.00</u>
	Home Telephone & Telegraph Co.		
11/14/78	200 shs. common par \$10, inventoried		\$ 25,000.00
2/7/79	<u>100</u> shs. sold, carried at		<u>12,500.00</u>
	100 shs. remaining, carried at		12,500.00
3/30/79	100 shs. additional received in 2 - 1 split, _____ par reduced to \$5		
	<u>200</u> shs. par \$5 carried at		<u>\$ 12,500.00</u>

Receipts of income

Dividends

Best Oil Co., common 1/2/79 to 10/2/79 — 50 shs.		\$	20.00	
Central Trust Co., common 1/15/79 — 2,000 shs.	\$600.00			
4/13/79 to 10/15/79 — 1,000 shs.	<u>900.00</u>		1,500.00	
Electric Data Corp., common 12/29/78 to 3/30/79 — 151 shs.	30.20			
6/29/79 to 9/28/79 — 116 shs.	<u>23.20</u>		53.40	
Fabulous Mutual Fund 3/12/79 to 9/12/79 — 50 shs.			140.00	
Home Telephone & Telegraph Co., common 2/1/79 — 200 shs.	225.00			
5/1/79 to 11/1/79 — 200 shs. (after stock split)	<u>450.00</u>		<u>675.00</u>	\$ 2,388.40
Interest				
U.S. Treasury Bonds, 3%, due 7/1/82 6/29/79 — \$10,000	150.00			
Less: accrued interest paid on purchase 2/1/79	<u>(25.00)</u>		<u>125.00</u>	<u>125.00</u>
	Total			<u>\$ 2,513.40</u>

Disbursements of Income

11/15/79	U.S. Fiduciary Income Tax for fiscal year ended 7/31/79 (allocable to income)	\$ 53.00
	To be paid:	
	William C. Doe — Executor's income commission 5% on \$2,513.40	<u>125.67</u>
		<u>\$ 178.67</u>

Distributions of Income to Beneficiaries

	TO: William C. Doe, Trustee under Article FOURTH (A) for Walter Doe	
11/16/79	Cash	\$ 1,167.37
	TO: Sharon Doe	
11/16/79	Cash	<u>1,167.36</u>
	Total	<u>\$ 2,334.73</u>

Proposed Distributions to Beneficiaries

	<i>Current Value 12/10/79 or as noted</i>	<i>Fiduciary Acquisition Value</i>
Per Article FOURTH (A) of Will:		
TO: William C. Doe, Trustee for Walter Doe		
25 shs. Best Oil Co., common	\$ 2,250.00	\$ 2,500.00
500 shs. Central Trust Co., capital	16,084.38*	12,712.50
58 shs. Electric Data Corp., common	842.00*	725.00
25 shs. Fabulous Mutual Fund	2,008.09	916.67
100 shs. Home Telephone & Telegraph Co., common	8,000.00	6,250.00
\$20,000 U.S. Treasury Bills, due 12/14/79	19,650.00	19,650.00
Cash	<u>2,652.81</u>	<u>2,652.81</u>
	\$ 51,487.28	\$ 45,406.98
 Per Article FOURTH (B) of Will:		
TO: Sharon Doe		
25 shs. Best Oil Co., common	\$ 2,250.00	\$ 2,500.00
500 shs. Central Trust Co., capital	16,084.38*	12,712.50
58 shs. Electric Data Corp., common	842.00*	725.00
25 shs. Fabulous Mutual Fund	2,008.09	916.67
100 shs. Home Telephone & Telegraph Co., common	8,000.00	6,250.00
\$20,000 U.S. Treasury Bills, due 12/14/79	19,650.00	19,650.00
Cash	<u>2,652.81</u>	<u>2,652.81</u>
	\$ 51,487.28	\$ 45,406.98
Total	<u>\$102,974.56</u>	<u>\$ 90,813.96</u>

*Central Trust Co. — valued at most recent sale, 9/18/79

*Electric Data Corp. — not traded, valued per company books 12/29/78

[Note: I.R.C. § 6039A added by the Tax Reform Act of 1976 requires that beneficiaries be advised of the tax basis of property distributed in kind. It is assumed that this information will be supplied collaterally in whatever form may be prescribed.]

WILLIAM C. DOE, Executor under the Last Will and Testament of JOHN DOE, deceased, hereby declares under oath [penalties of perjury] that he has fully and faithfully discharged the duties of his office; that the foregoing First and Final Account is true and correct and fully discloses all significant transactions occurring during the accounting period; that all known claims against the estate have been paid in full; that, to his knowledge, there are no claims now outstanding against the Estate; and that all taxes presently due from the estate have been paid.

WILLIAM C. DOE
Executor

Subscribed and sworn to
by WILLIAM C. DOE before
me this _____ day of _____, 19 ____.

Notary Public

*Execution under oath before a notary or under penalty of perjury is optional, depending on rules of the local jurisdiction.