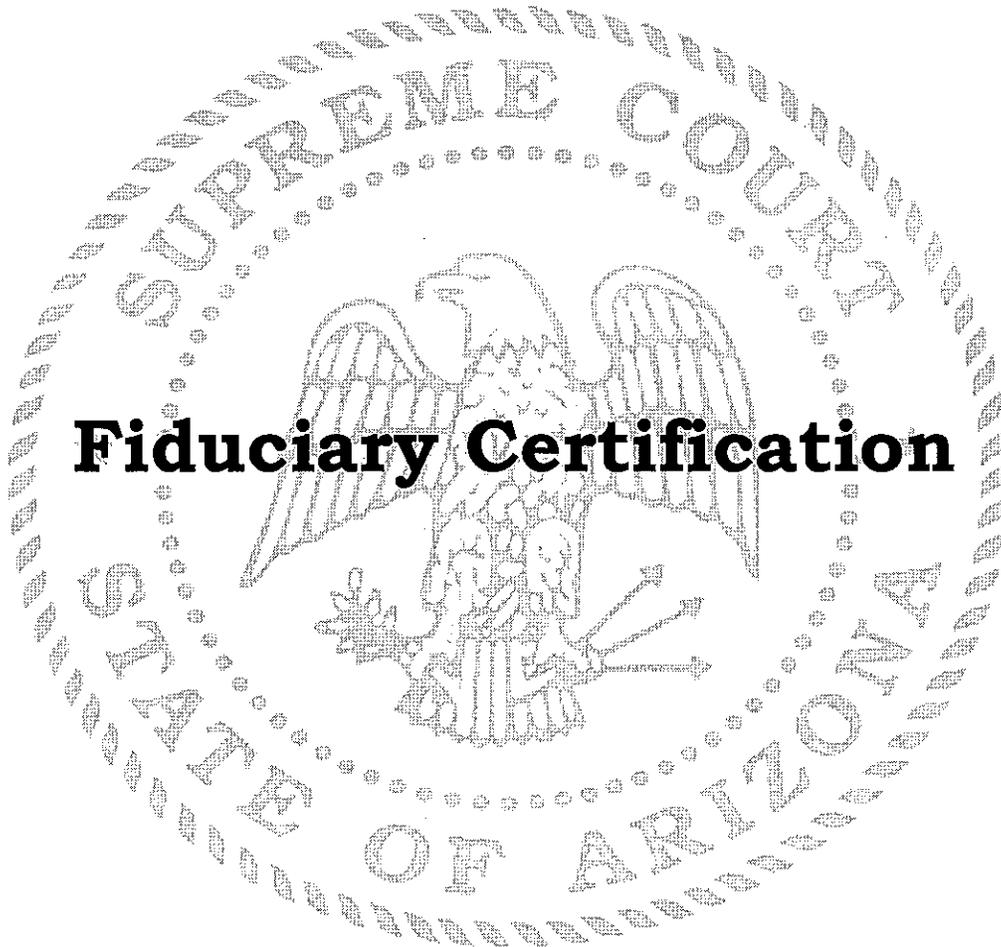


Arizona Supreme Court
Administrative Office of the Courts



Fiduciary Certification

Compliance Audit

***Arizona Department of Veterans'
Services-Fiduciary***



Supreme Court

STATE OF ARIZONA
ADMINISTRATIVE OFFICE OF THE COURTS

Rebecca White Berch
Chief Justice

David K. Byers
Administrative Director
of the Courts

January 21, 2010

Gregory T. Sulzer
Arizona Department of Veterans' Services
3839 North Third Street, Suite 100
Phoenix, AZ 85012

RE: Fiduciary Compliance Audit

Dear Mr. Sulzer:

Enclosed is the final compliance audit report for Arizona Department of Veterans' Services.

Given the number of findings and the need for assurance of corrective actions to mitigate the audit findings, the audit team will again audit the Arizona Department of Veterans' Services within twelve calendar months. During the follow-up audit the team will focus primarily on the identified non-compliance.

A letter will follow this final audit with a Corrective Action Plan enclosed.

Thank you for the cooperation and assistance during the compliance audit process exhibited by you and your staff. You and your staff's hard work throughout the audit process has been appreciated. To the extent the fiduciary audit process will assist the court to ensure the safety, health and welfare of individuals and estates entrusted by the court to your management, we have benefited from our audit. I hope the Arizona Department of Veterans' Services and your clients will equally benefit.

If you have any questions, please let me know at (602) 452-3362.

Sincerely,

A handwritten signature in cursive script that reads "Nancy Swetnam".

Nancy Swetnam, Director
Certification and Licensing Division

Enclosures

c. Presiding Probate Judges of the Superior Court

Presiding Judges of the Superior Court

Presiding Clerks of the Superior Court

Presiding Court Administrators of the Superior Court

Brian McNeil, Deputy Chief of Staff, Arizona Governor's Office

Joey Strickland, Director, Arizona Department of Veterans' Services

Gregory Sulzer, Designated Principal, Arizona Department of Veterans' Services

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Disclaimer

This final report represents the information and conditions encountered at the point in time of the audit and does not purport to represent conditions prior to or subsequent to the performed audit. The information presented does not represent an endorsement or denunciation of the audited fiduciary or business.

After this report is distributed to the audited fiduciary, presiding judge of the county and, if a public fiduciary, the county supervisors, it becomes public record.

EXECUTIVE SUMMARY

Executive Summary

Arizona Department of Veterans' Services

Compliance Audit Report

The Arizona Supreme Court, Fiduciary Certification Program conducted a compliance audit of Arizona Department of Veterans' Services, pursuant to Arizona Revised Statutes § 14-5651 and Arizona Supreme Court Administrative Order 2003-31. During the period of March 23, 2009 through May 18, 2009 the Compliance Unit audited the fiduciary activities of Arizona Department of Veterans' Services, its certified employees, and its uncertified employees. The following is a summary of the audit findings.

Finding # 1 – Certified Staff

Uncertified ADVS staff were performing fiduciary tasks responsibilities.

ADVS did not directly agree or disagree with the finding.

Finding # 2 – Late Filings

Statutorily required reports were not submitted timely.

ADVS did not directly agree or disagree with the finding.

Finding # 3 – Documentation

By AZ statute a fiduciary must keep suitable records of their administration and exhibit them upon request. ADVS was missing documentation.

ADVS did not directly agree or disagree with the finding.

Finding # 4 –Inventory

Examples were found of ADVS not listing in reasonable detail and indicating the market value of estates as of the date of appointment or date of death of each item listed on an inventory. No personal effects were accounted for in the 15 cases sampled.

ADVS agrees with the finding.

Executive Summary

Finding # 5 – Securing Assets

The fiduciary did not marshal and secure the property and income of the client as soon as possible.

ADVS did not directly agree or disagree with the finding.

Finding # 6 – Diligence

ADVS was not exercising extreme care and diligence when making medical and financial decisions on behalf of a client or protected person.

ADVS did not directly agree or disagree with the finding.

Finding #7 – Marshalling and Securing Assets

The fiduciary did not marshal and secure the property and income of the client as soon as possible.

ADVS did not directly agree or disagree with the finding.

Finding # 8 – Conflict of Interest or Self-Dealing

A fiduciary must avoid self-dealing or the appearance of a conflict of interest. ADVS conducted a transaction with the appearance of a conflict of interest.

ADVS did not directly agree or disagree with the finding.

Finding #9 – Supplemental Inventory

Information on property subsequently discovered and not included in an original inventory and appraisal was not provided to the court in a supplemental inventory.

ADVS did not directly agree or disagree with the finding.

Finding # 10 – Prudent Person

ADVS paid \$4,500 a year for five storage units not benefiting the client but a relative of the client.

ADVS agrees with the finding.

Executive Summary

Finding # 11 – Compliance

ADVS did not perform all duties and discharge all obligations according to Arizona law and administrative rules, orders and code.

ADVS did not directly agree or disagree with the finding.

Finding # 12 – Accuracy

Inventory and Appraisements, Annual Accountings and Annual Reports of Guardian were inaccurately prepared and/or documented.

ADVS did not directly agree or disagree with the finding.

Finding # 13 – Infringement

A default judgment occurred when ADVS failed to represent or acknowledge a complaint filed against a conservatee.

ADVS agrees with the finding.

Finding # 14 – Notice

ADVS did not give the courts notice of a client's death as required by the courts.

ADVS agrees with the finding.

FINAL REPORT

Fiduciary Division
Arizona Department of Veterans' Services
Compliance Audit Report

<p><i>Objective</i></p> <p><i>Methodology</i></p>	<p>The compliance audit of the Arizona Department of Veterans' Services Fiduciary was conducted pursuant to the Fiduciary Program's responsibilities as set forth in A.R.S. § 14-5651, Arizona Supreme Court Administrative Order No. 2003-31 and the Arizona Code of Judicial Administration ("ACJA") § 7-201: General Requirements and § 7-202: Fiduciaries¹.</p> <p>The objective of the compliance audit was to determine compliance with applicable statutes, Arizona Supreme Court orders and rules and ACJA § 7-201 and § 7-202.</p> <p>In preparation for the compliance audit, preliminary survey questions were requested and responded to by the Arizona Department of Veterans' Services Fiduciary ("ADVS"). The responses were reviewed and compiled to assist in the development of case file samples. In addition, information was requested from the Superior Court in all Arizona counties to verify court appointment information.</p> <p>In order to test for compliance, the program has developed and currently utilizes a set of fiduciary compliance attributes consisting of Arizona statutes, Arizona Supreme Court rules and ACJA §§ 7-201 and 7-202. Compliance with these requirements was tested by staff interviews, observation and reviewing samples of client case files.</p> <p>A stratified sampling approach was used. The selected samples of court appointed client case files were designed to provide conclusions about the accuracy, validity and timeliness of transactions, internal controls and compliance with the fiduciary attributes utilizing a cross-section of samples of court appointment types. Client case files were selected by type of appointment, length of appointment, type of required client protection and initiation or termination of appointment during the review time frame.</p>
	<p>Beginning April 27, 2009 and prior to beginning the onsite fieldwork, the auditor reviewed the selected client court files from the Superior Court in all Arizona counties and conducted internal controls interviews with ADVS staff.</p>

¹ Arizona Codes of Judicial Administration, General Requirements & Fiduciaries, January 1, 2007

Fiduciary Division
Arizona Department of Veterans' Services
Compliance Audit Report

<p><i>Scope</i></p> <p><i>Summary</i></p>	<p>During the period of April 27, 2009 through May 15, 2009 the Compliance Unit of the Certification and Licensing Division of the Administrative Office of the Courts, Arizona Supreme Court, conducted the onsite compliance portion of the audit of the ADVS office. The onsite compliance audit consists primarily of fiduciary client case file review. The audit also included the fiduciary activities of the principal, certified and uncertified staff. There are 19 ADVS fiduciary office staff members, five (5) of whom are certified fiduciaries.</p> <p>ADVS is the court appointed fiduciary on 280 guardian, conservator, combination guardian/conservator, trusts and personal representative cases as of April 21, 2009. ADVS is appointed by the Federal Veteran's Administration as custodian for five (5) individuals and seven (7) Federal Social Security Representative Payee. ADVS has approximately \$26,753,007 in court appointed client assets under management.</p> <p>The compliance audit team reviewed a selected stratified sample of 15 client case files of court appointments and terminations, focusing on the internal controls, processes, timeliness, accuracy, statutory and ACJA requirements of client case administration.</p> <p>ADVS is available to assist Arizona veterans and their dependents in receiving all their federal and state benefits, and delivers services at the Arizona State Veteran Home located in Phoenix and southern Arizona Veterans Memorial Cemetery in Sierra Vista.</p> <p>The Fiduciary Division of ADVS manages a program that serves as the court appointed guardian or conservator or as the representative payee for incapacitated veterans or the surviving spouses and dependent children of protected veterans pursuant to ARS § 14-5414.</p> <p>ADVS staff extended professional courtesies and cooperation to the audit team during the course of the audit.</p>
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Fiduciary Division
Arizona Department of Veterans' Services
Compliance Audit Report

The compliance audit found non-compliance in 14 key areas. The non-compliance was found in the areas of late filings, accuracy, documentation and inventory. These findings are discussed as follows:

Fiduciary Division
Arizona Department of Veterans' Services
Compliance Audit Report

<p><i>Finding # 1</i></p> <p><u>Certified Staff</u></p> <p><u>Related Attributes:</u></p> <p>ARS §§ 14-5651(A)</p> <p>Arizona Code of Judicial Administration §§ 7-202 (E)(3)(f)(1)(a-q), (F)(8)(a)(b), (J)(2)(i)</p> <p><i>Requirement</i></p>	<p>The Arizona Code of Judicial Administration § 7-202 requires the principal fiduciary to agree that not fewer than one certified fiduciary shall have the assigned primary responsibility for each court appointment as a guardian, conservator or personal representative.</p> <p>Seven (7) positions which have the primary responsibility for court appointments and acting for or on behalf of the business entity are not certified. Staff performing fiduciary tasks, signing court documents, marshalling and securing assets, managing real and personal property, overseeing stocks and checking/savings accounts, securing burial information, securing benefits, contact with physicians and caregivers and assessing client level of care must be certified.</p> <ul style="list-style-type: none"> • The Human Services staff, Accounting, and Assets staff performed many of the above named tasks. <p>All ADVS staff performing fiduciary duties must be certified.</p>
<p><i>Auditee's Response</i></p>	<p>“ADVS Fiduciary respectfully responds to finding #1 as follows:</p> <p>Prior to May 1, 2009, all of ADVS’ court appointments were made pursuant to petitions by ADVS signed by the principal fiduciary or another certified fiduciary.</p> <p>Prior to May 1, 2009, all actions taken for or on behalf of ADVS in performance to appointments were overseen by the principal fiduciary or another certified fiduciary. No required documents have been noted which were not signed by a certified fiduciary.</p> <p>Prior to May 1, 2009, all court filings were reviewed by the principal fiduciary or another certified fiduciary.</p> <p>On January 26, 2009, ADVS hired an assets manager for the Fiduciary Division. The Assets Manager is a certified guardian and an Arizona certified fiduciary.”</p> <hr/> <p><i>AUDITOR’S NOTE: Finding Stands.</i></p> <hr/>

Fiduciary Division
Arizona Department of Veterans' Services
Compliance Audit Report

Corrective Action

“The application of Gregory T. Sulzer, ADVS FID Manager, for fiduciary certification is to be placed before the Fiduciary Board for its consideration on September 10, 2009. Upon his certification as a fiduciary, the ADVS Director will then have the discretion designate either Mr. Sulzer or another certified fiduciary as the ADVS Principal Fiduciary.

ADVS will train non-certified case workers, the FID Accounting Manager, and Fiscal Service Specialists and require them apply for certification as soon as they become eligible.

ADVS agrees, pursuant to ACJA § 7-202, as amended by the *Amendments* to ACJA § 7-202, effective May 1, 2009, from May 1, 2009 forward, that: (i) court appointments and acting for or on behalf of ADVS in such matters will be the primary responsibility of a certified fiduciary or principal fiduciary designated as such by the ADVS Director; (ii) ADVS will have additional ADVS employees train and apply for certification as fiduciaries pursuant to § 7-202(E); and (iii) ADVS support staff and professionals (defined at § 7-202(F)(8)), who are not certified fiduciaries, will be utilized to perform office functions and client services only under the active and direct supervision (defined at § 7-202[A]) of a certified fiduciary or designated principal fiduciary.”

Fiduciary Division
Arizona Department of Veterans' Services
Compliance Audit Report

<p><i>Finding # 2</i></p> <p><u>Late Filings</u></p> <p><u>Related Attributes:</u></p> <p>ARS § 14-5315, ARS § 14-5418(A), ARS § 14-5419</p> <p>Arizona Code of Judicial Administration § 7-202(J)(2)(e)</p> <p><i>Requirement</i></p>	<p>A certified fiduciary must ensure any document filed with the superior court is timely.</p> <ul style="list-style-type: none"> • Client Inventory and Appraisement were filed late – Clients # 1, 3, 6, 8, 9, & 10 • Annual Accountings were filed late – Clients # 1, 7, & 14 • Annual Reports of Guardian were filed late – Clients # 7, 10, & 14 <p>ADVS must submit the inventory and appraisement, annual accountings, guardianship reports, and/or proof of restriction on or before the statutorily required due date or court ordered due date for each client.</p>
<p><i>Auditee's Response</i></p>	<p>“ADVS Fiduciary respectfully responds to finding #2 as follows:</p> <p>ADVS Fiduciary division has completed its own review and “internal audit” of its files concerning the 15 clients whose files were audited by the Fiduciary Board. Discrepancies with and/or clarifications to the Audit Report are noted below:</p> <p>Inventory and Appraisement Client #1 - The initial inventory and appraisement report was filed within 90 days of ADVS’ appointment.</p> <hr/> <p><i>AUDITOR’S NOTE: Example of the finding is dismissed.</i></p> <hr/> <p>Inventory and Appraisement Client #3 and Client #8 – The initial inventory and appraisement reports were not filed late, as they were filed within the filing date extensions granted by the court.</p> <hr/> <p><i>AUDITOR’S NOTE: Example of the finding regarding Clients #3 and #8 are dismissed.</i></p> <hr/> <p>Inventory and Appraisement Client #6 and Client #9 – ADVS agrees the initial inventory and appraisement reports were filed late.</p>

Fiduciary Division
Arizona Department of Veterans' Services
Compliance Audit Report

Inventory and Appraisal Client #10 - ADVS agrees the initial inventory and appraisal report was filed late. The initial inventory and appraisal report was sent to ADVS' attorney of record prior to the court filing date, but the attorney filed the report 5 days late. See tracking system in Corrective Actions immediately below.

Accounting Client #1 - ADVS agrees the Client's accounting report was filed late.

Accounting Client #7 - ADVS agrees the accounting report was filed late. The accounting report was sent to ADVS' attorney of record prior to the court filing date, but the attorney filed the report late.

Accounting Client #14 – ADVS agrees the accounting report was filed late.

Annual Report of Guardian Client #7 – ADVS agrees the accounting report was filed late. The annual report was sent to ADVS' attorney of record prior to the court filing date, but the attorney filed the report late.

Annual Report of Guardian Client #10 – ADVS does not agree this annual report was filed late.

AUDITOR'S NOTE: Example of the finding regarding Client #10 is dismissed.

Annual Report of Guardian Client #14 – ADVS agrees the annual report was filed late.

During March, 2008, FID was preparing and sending guardian reports, accounting reports, and inventory and appraisal reports to counsels-of-record for submission or filing with the court only shortly prior to court due dates. By mid-March 2009, FID changed its procedure to prepare and send such reports to counsels 3 weeks prior to their respective court due dates. Presently, FID is preparing and sending the reports to counsel approximately 45 to 60 days (6 to 8 weeks) prior to their respective court due date.”

AUDITOR'S NOTE: Finding Stands

Fiduciary Division
Arizona Department of Veterans' Services
Compliance Audit Report

Corrective Action

“ADVS will implement a system to: (i) track filing dates for inventories and reports due to the Probate Court, (ii) when the inventories and reports are completed by ADVS for review by ADVS’ attorney-of-record, (iii) when the inventories and records are sent by ADVS to the respective attorney-of-record, and (iv) when the attorney-of-record filed the inventory or report with the Probate Court. ADVS, FID management will train FID personnel in the use of the tracking system and monitor its use.

ADVS agrees the principal fiduciary shall comply with ACJA § 7-202(E)(3)(f) under the § 7-202 May 1, 2009 Version forward.

ADVS agrees that: (i) reports, inventories, and accountings to be submitted or filed with the Superior Court, pursuant to A.R.S. §§ 14-5315(A), 14-5418(A), and 14-5419(A), shall be timely filed, as provided in such sections, and ACJA § 7-202(J)(2)(e) under the § 7-202 January 1, 2007 Version and under the § 7-202 May 1, 2009 Version forward; and (ii) pursuant to ACJA § 7-202(J)(4)(j) under the § 7-202 January 1, 2007 Version and under the § 7-202 May 1, 2009 Version forward, ADVS shall prepare complete, accurate and understandable accountings and inventories. ADVS agrees that ADVS, as conservator: (i) pursuant to A.R.S. § 14-5417, shall act as a fiduciary and observe the standard of care of a prudent person (A.R.S. § 14-10804) and use ADVS’ special skills or expertise (A.R.S. § 14-10806); (ii) pursuant to A.R.S. §§ 14-5424, in acting reasonably to accomplish the purpose of conservatorship appointments, may act to collect, hold and retain assets of the estate to be conserved until disposition should be made; and (iii) pursuant to ACJA § 7-202 January 1, 2007 Version and under the § 7-202 May 1, 2009 Version forward, shall take reasonable steps to marshal and secure the property and income of the protected person’s estate as soon as possible. ADVS agrees, pursuant to ACJA § 7-202 (J)(4)(b) and (j) under the § 7-202 January 1, 2007 Version and under the § 7-202 May 1, 2009 Version forward, that ADVS shall: (i) take reasonable steps to marshal and secure the property and income of the protected person’s estate as soon as possible; and (ii) prepare complete, accurate and understandable accountings and inventories. ADVS does not agree that “proofs of restriction” must be submitted with any report submitted or filed pursuant to A.R.S. §§ 14-5315(A), 14-5418(A), and 14-5419(A), except as ordered by the Superior Court.”

Fiduciary Division
Arizona Department of Veterans' Services
Compliance Audit Report

Finding # 3

Documentation

Related Attributes:

ARS § 14-5418(B)

By Arizona statute a fiduciary must keep suitable records of their administration and exhibit them upon request.

- All documents prior to 2000 are missing – Clients # 1-15
- \$124,000 was not documented in the inventory – Client # 1
- There were no receipts for personal care attendant – Client # 2
- The conservator fee dates were incorrect on the 12th Annual Accounting – Client # 2
- There is no evidence that Arizona Federal Account #XXX7879 was closed – Client # 5
- There is no evidence of a title to the client's boat trailer or Jeep. There are only copies of the state Motor Vehicle Records showing the vehicle was owned by the client – Client # 5
- A City of Phoenix water bill refund was cited in the seventh (7th) Annual Accounting as coming from the City of Mesa and the amount of the refund was incorrect – Client # 6
- Client accounts were delinquent due to late payments of the cable bill, Direct TV bill and water bill – Client # 6
- There was white out on a lien release contract – Client # 7
- There was no appraisal used for sale of vehicle and no bill of sale found in the client's file – Client # 7
- Client's home was sold during the first accounting period but there is no bill of sale for the home in the first accounting – Client # 7
- There are no amended Letters of Appointment reflecting the termination of the guardianship and a new order of conservatorship only – Client # 8
- There are no records for the disposition of assets found in the client's file – Clients # 8 & 9
- The first accounting does not reflect the disposition of assets – Client # 10
- An asset reported in 40th accounting was not reflected in prior accountings; it was marshaled in August 1983 – Client #11
- Accountings 1 through 35, 39, and 41 were not in the client's file – Client # 11
- The first seven (7) accountings were not in the client's file – Client # 13

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<p><i>Requirement</i></p>	<ul style="list-style-type: none"> • ADVS did not have Letters of Appointment reissued to reflect the type of appointment – Client # 14 • There is no physician report in the client file – Client # 14 • The Inventory and Accountings 1-29 were not in the client's file – Client # 14 • There is no proof that the taxes were paid – Client # 15 • Conservator fees in the amount of \$249.57 are refunded in the third accounting with no explanation – Client # 15 • Client's scooter was not reflected on the Annual Accounting – Client # 15 • There is no evidence insurance was purchased for scooter – Client # 15 <p>ADVS must develop a systematic process for marshalling, securing and documenting the administration of a client's estate and/or care to include all assets, transactions, activities and decision-making for each court appointed client.</p>
<p><i>Auditee's Response</i></p>	<p>“ADVS Fiduciary respectfully responds to finding #3 as follows:</p> <p>ADVS Fiduciary division has completed its own review and “internal audit” of its files concerning the 15 clients whose files were audited by the Fiduciary Board. Discrepancies with and/or clarifications to the Audit Report are noted below:</p> <p>Client #1 through #15 – Only 4 audited Client files have records missing. ADVS was appointed to two of these during the 1960's. All pertinent accountings and reports, i.e. annual accountings, annual guardian reports, and inventories are on file with the respective superior court of record. Pre-2000 records were destroyed under the direction of the previous ADVS principal fiduciary. Previous Fiduciary Division administration was acting pursuant to training by the AOC to purge its files.</p> <hr/> <p><i>AUDITOR'S NOTE: Example Stands</i></p> <hr/> <p>Client #1 – ADVS does not agree that \$124,000 is or was missing on this Client's inventory. In examining a copy of the check in question, the check was issued in the amount of \$12,400. The bank statements shows the beginning balance of the account was \$12,915.41, and a check in the amount of \$12,400 was withdrawn</p>

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Compliance Audit Report

from the account. The bank erred in entering the withdrawal amount. On the bank's statement 3 days later, the bank corrected its error, by way of a credit memo, and showed the proper withdrawal amount of \$12,400 (rather than \$124,000).

Client #2 - The Draft Compliance Audit Report does not specify when the personal care was provided. ADVS has not paid for personal care attendance for Client #2 since 2000. ADVS does not agree the conservator fee dates were incorrect on the 12th Annual Accounting.

AUDITOR'S NOTE: Example of personal care stands. Example of detailing accounting dates is dismissed.

Client #5 – ADVS was appointed conservator only on May 11, 2006. On May 24, 2006, ADVS had the account re-titled as a joint account with ADVS. The credit union would not close the account because of a line of credit on the account. The account was closed after the line of credit was closed. The boat trailer and jeep were no longer in the Client's possession prior to ADVS' appointment as conservator.

Client #6 – ADVS request clarification on the issue of the City of Phoenix water bill. This Client lives in the City of Mesa and all water bills are so marked.

AUDITOR'S NOTE: Example Stands

Client #7 – The original copy of lien release is clean and has no "white out" on it. The name of the ward on a photocopy of the lien release is highlighted in green. A Kelly Blue Book estimate of the value of the sold vehicle is in the Client's file. ADVS agrees that a bill of sale for the sale of the vehicle is not in the Client's file; the file contains a photocopy of the cashier's check received by ADVS for the proceeds from the sale. In the Client's file there is a *U. S. Department of Housing and Urban Development Settlement Statement*, dated 11/15/2002 (November 11, 2002), which shows the sale of the Client's real property located in Sierra Vista, Arizona.

AUDITOR'S NOTE: Example Stands

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Client #8 – ADVS was never appointed as guardian of Client #8. ADVS was appointed as guardian of Client #8's spouse. ADVS did not dispose their community assets because the spouse was living in the house and using the other community assets. The accounts of the Client and the Client's spouse were combined and ADVS was authorized to charge and collect fees as the guardian of the Client's spouse.

AUDITOR'S NOTE: Example Stands

Client #9 – The Client's file contains receipts and request for disposal of Client's property disposed. The first annual accounting reflects gains and losses.

Client #10 – This Client had already filed a bankruptcy action at the time ADVS succeeded another fiduciary as custodian of benefits receivable by the Client for the Federal Government. In the 1st accounting, schedule 4 states the decrease of assets from dispositions through the bankruptcy action.

Client #11 – The Department of Economic Security was appointed in 1966. All accountings and reports, i.e. annual accountings and inventories are on file with the superior court of record.

Client #13 – ADVS agrees the first 7 accountings are not in the Client's file.

Client #14 – *A Physician's Statement in Support of Title 14 Guardianship and/or Conservatorship*, in re Client 14, is in the Client's file.

AUDITOR'S NOTE: Example regarding Client #14 is dismissed.

Client #15 – The scooter was used only within the client's nursing home and not on public streets and highways. ADVS has now investigated the issue of insuring electric scooters and has found no such insurance available.”

AUDITOR'S NOTE: Example Stands

AUDITOR'S NOTE: Finding Stands

Fiduciary Division
Arizona Department of Veterans' Services
Compliance Audit Report

Corrective Action

“Client #5 - ADVS has inquired through the Department of Transportation, Motor Vehicle Division to determine if the jeep and the boat trailer are still registered in the name of this Client. From MVD records, the boat trailer remains under the Client’s name but the jeep is not. ADVS will work with MVD to have the Client’s name removed.

Client #15 - ADVS contacted several insurance carriers after the Compliance Audit about insuring the scooter but was told such insurance was not available.

ADVS is preparing a new “Records Retention Procedure”, which will be implemented on or before September 1, 2009.

ADVS, FID holds (and will continue) weekly meetings with its certified fiduciaries and support staff. The meetings address current division issues, and training and review of FID policies and procedures, including established checklists.

ADVS agrees, pursuant to A.R.S. § 14-5418(B), that ADVS, as conservator, shall provide copies of inventories; and shall keep suitable records of conservatorship administration and exhibit the records on the request of any interested person.

ADVS agrees, pursuant to ACJA § 7-202(J)(2)(a) and (c) under the § 7-202 January 1, 2007 Version and under the § 7-202 May 1, 2009 Version forward, that ADVS, as fiduciary shall: (i) manage and protect the personal and monetary interest of the ward or protected person and foster growth, independence and self reliance to the maximum degree; and (ii) vigorously protect the rights of the ward or protected person against infringement by third parties.

ADVS agrees: (i) pursuant to ACJA § 7-202(J)(2)(p) under the § 7-202 January 1, 2007 Version and under the § 7-202 May 1, 2009 Version forward, that ADVS, as fiduciary, shall monitor the care, treatment and services the ward is receiving to ensure their continued appropriateness and shall consent to the changes as they become necessary or advantageous to the ward; and (ii) pursuant to A.R.S. § 14-5315, that ADVS, as guardian, shall submit guardian reports in accordance with 14-5315(C) to document the care provided to wards.

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ADVS agrees, pursuant to ACJA § 7-202(J)(4)(b) under the § 7-202 January 1, 2007 Version and under the § 7-202 May 1, 2009 Version forward, that ADVS, as conservator, shall take reasonable steps to marshal and secure the property and income of the protected person's estate as soon as possible, and provide stewardship of the property for safekeeping, and at a minimum, record pictorially and establish and maintain accurate records of all real and personal property.

ADVS agrees, pursuant to ACJA § 7-202(J)(4)(j) under the § 7-202 January 1, 2007 Version and under the § 7-202 May 1, 2009 Version forward, that ADVS, as conservator, shall prepare complete, accurate and understandable accountings and inventories.”

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<p><i>Finding # 4</i></p> <p><u><i>Inventory</i></u></p> <p><u><i>Related Attributes:</i></u></p> <p><i>ARS § 14-5418 (A)</i> <i>ARS § 14-3706 (A)</i></p> <p><i>Arizona Code of Judicial Administration §§ 7-202 (J)(4)(j) & (J)(5)(h)</i></p> <p><i>Requirement</i></p>	<p>By Arizona statute a fiduciary must list with reasonable detail and indicate the fair market value of the estate as of the date of appointment or date of death for each item listed.</p> <ul style="list-style-type: none"> • Personal property is not listed in detail, appraised, or valued on court documents of clients under conservatorship or court ordered Personal Representative – Clients # 1-15 <p>ADVS must list all tangible belongings of client(s) on a detailed inventory even if it is of nominal value. All belongings are defined as: any tangible possession be it personal property, liquid or non-liquid asset, land, monies, etc. The purpose is to avoid giving erroneous or misleading information to the court and/or interested parties as well as protection for the client, client's family and the fiduciary. ACJA also requires a pictorial record of all real and personal property.</p>
<p><i>Auditee's Response</i></p>	<p>“ADVS Fiduciary respectfully responds to finding #4 as follows:</p> <p>Clients 1-15 - ADVS agrees that it has not previously always documented by detailed written and pictorial inventory all of its clients' belongings as required. ADVS is and will be taking the corrective actions set forth below in order to comply with Arizona statutes and regulations, and to safeguard its client's assets more diligently.”</p>
<p><i>Corrective Action</i></p>	<p>“On January 26, 2009, ADVS hired an assets manager for the Fiduciary Division. The Assets Manager is a certified guardian and an Arizona certified fiduciary. ADVS has also hired a part-time person, who is experienced in asset inventory, to assist the FID Assets Manager in conducting physical inventories and valuation of Client property conserved by ADVS.</p> <p>ADVS agrees, pursuant to A.R.S. § 14-3706(A), that ADVS, within ninety days after appointment as personal representative, shall prepare an inventory of property owned by the decedent at</p>

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the time of his death, listing it with reasonable detail, and indicating as to each listed item, its fair market value as of the date of the decedent's death, its nature as community or separate property and the type and amount of any encumbrance that may exist with reference to any item.

ADVS agrees, pursuant to A.R.S. § 14-5418(C), that ADVS, within ninety days after appointment as conservator, shall prepare and file with the Superior Court an inventory of the estate owned by the protected person on the date of ADVS' appointment as conservator, listing it with reasonable detail and indicating the fair market value as of the date of appointment of each item listed.

ADVS agrees, pursuant to ACJA §§ 7-202(J)(4)(j) and 7-202-(J)(5)(h) under the § 7-202 January 1, 2007 Version and under the § 7-202 May 1, 2009 Version forward, that ADVS: (i) as conservator, shall prepare complete, accurate and understandable accountings and inventories, and (ii) as personal representative, shall prepare complete, accurate and understandable court documents, including, but not limited to, petitions for determination of heirs, inventories, accountings and closing statements.

ADVS agrees, pursuant to ACJA § 7-202(J)(4)(b) under the § 7-202 January 1, 2007 Version and under the § 7-202 May 1, 2009 Version forward, that ADVS, as conservator, shall take reasonable steps to marshal and secure the property and income of the protected person's estate as soon as possible, and provide stewardship of the property for safekeeping, and at a minimum, record pictorially and establish and maintain accurate records of all real and personal property.”

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<p><i>Finding # 5</i></p> <p><u>Securing Assets</u></p> <p><i>Related Attributes:</i></p> <p><i>Arizona Code of Judicial Administration §§ 7-202 (4)(b) & (5)(b)</i></p> <p><i>Requirement</i></p>	<p>A fiduciary must take reasonable steps to marshal and secure the property and income of the protected person's estate as soon as possible.</p> <ul style="list-style-type: none"> • A bank account was not discovered or marshaled until two years after the date of appointment – Client # 2 • Assets, blank check book, are physically in the client's file – Client # 5 • Client's home and belongings were not secured, to include checkbook – Client # 9 • Blank checks linked to a client's credit card account were in the accounting file – Client # 13 <p>ADVS appointed as a conservator must observe the standard of care of a prudent man dealing with the property of another.</p>
<p><i>Auditee's Response</i></p>	<p>“ADVS Fiduciary respectfully responds to finding #5 as follows:</p> <p>As the Board and its auditors are aware, the Guardianship and Conservator Courts and Judges frequently encourage some wards/clients be allowed to maintain some independence by maintaining small money accounts for personal needs.</p> <p>ADVS Fiduciary division has completed its own review and “internal audit” of its files concerning the 15 clients whose files were audited by the Fiduciary Board. Discrepancies with and/or clarifications to the Audit Report are noted below:</p> <p>Client #2 - After appointment this Client set up an account with the Client's personal funds the Client was receiving in another state. The Client intended to buy a car without the knowledge of ADVS. When ADVS discovered the account, ADVS immediately closed the account.</p> <p>Client #5 - ADVS agrees these items were in the Client's file.</p> <p>Client #9 - Receipts in the Client's file show that the Client's property was secured within 17 days of ADVS' appointment.</p>

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	<p>Client #14 - ADVS became the conservator for the Client's estate in June, 1964. ADVS has never allowed Client #14 to have a credit card or checking account."</p>
	<p>AUDITOR'S NOTE: Finding Stands</p>
<p><i>Corrective Action</i></p>	<p>"Client #5 - The blank check book found in the Client's file was destroyed by ADVS on August 19, 2009.</p> <p>ADVS will review all of its Clients' files to determine if such files contain any blank Client checks and if any are found, destroy them.</p> <p>ADVS will destroy all blank Client checks upon ADVS' discovery and taking possession of them.</p> <p>ADVS has hired a part-time person, who is experienced in asset inventory, to assist the FID Assets Manager in conducting physical inventories and valuation of Client property conserved by ADVS.</p> <p>ADVS will collect all financial accounts within 7 days of appointment as conservator and secure real property within 45 days of appointment as conservator. ADVS will monitor vacant Client real property by monthly on-site inspections.</p> <p>AUDITOR'S NOTE: 45 days would not constitute as soon as possible as required by statute.</p> <p>ADVS agrees, pursuant to A.R.S. § 14-5417, that ADVS, as conservator, shall act as a fiduciary and observe the standard of care, that of a prudent person, found at A.R.S. § 14-10804.</p> <p>ADVS agrees, pursuant to ACJA § 7-202(J)(4)(b) under the § 7-202 January 1, 2007 Version and under the § 7-202 May 1, 2009 Version forward, that ADVS, as conservator, shall take reasonable steps to marshal and secure the property and income of the protected person's estate as soon as possible; and provide stewardship of the property for safekeeping, and at a minimum, record pictorially and establish and maintain accurate records of all real and personal property.</p>

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ADVS agrees, pursuant to ACJA § 7-202(J)(5)(b) under the § 7-202 January 1, 2007 Version and under the § 7-202 May 1, 2009 Version forward, that ADVS, as personal representative, shall take reasonable steps to marshal and secure the property and income of the decedent's estate as soon as possible; and provide stewardship of the property for safekeeping, and at a minimum, record pictorially and establish and maintain accurate records of all real and personal property.”

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Finding # 6

Diligence

Related Attributes:

*Arizona Code of Judicial
Administration § 7-202
(J)(4)(5)(d)*

The fiduciary must exercise extreme care and diligence when making medical and financial decisions on behalf of a ward or protected person.

- There were no conformed copies of an Annual Accounting – Client # 1
- A client's bank account accrued \$291.59 of insufficient funds – Client # 1
- ADVS failed to preserve the estate and did not timely terminate the conservatorship or petition for Personal Representative. – Client # 1
- Vehicle insurance was not maintained prior to vehicle being stolen – Client # 1
- ADVS permitted inaccurate pleadings to be filed – Client # 2
- Client's 2007 taxes were not filed to obtain \$300 stimulus money – Client # 2
- A refund for overpayment of conservator fees has not been given to client – Client # 2
- There is no proof that an heir search was performed – Client # 2
- There is no evidence that taxes have been filed or were considered – Client # 4
- A client's tax lien was not reflected in Accounting schedule – Client # 5
- Late payments were made on client's bills – Clients # 5 & 6
- There was no proof that the client's vehicle was jointly titled to reflect ADVS court appointment – Client # 8
- No proof that insurance was purchased or maintained for client's vehicle – Client # 8
- An overpayment of Guardianship fees is owed to the estate and continues to be billed to the client – Client # 8
- Auto insurance and vehicle tags were financially maintained although the ward does not drive – Client # 9
- Client's motor home was not insured – Client # 11
- No evidence of applications for entitlements available to the client was found – Client # 11
- A Chase Bank account was closed 2 years after ADVS appointment – Client # 12
- Clients' bills were delinquent resulting in late fees – Client # 5, 13 & 14

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<i>Requirement</i>	A fiduciary must exercise extreme care and diligence when making medical and financial decisions on behalf of a ward or protected person.
<i>Auditee's Response</i>	<p>“ADVS Fiduciary respectfully responds to finding #6 as follows:</p> <p>ADVS Fiduciary division has completed its own review and “internal audit” of its files concerning the 15 clients whose files were audited by the Fiduciary Board. Discrepancies with and/or clarifications to the Audit Report are noted below:</p> <p>Client #1 - A conformed copy of the biennial accounting, approved March 23, 2004, is in the Client’s file. ADVS requests clarification of the non-sufficient funds (NSF) charges in the amount of \$291.59. The Client’s records show a NSF charge of \$25.00, which was later refunded by the bank. ADVS agrees it did not terminate the estate timely. ADVS did not obtain insurance on the Client’s vehicle because it was stolen prior to ADVS’ appointment. ADVS agrees the vehicle should not have been included on the Client’s inventory.</p> <hr/> <p>AUDITOR’S NOTE: Example regarding conformed copy of biennial accounting is dismissed.</p> <hr/> <p>Client # 2 - ADVS requests clarification of “inaccurate pleadings”. ADVS agrees that the 2007 tax return was not timely filed. ADVS has reviewed fees charged and does not agree that ADVS overcharged this Client. This Client is alive; hence, no heir search has been conducted.</p> <hr/> <p>AUDITOR’S NOTE: Need for heir search example is dismissed.</p> <hr/> <p>Client #4 - ADVS agrees to have tax returns filed for this Client.</p> <p>Client #5 - ADVS paid the tax lien against this Client on November 24, 2006 and on January 4, 2007. The payments are entered on Schedule 12 of the 1st annual accounting. ADVS agrees some payments were untimely.</p> <p>Client #6 - ADVS agrees some payments were untimely.</p>

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Client #8 - ADVS did not jointly title the car. ADVS confirmed that the Vehicle was insured through the Client's trust, for which trust ADVS is not the trustee. ADVS is working with the trustee for the trustee to be appointed as successor-Conservator for this Client, which succession is expected in September, 2009. ADVS does not agree that ADVS has overcharged guardian fees on this Client. ADVS is Guardian of the Client's spouse but not the Client. The joint accounts of the Client and the Client's spouse were combined and ADVS was authorized to charge and collect fees as the guardian of the Client's spouse.

AUDITOR'S NOTE: Example Stands.

Client #9 - ADVS agrees that insurance and tags were maintained on the motor home of this Client. The insurance and tags were needed to sell the motor home, which has now been sold. No insurance or other fees were paid after the sale of the motor home.

AUDITOR'S NOTE: Example Stands.

Client #11 - This Client has been physically disabled since the early 1960s. This Client has never owned a motor home. Therefore, no motor home insurance was needed in this matter. This Client has been receiving all appropriate Client benefits for as long as the Client has been entitled to receive them. ADVS has been conservator (originally known as "guardian of the Client's estate") since 1966. ADVS agrees that this Client's initial applications for entitlements from the 1960s are not in the Client's file.

AUDITOR'S NOTE: Example Stands.

Client #12 - The bank account referred to was re-titled to ADVS and the Client at ADVS' appointment. It was left open for the Client's personal use and benefit to allow for the Client's independence. ADVS closed the account when ADVS determined the Client could no longer manage the account.

AUDITOR'S NOTE: Example Stands.

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	<p>Client # 13 - This Client had several incidents of identity theft and fraud. In reviewing his files, bills that were delinquent were under investigation to verify they were accounts held by our Client before being paid. An investigation was handled by the Mesa Police Department.</p> <hr/> <p>AUDITOR'S NOTE: Example Stands.</p> <hr/> <p>Client #14 - ADVS agrees some payments were untimely.”</p>
<p><i>Corrective Action</i></p>	<p>“On January 26, 2009, ADVS hired an assets manager for the Fiduciary Division. The Assets Manager is a certified guardian and an Arizona certified fiduciary. ADVS has also hired a part-time person, who is experienced in asset inventory, to assist the FID Assets Manager in conducting physical inventories and valuation of Client property conserved by ADVS.</p> <p>ADVS is in the process of reviewing, updating, and rewriting the FID's operating procedures. FID personnel will receive additional training in the FID's existing procedures and training in the succeeding procedures.</p> <p>Court reports, inventories, and other filings will be reviewed by certified fiduciaries prior to filing or submission.</p> <p>ADVS will develop and institute a system for tracking due dates for required Client payments in order to make timely payments. ADVS will appropriately train all staff dealing with Client assets on this tracking system.</p> <p>ADVS agrees, pursuant to ACJA § 7-202(J)(1), that ADVS, as fiduciary, shall exercise extreme care and diligence when making decisions on behalf of a ward or protected person.</p> <p>ADVS agrees, pursuant to ACJA § 7-202(J)(4)(d), that ADVS, as conservator, shall manage the income of the conserved estate with the primary goal of providing for the needs of the protected person, and in certain cases, the needs of the dependents of the protected person for support and maintenance.</p>

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ADVS agrees, pursuant to ACJA § 7-202(J)(5)(d), that ADVS, as personal representative, shall exercise intelligence, prudence and diligence in providing competent management of the property and income of the decedent's estate; and observe the standards of care and duties of accounting applicable to trustees."

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<p><i>Finding # 7</i></p> <p><u><i>Marshalling and Securing Assets</i></u></p> <p><i>Related Attributes:</i></p> <p><i>ARS § 14-5424</i></p> <p><i>Arizona Code of Judicial Administration §§ 7-202 (J)(4)(g) & (J)(5)(b)</i></p> <p><i>Requirement</i></p>	<p>A fiduciary must take reasonable steps to marshal and secure the property and income of the protected person's estate as soon as possible.</p> <ul style="list-style-type: none"> • A client's vehicle was not secured at appointment and the vehicle was stolen as stated in police report one year after appointment – Client # 1 • Client's annuity was not marshaled – Client # 3 • Vehicle and Boat trailer were not secured – Client # 5 • Accounts were not jointly titled with the conservator's name – Clients # 6 & 12 • A credit card consisting of continual internet charges was not closed or jointly titled by fiduciary after appointment – Client # 8 • Client's house and belongings were not marshaled – Client # 9 • Client assets were not titled with the conservator's name – Client # 10 <p>The fiduciary appointed as a personal representative or conservator must observe the standard of care of a prudent man dealing with the property of another and if the fiduciary has special skills or expertise (i.e. certification) he/she is under a duty to exercise prudence, intelligence and diligence.</p>
<p><i>Auditee's Response</i></p>	<p>“ADVS Fiduciary respectfully responds to finding #7 as follows:</p> <p>ADVS Fiduciary division has completed its own review and “internal audit” of its files concerning the 15 clients whose files were audited by the Fiduciary Board. Discrepancies with and/or clarifications to the Audit Report are noted below:</p> <p>Client #1 - To ADVS' knowledge and belief at the time of ADVS' 2001 appointment, the car had been previously stolen. At that time it was the practice of the previous ADVS FID administration to list these items on inventory, out of an abundance of caution, in the event they were later located.</p> <hr/> <p>AUDITOR'S NOTE: Example Stands.</p> <hr/>

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Client #3 - ADVS is the successor-Conservator. This Client does not have a life insurance policy. A life insurance company holds an annuity that is co-titled in the name of the Client and ADVS.

AUDITOR'S NOTE: Example Stands.

Client #5 - This Client either gave away his vehicle and boat trailer, or they were stolen before ADVS' appointment as conservator. ADVS was appointed as the Client's conservator because of the Client's propensity to give away his assets and/or his inability to stop others from taking his assets.

AUDITOR'S NOTE: Example Stands.

Clients #6 - The accounts are titled in the names of ADVS and the Client.

AUDITOR'S NOTE: Example Stands.

Client #8 - The credit card charges were through the trust. ADVS is not the trustee; the Client's daughter is the trustee. ADVS has a copy of the trust accounting in its files.

AUDITOR'S NOTE: Example Dismissed.

Client #9 - ADVS was appointed temporary conservator on February 29, 2008. Receipts in the Client's file show that on March 17, 2008, Bob's Lock and Key was paid for changing the locks. All of this Client's assets have been disposed of.

AUDITOR'S NOTE: Example Stands.

Client #10 - All current assets are titled in ADVS' name. At the time ADVS became successor-custodian (and later conservator) this Client was already in bankruptcy, and had no money. By the time of ADVS' appointment as conservator it was too late for ADVS to withdraw the Client's assets from the bankruptcy action.

AUDITOR'S NOTE: Example Stands.

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	<p>Client #12 - The accounts are titled in the names of ADVS and the Client. With assistance of ADVS' attorney-of-record, ADVS has been able to secure some of Client's funds that had been exploited."</p> <hr/> <p>AUDITOR'S NOTE: Example Stands.</p> <hr/> <p>AUDITOR'S NOTE: Finding Stands</p> <hr/>
<p><i>Corrective Action</i></p>	<p>"ADVS hired an assets manager for the Fiduciary Division. The Assets Manager is a certified guardian and an Arizona certified fiduciary. ADVS has also hired a part-time person, who is experienced in asset inventory, to assist the FID Assets Manager in conducting physical inventories and valuation of Client property conserved by ADVS.</p> <p>ADVS will collect all financial accounts within 7 days of appointment as conservator and secure real property within 45 days of appointment as conservator. ADVS monitors vacant Client real property by monthly on-site inspections.</p> <hr/> <p>AUDITOR'S NOTE: 45 days would not constitute as soon as possible as required by statute.</p> <hr/> <p>ADVS will not place uncollected Client property on inventories.</p> <p>ADVS will identify on inventories that Client property ADVS is unable to collect and conserve, and note the reasons why ADVS has been unable to collect and conserve the identified property.</p> <p>ADVS agrees, pursuant to A.R.S. § 14-5424, that ADVS, as conservator, acting reasonably to accomplish the purpose of its conservatorship appointments, may act to collect, hold and retain assets of the estate to be conserved until disposition should be made.</p> <p>ADVS agrees, pursuant to A.R.S. § 14-5417, that ADVS, as conservator, shall act as a fiduciary and observe the standard of care, that of a prudent person, found at A.R.S. § 14-10804. In</p>

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administering to a conserved estate as a prudent person, ADVS, as conservator, shall exercise reasonable care, skill and caution.

ADVS agrees, pursuant to A.R.S. § 14-10806, applied through A.R.S. § 14-5417, that ADVS, as conservator, shall use those special skills and expertise that ADVS has.

ADVS agrees, pursuant to ACJA § 7-202(J)(4), that ADVS, as conservator, shall exercise intelligence, prudence and diligence in the discharge of its conservatorship duties.

ADVS does not agree that A.R.S. §§ 14-5417, 14-5418, 14-10804, and 14-10806, separately or together, expressly impose a duty to exercise prudence, intelligence and diligence.”

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<p><i>Finding # 8</i></p> <p><u><i>Conflict of Interest or Self-Dealing</i></u></p> <p><u><i>Related Attributes:</i></u></p> <p><i>Arizona Code of Judicial Administration § 7-202 (2)(b)</i></p> <p><i>Requirement</i></p>	<p>By code the fiduciary must avoid self-dealing or the appearance of a conflict of interest.</p> <ul style="list-style-type: none"> • Second Hand Rose gathered, valued, and sold all belongings in the home. No personal items were listed on the Inventory and no appraisals, values or bids were obtained – Client # 15 <p>ADVS must avoid self-dealing and the appearance of a conflict of interest. Self-dealing or conflict of interest arises where the fiduciary has some personal or agency interest other individuals may perceive as self-serving or adverse to the position or best interest of the protected person.</p>
<p><i>Auditee's Response</i></p>	<p>“ADVS Fiduciary respectfully responds to finding #8 as follows:</p> <p>ADVS Fiduciary division has completed its own review and “internal audit” of its files concerning Client #15, whose file was audited by the Fiduciary Board. Discrepancies with and/or clarifications to the Audit Report are noted below:</p> <p>Client #15 - ADVS met with the Client and Second Hand Rose at the Client’s home. The Client’s personal items were inventoried by ADVS; the majority of the items were moved to storage at the Client’s request and were not sold. ADVS agrees that the personal items were not appraised. Please see <i>Auditee’s Response</i> to Finding #10 below.</p> <p>ADVS does not agree that ADVS self-dealt, caused conflict in the Client’s or ADVS’ interests, or gave the appearance of conflicts with the Client’s or ADVS’ interests in this or any other matter.”</p> <hr/> <p>AUDITOR’S NOTE: Finding Stands</p> <hr/>

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Corrective Action

“ADVS has hired an assets manager for the Fiduciary Division. The Assets Manager is a certified guardian and an Arizona certified fiduciary.

ADVS has hired a part-time person, who is experienced in asset inventory, to assist the FID Assets Manager in conducting physical inventories and valuation of Clients' property conserved by ADVS.

ADVS is expanding, and will continue to expand, its pool of independent contractors to be used for the disposition of Client property.

ADVS agrees, pursuant to ACJA § 7-202(J)(2)(b), that ADVS, as fiduciary, shall avoid self-dealing **or** the appearance of a conflict of interest.

ADVS agrees, pursuant to ACJA § 7-202(J)(4) and its subsection (g), that ADVS, as conservator, shall: (i) avoid self-interest in the discharge of its conservatorship duties; and (ii) have no self-interest in the management of the conserved estate and shall exercise caution to avoid even the appearance of self-interest in the management of the conserved estate.”

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	<p>the trustee for the trustee to become appointed as successor-Conservator for this Client, which is expected to occur in September, 2009.”</p> <hr/> <p>AUDITOR’S NOTE: Finding Stands</p> <hr/>
<p><i>Corrective Action</i></p>	<p>“ADVS will file supplementary inventories or appraisements and amended valuations and inventories as prescribed under applicable law.</p> <p>ADVS agrees, pursuant to A.R.S. § 14-3708, that ADVS, as personal representative, shall file supplementary inventories or appraisements as required in § 14-3708.</p> <p>ADVS agrees, pursuant to A.R.S. § 14-5418, that ADVS, as conservator, shall file inventories of conserved estates as required in § 14-5418.</p> <p>ADVS agrees that ADVS, as conservator, from January 1, 2009, will file conservatorship inventories pursuant to Ariz.R.Prob.P. R30.”</p>

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<p><i>Finding # 10</i></p> <p><i><u>Prudent Person</u></i></p> <p><i><u>Related Attributes:</u></i></p> <p><i>Arizona Code of Judicial Administration § 7-202 (1)(a)(b)(d)</i></p> <p><i>Requirement</i></p>	<p>A fiduciary shall make decisions in the best interest of the ward.</p> <ul style="list-style-type: none"> • Five storage units have been paid for by the client's estate at \$4,500 a year for a relative's benefit – Client # 15 <p>Diligence equates to the competent management of the property and income of a client's estate.</p>
<p><i>Auditee's Response</i></p>	<p>“ADVS Fiduciary respectfully responds to finding #10 as follows:</p> <p>ADVS Fiduciary division has completed its own review and “internal audit” of its files concerning Client #15, whose file was audited by the Fiduciary Board. Discrepancies with and/or clarifications to the Audit Report are noted below:</p> <p>Client 15 - At this Client's request, ADVS stored the Client's personal items for the Client's daughter, who lived out of state. The storage did not interfere with his care or maintenance. ADVS agrees that ADVS should have diligently transferred the Client's items to the daughter sooner.</p> <p>ADVS does not agree that A.R.S. § 14-7662 applies to any fiduciary appointment of ADVS. Section 14-7662 is under A.R.S. Title 14, Chapter 7 <u>Trust Administration</u>, Article 7 <u>Arizona Uniform Transfers to Minors Act</u> (§§ 14-7651 through 14-7671). Article 7 applies to transfers of property under the Arizona Uniform Transfers to Minors Act.”</p> <hr/> <p>AUDITOR'S NOTE: Finding Stands. Statutory reference has been removed.</p>

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Corrective Action

“During the FID’s mandatory meetings ADVS will review the storage sheds in which Client property is stored and the need for storage. In addition the ADVS, FID asset team will visit all remaining storage sheds within 180 days of the conclusion of this audit.

ADVS agrees, pursuant to ACJA § 7-202(J)(1)(a), (b), and (c), that ADVS, as fiduciary, shall: (i) make all reasonable efforts to determine the preferences of the ward or protected person, both past and current, regarding all decisions ADVS, as fiduciary, is empowered to make; (ii) make decisions in accordance with the determined preferences of the ward or, past or current, in all instances except when ADVS, as fiduciary, is reasonably certain the decision will result in substantial harm to the ward or protected person; and (iii) maintain an awareness of ADVS’ limitations, shall carefully consider the views and opinions involved in the treatment, care and management of the ward, protected person, or estate and shall seek independent opinions when necessary.

ADVS agrees, pursuant to ACJA § 7-202(J)(1), that ADVS, as fiduciary, shall exercise extreme care and diligence when making decisions on behalf of a ward or protected person.

ADVS agrees, pursuant to ACJA § 7-202(J)(4), that ADVS, as conservator, shall exercise intelligence, prudence and diligence in the discharge of its conservatorship duties.”

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<p><i>Finding # 11</i></p> <p><u>Compliance</u></p> <p><u>Related Attributes:</u></p> <p><i>Arizona Code of Judicial Administration §§ 7-202 (J)(2)(f) & (J)(7)</i></p> <p><i>Supreme Court Rule 127</i></p> <p><i>Requirement</i></p>	<p>A fiduciary must perform all duties and discharge all obligations according to Arizona law and administrative rules, orders & code.</p> <ul style="list-style-type: none"> • A first and Final Accounting was not filed as ordered by the court – Client # 1 • The court was not notified of client’s death – Client # 1 • There was non-compliance with court orders to distribute the estate – Client # 1 • An Estate Management Plan was not filed as ordered by the court – Client # 4 • There was a court order stating the first accounting be filed by 12/31/08, it was filed on 1/14/09 – Client # 4 • The bank account remains titled with client’s daughter as POD (Paid on Death) – Client # 12 • An Annual Guardian Report was not filed – Client # 12 <p>Diligence equates to the competent management of the property and income of a client’s estate.</p>
<p><i>Auditee's Response</i></p>	<p>“ADVS Fiduciary respectfully responds to finding #11 as follows:</p> <p>ADVS Fiduciary division has completed its own review and “internal audit” of its files concerning the Clients 1, 4 & 12, whose files were audited by the Fiduciary Board. Discrepancies with and/or clarifications to the Audit Report are noted below:</p> <p>Client #1 - ADVS agrees with Finding #11 in regard to this Client.</p> <p>Client #4 - By Maricopa County Superior Court local rule, ADVS was exempt from filing estate management plans. ADVS does not agree that the court of record ordered ADVS to file an estate management plan in the matter. ADVS agrees it filed the Client’s first accounting 14 days late.</p> <hr/> <p>AUDITOR’S NOTE: Example Stands.</p> <hr/> <p>Client #12 - (1) ADVS agrees that the beneficiary of the Payable on Death (POD) account is the Client’s daughter. ADVS has acted properly in the matter of this POD account. The POD account was set up, with the assistance of ADVS’ attorney-of-record, as part of the Client’s estate planning. (2) ADVS was appointed conservator</p>

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	<p>on March 6, 2006, and was appointed guardian on February 5, 2008. The principal fiduciary signed an annual guardian report on April 8, 2009, but was not filed with the Probate Court until June 16, 2009.”</p> <hr/> <p>AUDITOR’S NOTE: <i>Part one of the above example of the finding is dismissed.</i></p>
<p><i>Corrective Action</i></p>	<p>“ADVS will implement a system to: (i) track filing dates for inventories and reports due to the Probate Court, (ii) when the inventories and reports are completed by ADVS for review by ADVS’ attorney-of-record, (iii) when the inventories and records are sent by ADVS to the respective attorney-of record, and (iv) when the attorney-of-record filed the inventory or report with the Probate Court. ADVS, FID management will train FID personnel in the use of the tracking system and monitor its use.</p> <p>ADVS is working to improve its in-house logs and have increased training of its staff members. ADVS Logs will be reviewed weekly by the accounting manager, asset manager and human service manager. These logs and training will be utilized to help ADVS’ compliance with court orders and rules.</p> <p>ADVS has established a record retention procedure, which will be put into effect and implemented on or before September 1, 2009.</p> <p>ADVS agrees, pursuant to ACJA § 7-202(J)(1), that ADVS, as conservator, in investing the estate, and in selecting assets of the estate for distribution under A.R.S. § 14-5425(A), in utilizing powers of revocation or withdrawal available for the support of the protected person, and exercisable by ADVS, as conservator, or the court, ADVS, as conservator, and the court shall take into account any known estate plan of the protected person known to them, including the will, any revocable trust of which the person is settlor, and any contract, transfer or joint ownership arrangement originated by the protected person with provisions for payment or transfer of benefits or interests at the person's death to another or other persons. ADVS, as conservator, may examine the will of the protected person.</p>

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ADVS agrees, pursuant to ACJA § 7-202(J)(1), that ADVS, as fiduciary, shall exercise extreme care and diligence when making decisions on behalf of a ward or protected person.

ADVS agrees, pursuant to ACJA § 7-202(J)(4), that ADVS, as conservator, shall exercise intelligence, prudence and diligence in the discharge of its conservatorship duties.

ADVS agrees, pursuant to ACJA § 7-202(J)(2)(f), that ADVS, as fiduciary, shall inform the superior court within ten days of the change of location or death of a client or ward. ADVS does not agree that ADVS knowingly filed any document with the superior court which is misleading, inaccurate, false, or contains misstatements, misrepresentations or omissions of material facts.

ADVS agrees, pursuant to ACJA § 7-202(J)(7), that ADVS, as fiduciary, shall perform all duties and discharge all obligations in accordance with current Arizona law and the administrative rules, court orders, administrative orders, ACJA § 7-201 and this ACJA § 7-202 adopted by the supreme court governing the certification of fiduciaries. Further, ADVS agrees that such performance shall be reasonable under the given circumstances in accordance with law so applicable. ADVS does not agree performance of all duties and discharge of all obligations were not reasonable and not in accordance with applicable law.

ADVS agrees, pursuant to Rule 127, Rules of the Supreme Court of Arizona, that ADVS, as guardian or conservator appointed pursuant to A.R.S. Title 14, Chapter 5, shall provide written notice to the court disclosing the death of a minor or adult ward or protected person within ten days after learning of the ward or protected person's death.

ADVS agrees, pursuant to ACJA § 7-202(J)(2)(f), that ADVS, as fiduciary, shall inform the superior court within ten days of the change of location or death of a client or ward.”

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Finding # 12

Accuracy

Related Attributes:

Arizona Code of Judicial Administration §§ 7-202 (4)(i) & (5)(h)

Required court documents are not accurate.

- The client's vehicle was stolen and no longer an asset, however it was listed on inventory – Client # 1
- Client Accounting summaries do not agree to supporting Accounting schedules – Client # 1 & 13
- An invoice was stamped paid but a double payment was made – Client # 2
- Client's Annual Accountings do not reflect gains or loss of investments – Client # 2
- The Inventory and First Accounting do not balance – Client # 3
- The ending balance of the First Accounting does not agree with the beginning balance of the Second Accounting – Client # 5
- There is no personal property listed on the client's Annual Accountings – Client # 6
- The Inventory includes a house that is actually part of client's trust – Client # 8
- Client's bankruptcy was not listed on the First Accounting – Client # 10
- The total deficiency owed on the client's vehicle is misstated on the Accounting. It was reported as \$15,000 but a letter of deficiency states \$17,633.67 – Client # 10
- The Annual Report of Guardian states more visits were made by the Guardian than records indicate – Client # 11
- An invoice requesting \$347.04 was paid in the amount of \$374.04 – Client # 13
- CATTS, personal attendant company, invoice was not reflected in the 36th Annual Accounting – Client # 14
- The first 4 months of appointment are missing from the first Annual Report of Guardian – Client # 14
- A Wells Fargo cashier check's value is different from the value listed on the Inventory – Client # 15
- Client's life insurance value is not listed at face value on inventory – Client # 15

Requirement

Diligence equates to the competent management of the property and income of a client's estate.

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Auditee's Response

“ADVS Fiduciary respectfully responds to finding #12 as follows:

ADVS Fiduciary division has completed its own review and “internal audit” of its files concerning the 15 clients whose files were audited by the Fiduciary Board. Discrepancies with and/or clarifications to the Audit Report are noted below:

Client #1 - To ADVS’ knowledge and belief, the car had already been stolen at the time of ADVS’ appointment. At that time it was the practice of the previous FID administration to list these items on inventory in the event they were located later. ADVS does not agree that accounting schedules do not agree from one Annual Accounting to the next accounting; ADVS filed only one accounting for this Client.

Client #2 - ADVS does not agree that ADVS made a double payment. ADVS stamped the bill twice but ADVS paid the bill only once. The bank records confirm only one payment. This Client has one investment account. An explanation of the investment account is found in the ADVS’ notes to the annual accountings filed in Superior Court.

AUDITOR’S NOTE: Example Dismissed

Client #3 - ADVS agrees with the finding in regard to this Client. This error has already been corrected. The corrected reports were approved by the Superior Court on July 30, 2009.

Client #5 - ADVS agrees with the finding in regard to this Client. Even though the court approved these accountings, ADVS will make the correction and reflect the correction on the next annual accounting.

Client #6 - ADVS agrees the Client’s personal property should be listed in annual accountings.

Client #8 – ADVS is not the trustee of the Client’s trust. Documents were presented in superior court, which were in conflict over whether the Client’s house was included the trust or would be under the Conservator. ADVS included the house in the inventory out of an abundance of caution. ADVS is working with

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	<p>the trustee for the trustee to become appointed as successor-Conservator for this Client, which is expected to occur at the hearing set for September 14, 2009.</p> <hr/> <p>AUDITOR'S NOTE: Example Stands</p> <p>Client #10 - ADVS does not agree the Client's bankruptcy was not included in the first accounting. The notes in the first accounting specially address the bankruptcy and the settlement. In the accounting filed by ADVS in 2004, the amount of the judgment was stated at "approximately \$15,000" and the charge actually was \$2,633.67 greater.</p> <p>Client #13 - ADVS requests the auditor's clarification as to which accounting is referred to the Compliance Audit. ADVS was appointed in March 1983. At the court's direction, ADVS has allowed this Client to invest some of his own money. ADVS keeps copies of these investments in the Client's files, but ADVS is not accountable for this money. ADVS agrees that it inadvertently transposed the numbers in recording the amount from \$347 to \$374. ADVS will contact the provider to have these funds returned.</p> <p>Client #14 - ADVS does not agree; ADVS did not pay CATTs for services for this Client during the 36th annual accounting period. ADVS agrees the first 4 months of the appointment are missing from the first annual report of guardian (ARG).</p> <hr/> <p>AUDITOR'S NOTE: Example Dismissed. The 36th accounting was inaccurately stated, it was the 35th accounting that this error was made.</p> <p>Client #15 - The life insurance value on the inventory was corrected May 8, 2006. The "face value" of the life insurance was inadvertently put on the first annual accounting and the "cash value" was correctly shown on the second annual accounting."</p>
<p><i>Corrective Action</i></p>	<p>"ADVS, FID is in the process of rewriting its existing operating procedures. In addition, ADVS is holding mandatory meetings to train FID personnel in the use of existing FID procedures and complying with court mandates.</p>

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On January 26, 2009, ADVS hired an assets manager for the Fiduciary Division. The Assets Manager is a certified guardian and an Arizona certified fiduciary. ADVS has hired a part-time person, who is experienced in asset inventory, to assist the FID Assets Manager in conducting physical inventories and valuation of Clients property conserved by ADVS.

ADVS will verify dates on ARGs prior to filing.

ADVS agrees, pursuant to ACJA § 7-202(J)(4)(i), that ADVS, as fiduciary, shall ensure all fees and services incurred for the protected person by ADVS, as fiduciary, including compensation for the services of ADVS, as conservator, are reasonable in amount and necessarily incurred for the welfare of the protected person.

ADVS does not agree that Finding #12 presents any instance where or when ADVS, as conservator, knowingly incurred fees and services for clients that were not reasonable in amount and not necessary for the welfare of any client.

ADVS agrees, pursuant to ACJA § 7-202(J)(5)(h), that ADVS, as personal representative, shall prepare complete, accurate and understandable court documents, including, but not limited to, petitions for determination of heirs, inventories, accountings and closing statements.”

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<p><i>Finding # 13</i></p> <p><i><u>Infringement</u></i></p> <p><i><u>Related Attributes:</u></i></p> <p><i>Arizona Code of Judicial Administration § 7-202(J) (2)(c)</i></p> <p><i>Requirement</i></p>	<p>A fiduciary must protect the right of the ward or protected person against infringement by third parties.</p> <ul style="list-style-type: none"> • A default judgment occurred when the fiduciary failed to represent or acknowledge a complaint filed against the conservatee – Client # 12 <p>Diligence equates to the competent management of the property and income of a client's estate.</p>
<p><i>Auditee's Response</i></p>	<p>“ADVS Fiduciary respectfully responds to finding #13 as follows: Client #12 - ADVS agrees with Finding #13.”</p>
<p><i>Corrective Action</i></p>	<p>“ADVS had and has existing procedures that, if followed in this instance, would have prevented entry the default (but unknown as to any ultimate judgment on the owed debt). ADVS is holding mandatory meetings to train FID personnel in the use of existing FID procedures and court dates.</p> <p>ADVS agrees, pursuant to ACJA § 7-202(J)(5)(h), that ADVS, as fiduciary, shall vigorously protect the rights of the ward or protected person against infringement by third parties.”</p>

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<p><i>Finding # 14</i></p> <p><u>Notice</u></p> <p><u>Related Attributes:</u></p> <p><i>Supreme Court Rule 127</i></p> <p><i>Arizona Code of Judicial Administration § 7-202 (J)(2)(f)</i></p> <p><i>Requirement</i></p>	<p>By Arizona statute a fiduciary must notice the courts within 10 days of learning of a ward's death.</p> <ul style="list-style-type: none"> • A notice of death was not given to courts for 15 months – Client # 1 <p>ADVS is required to notify the court within 10 days of a ward's death.</p>
<p><i>Auditee's Response</i></p>	<p>“ADVS Fiduciary respectfully responds to finding #14 as follows:</p> <p>ADVS Fiduciary division has completed its own review and “internal audit” of its files concerning client #1 whose file was audited by the Fiduciary Board. Discrepancies with and/or clarifications to the Audit Report are noted below:</p> <p>ADVS agrees with Finding #14. This Client died in 2001. It appears to the present FID management that some of the documents for this Client are missing. All of the primary workers involved in this matter are no longer employed by ADVS.”</p>
<p><i>Corrective Action</i></p>	<p>“ADVS will notify the court of record of a ward's or protected person's death or change of location within 10 days of occurrence.</p> <p>ADVS agrees, pursuant to Rule 127, Rules of the Supreme Court of Arizona, that ADVS, as guardian or conservator appointed pursuant to A.R.S. Title 14, Chapter 5, shall provide written notice to the court disclosing the death of a minor or adult ward or protected person within ten days after learning of the ward or protected person's death.</p> <p>ADVS agrees, pursuant to ACJA § 7-202(J)(2)(f), that ADVS, as fiduciary, shall inform the superior court within ten days of the change of location or death of a client or ward.”</p>

APPENDIX A

RESPONSE TO REPORT

JANICE K. BREWER
Governor



JOEY STRICKLAND
Director

**ARIZONA DEPARTMENT OF VETERANS' SERVICES
FIDUCIARY DIVISION**

3839 N. Third Street, Suite 100 - Phoenix, Arizona 85012 - 2068
Telephone: (602) 248-1554 Fax: (602) 248-1557
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August 24, 2009

Arizona Supreme Court
Administrative Office of the Courts
Certification and Licensing Division
1501 West Washington Street
Phoenix, Arizona 85007-3231
Attention: Kitty Boots, Compliance Unit Manager

Re: **ADVS' Response to the Draft Compliance Audit Report, August 21, 2009
Corrected August 24, 2009**

Reference: Draft Compliance Audit Report, July, 2009

Dear Ms. Boots:

Please find enclosed the original copy of the **corrected response** of the Arizona Department of Veterans' Services (ADVS), dated **August 24, 2009**, to the above-referenced Draft Compliance Audit Report. The corrected response is submitted in replacement of that response filed by ADVS with the Certification and Licensing Division on August 21, 2009.

Unintentionally omitted from the original August 21, 2009 filing, but included in the enclosed corrected response, were (i) the *Auditee's Response* and the *Corrective Action* to Finding #3, and (ii) the *Finding and Requirement* to Finding #4. No changes were made to the originally intended Auditee's Response and Corrective Action to Finding #3, and all else remains the same as filed on August 21, 2009.

Sincerely,

A handwritten signature in black ink, appearing to read "Gary Warner".

Gary Warner
ADVS Principal Fiduciary

Copies to: Director, ADVS
Michael R. Perry, Esq.

HAND DELIVERED

AUG 24 2009

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Objective

The compliance audit of the Arizona Department of Veterans' Services Fiduciary was conducted pursuant to the Fiduciary Program's responsibilities as set forth in A.R.S. § 14-5651, Arizona Supreme Court Administrative Order No. 2003-31 and the Arizona Code of Judicial Administration ("ACJA") § 7-201: General Requirements and § 7-202: Fiduciaries¹.

The objective of the compliance audit was to determine compliance with applicable statutes, Arizona Supreme Court orders and rules and ACJA § 7-201 and § 7-202.

Methodology

In preparation for the compliance audit, preliminary survey questions were requested and responded to by the Arizona Department of Veterans' Services Fiduciary ("ADVS"). The responses were reviewed and compiled to assist in the development of case file samples. In addition, information was requested from the Superior Courts in all Arizona counties to verify court appointment information.

In order to test for compliance, the program has developed and currently utilizes a set of fiduciary compliance attributes consisting of Arizona statutes, Arizona Supreme Court rules and ACJA §§ 7-201 and 7-202. Compliance with these requirements was tested by staff interviews, observation and reviewing samples of client case files.

A stratified sampling approach was used. The selected samples of court appointed client case files were designed to provide conclusions about the accuracy, validity and timeliness of transactions, internal controls and compliance with the fiduciary attributes utilizing a cross-section of samples of court appointment types. Client case files were selected by type of appointment, length of appointment, type of required client protection and initiation or termination of appointment during the review time frame.

Beginning April 27, 2009 and prior to beginning the onsite fieldwork, the auditor reviewed the selected client court files

¹ Arizona Codes of Judicial Administration, General Requirements & Fiduciaries, January 1, 2007

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from the Superior Courts in all Arizona counties and conducted internal controls interviews with ADVS staff.

During the period of April 27, 2009 through May 15, 2009 the Compliance Unit of the Certification and Licensing Division of the Administrative Office of the Courts, Arizona Supreme Court, conducted the onsite compliance portion of the audit of the ADVS office. The onsite compliance audit consists primarily of fiduciary client case file review. The audit also included the fiduciary activities of the principal, certified and uncertified staff. There are 19 ADVS Fiduciary office staff members, five (5) of whom are certified fiduciaries.

Scope

ADVS is the court appointed fiduciary on 280 guardian, conservator, combination guardian/conservator, trusts and personal representative cases as of April 21, 2009. ADVS is appointed by the Federal Veteran's Administration as custodian for five (5) individuals and seven (7) Federal Social Security Representative Payee. ADVS has approximately \$26,753,007 in court appointed client assets under management.

The compliance audit team reviewed a selected stratified sample of 15 client case files of court appointments and terminations, focusing on the internal controls, processes, timeliness, accuracy, statutory and ACJA requirements of client case administration.

Summary

ADVS is available to assist Arizona veterans and their dependents in receiving all their federal and state benefits, and delivers services at the Arizona State Veteran Home located in Phoenix and southern Arizona Veterans Memorial Cemetery in Sierra Vista.

The Fiduciary Division of ADVS manages a program that serves as the court appointed guardian or conservator or as the Representative Payee for incapacitated veterans or the surviving spouses and dependent children of protected veterans pursuant to ARS § 14-5414.

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<p><i>Finding # 1</i></p> <p><u>Certified Staff</u></p> <p><u>Related Attributes:</u></p> <p><i>ARS §§ 14-5651(A)</i></p> <p><i>Arizona Code of Judicial Administration §§ 7-202 (E)(3)(f)(1)(a-q), (F)(8)(a)(b), (J)(2)(i)</i></p>	<p>The Arizona Code of Judicial Administration § 7-202 requires the principal fiduciary to agree that not fewer than one certified fiduciary shall have the assigned primary responsibility for each court appointment as a guardian, conservator or personal representative.</p> <p>Seven (7) positions which have the primary responsibility for court appointments and acting for or on behalf of the business entity are not certified. Staff performing fiduciary tasks, signing court documents, marshalling and securing assets, managing real and personal property, overseeing stocks and checking/savings accounts, securing burial information, securing benefits, contact with physicians and caregivers and assessing client level of care must be certified.</p> <ul style="list-style-type: none"> • The Human Services staff, Accounting, and Assets staff performed many of the above named tasks. <p>All ADVS staff performing fiduciary duties must be certified.</p>
<p><i>Auditee's Response</i></p>	<p>ADVS Fiduciary respectfully responds to finding #1 as follows:</p> <p>Prior to May 1, 2009, all of ADVS' court appointments were made pursuant to petitions by ADVS signed by the principal fiduciary or another certified fiduciary.</p> <p>Prior to May 1, 2009, all actions taken for or on behalf of ADVS in performance to appointments were overseen by the principal fiduciary or another certified fiduciary. No required documents have been noted which were not signed by a certified fiduciary.</p> <p>Prior to May 1, 2009, all court filings were reviewed by the principal fiduciary or another certified fiduciary.</p> <p>On January 26, 2009, ADVS hired an assets manager for the Fiduciary Division. The Assets Manager is a certified guardian and an Arizona certified fiduciary.</p>

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<p><i>Corrective Action</i></p>	<p>The application of Gregory T. Sulzer, ADVS FID Manager, for fiduciary certification is to be placed before the Fiduciary Board for its consideration on September 10, 2009. Upon his certification as a fiduciary, the ADVS Director will then have the discretion designate either Mr. Sulzer or another certified fiduciary as the ADVS Principal Fiduciary.</p> <p>ADVS will train non-certified case workers, the FID Accounting Manager, and Fiscal Service Specialists and require them apply for certification as soon as they become eligible.</p> <p>ADVS agrees, pursuant to ACJA § 7-202, as amended by the <i>Amendments to ACJA § 7-202</i>, effective May 1, 2009, from May 1, 2009 forward, that: (i) court appointments and acting for or on behalf of ADVS in such matters will be the primary responsibility of a certified fiduciary or principal fiduciary designated as such by the ADVS Director; (ii) ADVS will have additional ADVS employees train and apply for certification as fiduciaries pursuant to § 7-202(E); and (iii) ADVS support staff and professionals (defined at § 7-202(F)(8)), who are not certified fiduciaries, will be utilized to perform office functions and client services only under the active and direct supervision (defined at § 7-202[A]) of a certified fiduciary or designated principal fiduciary.</p>
<p><i>Finding # 2</i></p> <p><u>Late Filings</u></p> <p><i>Related Attributes:</i></p> <p><i>ARS § 14-5315,</i> <i>ARS § 14-5418(A),</i> <i>ARS § 14-5419</i></p> <p><i>Arizona Code of Judicial Administration</i> § 7-202(J)(2)(e)</p> <p><i>Requirement</i></p>	<p>A certified fiduciary must ensure any document filed with the superior court is timely.</p> <ul style="list-style-type: none"> • Client Inventory and Appraisalment were filed late. – Clients # 1, 3, 6, 8, 9, & 10 • Annual Accountings were filed late. – Clients # 1, 7, & 14 • Annual Reports of Guardian were filed late. – Clients # 7, 10, & 14 <p>ADVS must submit the inventory and appraisalment, annual accountings, guardianship reports, and/or proof of restriction on or before the statutorily required due date or court ordered due date for each client.</p>

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Auditee's Response

ADVS Fiduciary respectfully responds to finding #2 as follows:

ADVS Fiduciary division has completed its own review and "internal audit" of its files concerning the 15 clients whose files were audited by the Fiduciary Board. Discrepancies with and/or clarifications to the Audit Report are noted below:

Inventory and Appraisal Client #1 - The initial inventory and appraisal report was filed within 90 days of ADVS' appointment.

Inventory and Appraisal Client #3 and Client #8 - The initial inventory and appraisal reports were not filed late, as they were filed within the filing date extensions granted by the court.

Inventory and Appraisal Client #6 and Client #9 - ADVS agrees the initial inventory and appraisal reports were filed late.

Inventory and Appraisal Client #10 - ADVS agrees the initial inventory and appraisal report was filed late. The initial inventory and appraisal report was sent to ADVS' attorney of record prior to the court filing date, but the attorney filed the report 5 days late. See tracking system in Corrective Actions immediately below.

Accounting Client #1 - ADVS agrees the Client's accounting report was filed late.

Accounting Client #7 - ADVS agrees the accounting report was filed late. The accounting report was sent to ADVS' attorney of record prior to the court filing date, but the attorney filed the report late.

Accounting Client #14 - ADVS agrees the accounting report was filed late.

Annual Report of Guardian Client #7 - ADVS agrees the accounting report was filed late. The annual report was sent to ADVS' attorney of record prior to the court filing date, but the attorney filed the report late.

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	<p>Annual Report of Guardian Client #10 - ADVS does not agree this annual report was filed late.</p> <p>Annual Report of Guardian Client #14 - ADVS agrees the annual report was filed late.</p> <p>During March, 2008, FID was preparing and sending guardian reports, accounting reports, and inventory and appraisal reports to counsels-of-record for submission or filing with the court only shortly prior to court due dates. By mid-March 2009, FID changed its procedures to prepare and send such reports to counsels 3 weeks prior to their respective court due dates. Presently, FID is preparing and sending the reports to counsel approximately 45 to 60 days (6 to 8 weeks) <u>prior</u> to their respective court due date.</p>
<p><i>Corrective Action</i></p>	<p>ADVS will implement a system to: (i) track filing dates for inventories and reports due to the Probate Court, (ii) when the inventories and reports are completed by ADVS for review by ADVS' attorney-of-record, (iii) when the inventories and records are sent by ADVS to the respective attorney-of record, and (iv) when the attorney-of-record filed the inventory or report with the Probate Court. ADVS, FID management will train FID personnel in the use of the tracking system and monitor its use.</p> <p>ADVS agrees the principal fiduciary shall comply with ACJA § 7-202(E)(3)(f) under the § 7-202 May 1, 2009 Version forward.</p> <p>ADVS agrees that: (i) reports, inventories, and accountings to be submitted or filed with the Superior Court, pursuant to A.R.S. §§ 14-5315(A), 14-5418(A), and 14-5419(A), shall be timely filed, as provided in such sections, and ACJA § 7-202(J)(2)(e) under the § 7-202 January 1, 2007 Version and under the § 7-202 May 1, 2009 Version forward; and (ii) pursuant to ACJA § 7-202(J)(4)(j) under the § 7-202 January 1, 2007 Version and under the § 7-202 May 1, 2009 Version forward, ADVS shall prepare complete, accurate and understandable accountings and inventories.</p> <p>ADVS agrees that ADVS, as conservator: (i) pursuant to A.R.S. § 14-5417, shall act as a fiduciary and observe the standard of care</p>

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of a prudent person (A.R.S. § 14-10804) and use ADVS' special

skills or expertise (A.R.S. § 14-10806); (ii) pursuant to A.R.S. § 14-5424, in acting reasonably to accomplish the purpose of conservatorship appointments, may act to collect, hold and retain assets of the estate to be conserved until disposition should be made; and (iii) pursuant to ACJA § 7-202(J)(4)(b) and (j) under the § 7-202 January 1, 2007 Version and under the § 7-202 May 1, 2009 Version forward, shall take reasonable steps to marshal and secure the property and income of the protected person's estate as soon as possible.

ADVS agrees, pursuant to ACJA § 7-202(J)(4)(b) and (j) under the § 7-202 January 1, 2007 Version and under the § 7-202 May 1, 2009 Version forward, that ADVS shall: (i) take reasonable steps to marshal and secure the property and income of the protected person's estate as soon as possible; and (ii) prepare complete, accurate and understandable accountings and inventories. ADVS does not agree that "proofs of restriction" must be submitted with any report submitted or filed pursuant to A.R.S. §§ 14-5315(A), 14-5418(A), and 14-5419(A), except as ordered by the Superior Court.

Finding # 3

Documentation

Related Attributes:

ARS § 14-5418(B)

By Arizona statute a fiduciary must keep suitable records of their administration and exhibit them upon request.

- All Documents prior to 2000 are missing. – Clients # 1-15
- \$124,000 was not documented in the inventory. – Client # 1
- There were no receipts for personal care attendant. – Client # 2
- The conservator fee dates were incorrect on the 12th Annual Accounting. – Client # 2
- There is no evidence that Arizona Federal Account #XXX7879 was closed. – Client # 5
- There is no evidence of a title to the client's boat Trailer or Jeep. There are only copies of the state Motor Vehicle Records showing the vehicle was owned by the client. – Client # 5
- A City of Phoenix water bill refund was cited in the

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	<p>seventh (7th) Annual Accounting as coming from the City of Mesa and the amount of the refund was incorrect. – Client # 6</p> <ul style="list-style-type: none">• Client accounts were delinquent due to late payments of the cable bill, direct TV bill and water bill. – Client # 6• There was white out on a lien release contract. – Client # 7• There was no appraisal used for sale of vehicle and no bill of sale found in the client's file. – Client # 7• Client's home was sold during the first Accounting period but there is no bill of sale for the home in the first accounting. – Client # 7• There are no amended letters of appointment reflecting the termination of the Guardianship and a new order of Conservatorship only. – Client # 8• There are no records for the disposition of assets found in the client's file. – Clients # 8 & 9• The first Accounting does not reflect the disposition of assets. – Client # 10• An asset reported in 40th Accounting was not reflected in prior Accountings; it was marshaled in August 1983. – Client #11• Accountings 1 through 35, 39, and 41 were not in the client's file. – Client # 11• The first seven (7) Accountings were not in the client's file. – Client # 13• ADVS did not have letters of appointment reissued to reflect the type of appointment. – Client # 14• There is no physician report in the client file. – Client # 14• The Inventory and Accountings 1-29 were not in the client's file. – Client # 14• There is no proof that the taxes were paid. – Client # 15• Conservator fees in the amount of \$249.57 are refunded in the third accounting with no explanation. – Client # 15• Client's scooter was not reflected on the Annual Accounting. – Client # 15• There is no evidence insurance was purchased for scooter. – Client # 15 <p>Requirement</p> <p>ADVS must develop a systematic process for marshalling, securing and documenting the administration of a client's estate and/or care to include all assets, transactions, activities and</p>
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	decision-making for each court appointed client.
<i>Auditee's Response</i>	<p>ADVS Fiduciary respectfully responds to finding #3 as follows:</p> <p>ADVS Fiduciary division has completed its own review and "internal audit" of its files concerning the 15 clients whose files were audited by the Fiduciary Board. Discrepancies with and/or clarifications to the Audit Report are noted below:</p> <p>Client #1 through #15 - Only 4 audited Client files have records missing. ADVS was appointed to two of these during the 1960s. All pertinent accountings and reports, i.e. annual accountings, annual guardian reports, and inventories are on file with the respective superior court of record. Pre-2000 records were destroyed under the direction of the previous ADVS principal fiduciary. Previous Fiduciary Division administration was acting pursuant to training by the AOC to purge its files.</p> <p>Client #1 - ADVS does not agree that \$124,000 is or was missing on this Client's inventory. In examining a copy of the check in question, the check was issued in the amount of \$12,400. The bank statement shows the beginning balance of the account was \$12,915.41, and a check in the amount of \$12,400 was withdrawn from the account. The bank erred in entering the withdrawal amount. On the bank's statement 3 days later, the bank corrected its error, by way of a credit memo, and showed the proper withdrawal amount of \$12,400 (rather than \$124,000).</p> <p>Client #2 - The Draft Compliance Audit Report does not specify when the personal care was provided. ADVS has not paid for personal care attendance for Client #2 since 2000. ADVS does not agree the conservator fee dates were incorrect on the 12th Annual Accounting.</p> <p>Client #5 - ADVS was appointed conservator only on May 11, 2006. On May 24, 2006, ADVS had the account re-titled as a joint account with ADVS. The credit union would not close the account because of a line of credit on the account. The account was closed after the line of credit was closed. The boat trailer and jeep were no longer in the Client's possession prior to ADVS' appointment as conservator.</p>

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Client #6 - ADVS requests clarification of the issue of the City of Phoenix water bill. This Client lives in the City of Mesa and all water bills are so marked.

Client #7 - The original copy of lien release is clean and has no "white out" on it. The name of the ward on a photocopy of the lien release is highlighted in green. A Kelly Blue Book estimate of the value of the sold vehicle is in the Client's file. ADVS agrees that a bill of sale for the sale of the vehicle is not in the Client's file; the file contains a photocopy of the cashier's check received by ADVS for the proceeds from the sale. In the Client's file there is a *U. S. Department of Housing and Urban Development Settlement Statement*, dated 11/15/2002 (November 11, 2002), which shows the sale of the Client's real property located in Sierra Vista, Arizona.

Client #8 - ADVS was never appointed as guardian of Client #8. ADVS was appointed as guardian of Client #8's spouse. ADVS did not dispose their community assets because the spouse was living in the house and using the other community assets. The accounts of the Client and the Client's spouse were combined and ADVS was authorized to charge and collect fees as the guardian of the Client's spouse.

Client #9 - The Client's file contains receipts and requests for disposal of Client's property disposed. The first annual accounting reflects gains and losses.

Client #10 - This Client had already filed a bankruptcy action at the time ADVS succeeded another fiduciary as custodian of benefits receivable by the Client for the Federal Government. In the 1st accounting, schedule 4 states the decrease of assets from dispositions through the bankruptcy action.

Client #11 - The Department of Economic Security was appointed in 1966. All accountings and reports, i.e. annual accountings and inventories are on file with the superior court of record.

Client #13 - ADVS agrees the first 7 accountings are not in the Client's file.

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	<p>Client #14 - A <i>Physician's Statement in Support of Title 14 Guardianship and/or Conservatorship</i>, in re Client 14, is in the Client's file.</p> <p>Client #15 - The Scooter was used only within the client's nursing home and not on public streets and highways. ADVS has now investigated the issue of insuring electric scooters and has found no such insurance available.</p>
<p><i>Corrective Action</i></p>	<p>Client #5 - ADVS has inquired through the Department of Transportation, Motor Vehicle Division to determine if the jeep and the boat trailer are still registered in the name of this Client. From MVD records, the boat trailer remains under the Client's name but the jeep is not. ADVS will work with MVD to have the Client's name removed.</p> <p>Client #15 - ADVS contacted several insurance carriers after the Compliance Audit about insuring the scooter but was told such insurance was not available.</p> <p>ADVS is preparing a new "Records Retention Procedure", which will be implemented on or before September 1, 2009.</p> <p>ADVS, FID holds (and will continue) weekly meetings with its certified fiduciaries and support staff. The meetings address current division issues, and training and review of FID policies and procedures, including established checklists.</p> <p>ADVS agrees, pursuant to A.R.S. § 14-5418(B), that ADVS, as conservator, shall provide copies of inventories; and shall keep suitable records of conservatorship administration and exhibit the records on the request of any interested person.</p> <p>ADVS agrees, pursuant to ACJA § 7-202(J)(2)(a) and (c) under the § 7-202 January 1, 2007 Version and under the § 7-202 May 1, 2009 Version forward, that ADVS, as fiduciary shall: (i) manage and protect the personal and monetary interest of the ward or protected person and foster growth, independence and self reliance to the maximum degree; and (ii) vigorously protect the rights of the ward or protected person against infringement by third parties.</p>

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	<p>ADVS agrees: (i) pursuant to ACJA § 7-202(J)(2)(p) under the § 7-202 January 1, 2007 Version and under the § 7-202 May 1, 2009 Version forward, that ADVS, as fiduciary, shall monitor the care, treatment and services the ward is receiving to ensure their continued appropriateness and shall consent to the changes as they become necessary or advantageous to the ward; and (ii) pursuant to A.R.S. § 14-5315, that ADVS, as guardian, shall submit guardian reports in accordance with 14-5315(C) to document the care provided to wards.</p> <p>ADVS agrees, pursuant to ACJA § 7-202(J)(4)(b) under the § 7-202 January 1, 2007 Version and under the § 7-202 May 1, 2009 Version forward, that ADVS, as conservator, shall take reasonable steps to marshal and secure the property and income of the protected person's estate as soon as possible, and provide stewardship of the property for safekeeping, and at a minimum, record pictorially and establish and maintain accurate records of all real and personal property.</p> <p>ADVS agrees, pursuant to ACJA § 7-202(J)(4)(j) under the § 7-202 January 1, 2007 Version and under the § 7-202 May 1, 2009 Version forward, that ADVS, as conservator, shall prepare complete, accurate and understandable accountings and inventories.</p>
<p><i>Finding # 4</i></p> <p><i><u>Inventory</u></i></p> <p><i><u>Related Attributes:</u></i></p> <p><i>ARS § 14-5418 (A)</i> <i>ARS § 14-3706 (A)</i></p> <p><i>Arizona Code of Judicial Administration §§ 7-202 (J)(4)(j) & (J)(5)(h)</i></p> <p><i>Requirement</i></p>	<p>By Arizona statute a fiduciary must list with reasonable detail and indicate the fair market value of the estate as of the date of appointment or date of death for each item listed.</p> <ul style="list-style-type: none"> • Personal property is not listed in detail, appraised, or valued on court documents of clients under conservatorship or court ordered Personal Representative. – Clients # 1-15 <p>ADVS must list all tangible belongings of client(s) on a detailed inventory even if it is of nominal value. All belongings are defined as; any tangible possession be it personal property, liquid</p>

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	<p>or non-liquid asset, land, monies, etc. The purpose is to avoid giving erroneous or misleading information to the court and/or interested parties as well as protection for the client, client's family and the fiduciary. ACJA also requires a pictorial record of all real and personal property.</p>
<p><i>Auditee's Response</i></p>	<p>ADVS Fiduciary respectfully responds to finding #4 as follows:</p> <p>Clients 1-15 - ADVS agrees that it has not previously always documented by detailed written and pictorial inventory all of its clients' belongings as required. ADVS is and will be taking the corrective actions set forth below in order to comply with Arizona statutes and regulations, and to safeguard its client's assets more diligently.</p>
<p><i>Corrective Action</i></p>	<p>On January 26, 2009, ADVS hired an assets manager for the Fiduciary Division. The Assets Manager is a certified guardian and an Arizona certified fiduciary. ADVS has also hired a part-time person, who is experienced in asset inventory, to assist the FID Assets Manager in conducting physical inventories and valuation of Client property conserved by ADVS.</p> <p>ADVS agrees, pursuant to A.R.S. § 14-3706(A), that ADVS, within ninety days after appointment as personal representative, shall prepare an inventory of property owned by the decedent at the time of his death, listing it with reasonable detail, and indicating as to each listed item, its fair market value as of the date of the decedent's death, its nature as community or separate property and the type and amount of any encumbrance that may exist with reference to any item.</p> <p>ADVS agrees, pursuant to A.R.S. § 14-5418(C), that ADVS, within ninety days after appointment as conservator, shall prepare and file with the Superior Court an inventory of the estate owned by the protected person on the date of ADVS' appointment as conservator, listing it with reasonable detail and indicating the fair market value as of the date of appointment of each item listed.</p> <p>ADVS agrees, pursuant to ACJA §§ 7-202(J)(4)(j) and 7-202-(J)(5)(h) under the § 7-202 January 1, 2007 Version and under the</p>

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	<p>§ 7-202 May 1, 2009 Version forward, that ADVS: (i) as conservator, shall prepare complete, accurate and understandable accountings and inventories, and (ii) as personal representative, shall prepare complete, accurate and understandable court documents, including, but not limited to, petitions for determination of heirs, inventories, accountings and closing statements.</p> <p>ADVS agrees, pursuant to ACJA § 7-202(J)(4)(b) under the § 7-202 January 1, 2007 Version and under the § 7-202 May 1, 2009 Version forward, that ADVS, as conservator, shall take reasonable steps to marshal and secure the property and income of the protected person's estate as soon as possible, and provide stewardship of the property for safekeeping, and at a minimum, record pictorially and establish and maintain accurate records of all real and personal property.</p>
<p><i>Finding # 5</i></p> <p><i>Securing Assets</i></p> <p><i>Related Attributes:</i></p> <p><i>Arizona Code of Judicial Administration §§ 7-202 (4)(b) & (5)(b)</i></p> <p><i>Requirement</i></p>	<p>A fiduciary must take reasonable steps to marshal and secure the property and income of the protected person's estate as soon as possible.</p> <ul style="list-style-type: none"> • A client's check book was left on the counter in their unlocked and unoccupied home. – Client # 2 • A bank account was not discovered or marshaled until two years after the date of appointment. – Client # 2 • Assets, blank check book, are physically in the client's file. – Client # 5 • Client's home and belongings were not secured. – Client # 9 • Blank checks linked to a client's credit card account were in the Accounting file. – Client # 14 <p>ADVS appointed as a conservator must observe the standard of care of a prudent man dealing with the property of another.</p>
<p><i>Auditee's Response</i></p>	<p>ADVS Fiduciary respectfully responds to finding #5 as follows:</p> <p>As the Board and its auditors are aware, the Guardianship and Conservator Courts and Judges frequently encourage some wards/clients be allowed to maintain some independence by</p>

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	<p>maintaining small money accounts for personal needs.</p> <p>ADVS Fiduciary division has completed its own review and "internal audit" of its files concerning the 15 clients whose files were audited by the Fiduciary Board. Discrepancies with and/or clarifications to the Audit Report are noted below:</p> <p>Client #2 - After appointment this Client set up an account with the Client's personal funds the Client was receiving in another state. The Client intended to buy a car without the knowledge of ADVS. When ADVS discovered the account, ADVS immediately closed the account.</p> <p>Client #5 - ADVS agrees these items were in the Client's file.</p> <p>Client #9 - Receipts in the Client's file show that the Client's property was secured within 17 days of ADVS' appointment.</p> <p>Client #14 - ADVS became the conservator for the Client's estate in June, 1964. ADVS has never allowed Client #14 to have a credit card or checking account.</p>
<p><i>Corrective Action</i></p>	<p>Client #5 - The blank check book found in the Client's file was destroyed by ADVS on August 19, 2009.</p> <p>ADVS will review all of its Clients' files to determine if such files contain any blank Client checks and if any are found, destroy them.</p> <p>ADVS will destroy all blank Client checks upon ADVS' discovery and taking possession of them.</p> <p>ADVS has hired a part-time person, who is experienced in asset inventory, to assist the FID Assets Manager in conducting physical inventories and valuation of Client property conserved by ADVS.</p> <p>ADVS will collect all financial accounts within 7 days of appointment as conservator and secure real property within 45 days of appointment as conservator. ADVS will monitor vacant Client real property by monthly on-site inspections.</p>

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	<p>ADVS agrees, pursuant to A.R.S. § 14-5417, that ADVS, as conservator, shall act as a fiduciary and observe the standard of care, that of a prudent person, found at A.R.S. § 14-10804.</p> <p>ADVS agrees, pursuant to ACJA § 7-202(J)(4)(b) under the § 7-202 January 1, 2007 Version and under the § 7-202 May 1, 2009 Version forward, that ADVS, as conservator, shall take reasonable steps to marshal and secure the property and income of the protected person's estate as soon as possible; and provide stewardship of the property for safekeeping, and at a minimum, record pictorially and establish and maintain accurate records of all real and personal property.</p> <p>ADVS agrees, pursuant to ACJA § 7-202(J)(5)(b) under the § 7-202 January 1, 2007 Version and under the § 7-202 May 1, 2009 Version forward, that ADVS, as personal representative, shall take reasonable steps to marshal and secure the property and income of the decedent's estate as soon as possible; and provide stewardship of the property for safekeeping, and at a minimum, record pictorially and establish and maintain accurate records of all real and personal property.</p>
<p><i>Finding # 6</i></p> <p><u><i>Diligence</i></u></p> <p><u><i>Related Attributes:</i></u></p> <p><i>Arizona Code of Judicial Administration § 7-202 (J)(4)(5)(d)</i></p>	<p>The fiduciary must exercise extreme care and diligence when making medical and financial decisions on behalf of a ward or protected person.</p> <ul style="list-style-type: none"> • There were no conformed copies of an Annual Accounting. – Client # 1 • A client's bank account accrued \$291.59 of insufficient funds. – Client # 1 • ADVS failed to preserve the estate and did not terminate the conservatorship or petition for Personal Representative in a timely. – Client # 1 • Vehicle insurance was not maintained prior to vehicle being stolen. – Client # 1 • ADVS permitted inaccurate pleadings to be filed. – Client # 2 • Client's 2007 taxes were not filed to obtain \$300 stimulus money. – Client # 2 • A refund for overpayment of conservator fees has not been given to client. – Client # 2

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<p><i>Requirement</i></p>	<ul style="list-style-type: none"> • There is no proof that an heir search was performed. – Client # 2 • There is no evidence that taxes have been filed or were considered. – Client # 4 • A client's tax lien was not reflected in Accounting schedule. – Client # 5 • Late payments were made on client's bills. – Clients # 5 & 6 • There was no proof that the client's vehicle was jointly titled to reflect ADVS court appointment. – Client # 8 • No proof that insurance was purchased or maintained for client's vehicle. – Client # 8 • An overpayment of Guardianship fees is owed to the estate and continues to be billed to the client. – Client # 8 • Auto insurance and vehicle tags were financially maintained although the ward does not drive. – Client # 9 • Client's motor home was not insured. – Client # 11 • No evidence of applications for entitlements available to the client was found. – Client # 11 • A Chase Bank account was closed 2 years after ADVS appointment. – Client # 12 • Clients' bills were delinquent resulting in late fees. – Client # 5, 13 & 14 <p>A fiduciary must exercise extreme care and diligence when making medical and financial decisions on behalf of a ward or protected person.</p>
<p><i>Auditee's Response</i></p>	<p>ADVS Fiduciary respectfully responds to finding #6 as follows:</p> <p>ADVS Fiduciary division has completed its own review and "internal audit" of its files concerning the 15 clients whose files were audited by the Fiduciary Board. Discrepancies with and/or clarifications to the Audit Report are noted below:</p> <p>Client #1 - A conformed copy of the biennial accounting, approved March 23, 2004, is in the Client's file. ADVS requests clarification of the non-sufficient funds (NSF) charges in the amount of \$291.59. The Client's records show a NSF charge of \$25.00, which was later refunded by the bank. ADVS agrees it did</p>

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not terminate the estate timely. ADVS did not obtain insurance on the Client's vehicle because it was stolen prior to ADVS' appointment. ADVS agrees the vehicle should not have been included on the Client's inventory.

Client # 2 - ADVS requests clarification of "inaccurate pleadings". ADVS agrees that the 2007 tax return was not timely filed. ADVS has reviewed fees charged and does not agree that ADVS overcharged this Client. This Client is alive; hence, no heir search has been conducted.

Client #4 - ADVS agrees to have tax returns filed for this Client.

Client #5 - ADVS paid the tax lien against this Client on November 24, 2006 and on January 4, 2007. The payments are entered on Schedule 12 of the 1st annual accounting. ADVS agrees some payments were untimely.

Client #6 - ADVS agrees some payments were untimely.

Client #8 - ADVS did not jointly title the car. ADVS confirmed that the Vehicle was insured through the Client's trust, for which trust ADVS is not the trustee. ADVS is working with the trustee for the trustee to be appointed as successor-Conservator for this Client, which succession is expected in September, 2009. ADVS does not agree that ADVS has overcharged guardian fees on this Client. ADVS is Guardian of the Client's spouse but not the Client. The joint accounts of the Client and the Client's spouse were combined and ADVS was authorized to charge and collect fees as the guardian of the Client's spouse.

Client #9 - ADVS agrees that insurance and tags were maintained on the motor home of this Client. The insurance and tags were needed to sell the motor home, which has now been sold. No insurance or other fees were paid after the sale of the motor home.

Client #11 - This Client has been physically disabled since the early 1960s. This Client has never owned a motor home. Therefore, no motor home insurance was needed in this matter. This Client has been receiving all appropriate Client benefits for as long as the Client has been entitled to receive them. ADVS has

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	<p>been conservator (originally known as "guardian of the Client's estate") since 1966. ADVS agrees that this Client's initial applications for entitlements from the 1960s are not in the Client's file.</p> <p>Client #12 - The bank account referred to was re-titled to ADVS and the Client at ADVS' appointment. It was left open for the Client's personal use and benefit to allow for the Client's independence. ADVS closed the account when ADVS determined the Client could no longer manage the account.</p> <p>Client # 13 - This Client had several incidents of identity theft and fraud. In reviewing his files, bills that were delinquent were under investigation to verify they were accounts held by our Client before being paid. An investigation was handled by the Mesa Police Department.</p> <p>Client #14 - ADVS agrees some payments were untimely.</p>
<p><i>Corrective Action</i></p>	<p>On January 26, 2009, ADVS hired an assets manager for the Fiduciary Division. The Assets Manager is a certified guardian and an Arizona certified fiduciary. ADVS has also hired a part-time person, who is experienced in asset inventory, to assist the FID Assets Manager in conducting physical inventories and valuation of Client property conserved by ADVS.</p> <p>ADVS is in the process of reviewing, updating, and rewriting the FID's operating procedures. FID personnel will receive additional training in the FID's existing procedures and training in the succeeding procedures.</p> <p>Court reports, inventories, and other filings will be reviewed by certified fiduciaries prior to filing or submission.</p> <p>ADVS will develop and institute a system for tracking due dates for required Client payments in order to make timely payments. ADVS will appropriately train all staff dealing with Client assets on this tracking system.</p>

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	<p>ADVS agrees, pursuant to ACJA § 7-202(J)(1), that ADVS, as fiduciary, shall exercise extreme care and diligence when making decisions on behalf of a ward or protected person.</p> <p>ADVS agrees, pursuant to ACJA § 7-202(J)(4)(d), that ADVS, as conservator, shall manage the income of the conserved estate with the primary goal of providing for the needs of the protected person, and in certain cases, the needs of the dependents of the protected person for support and maintenance.</p> <p>ADVS agrees, pursuant to ACJA § 7-202(J)(5)(d), that ADVS, as personal representative, shall exercise intelligence, prudence and diligence in providing competent management of the property and income of the decedent's estate; and observe the standards of care and duties of accounting applicable to trustees.</p>
<p><i>Finding # 7</i></p> <p><u>Marshalling and Securing Assets</u></p> <p><u>Related Attributes:</u></p> <p><i>ARS § 14-5424</i></p> <p><i>Arizona Code of Judicial Administration §§ 7-202 (J)(4)(g) & (J)(5)(b)</i></p> <p><i>Requirement</i></p>	<p>A fiduciary must take reasonable steps to marshal and secure the property and income of the protected person's estate as soon as possible.</p> <ul style="list-style-type: none"> • A client's vehicle was not secured at appointment and the vehicle was stolen. – Client # 1 • Client's life insurance was not marshaled. – Client # 3 • Vehicle and Boat trailer were not secured. – Client # 5 • Accounts were not jointly titled with the conservator's name. – Clients # 6 & 12 • A credit card consisting of continual internet charges was not closed or jointly titled by fiduciary after appointment. – Client # 8 • Client's house and belongings were not marshaled. – Client # 9 • Client assets were not titled with the conservator's name. – Client # 10 <p>The fiduciary appointed as a personal representative or conservator must observe the standard of care of a prudent man dealing with the property of another and if the fiduciary has special skills or expertise (i.e. certification) he/she is under a duty to exercise prudence, intelligence and diligence.</p>

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Auditee's Response

ADVS Fiduciary respectfully responds to finding #7 as follows:

ADVS Fiduciary division has completed its own review and "internal audit" of its files concerning the 15 clients whose files were audited by the Fiduciary Board. Discrepancies with and/or clarifications to the Audit Report are noted below:

Client #1 - To ADVS' knowledge and belief at the time of ADVS' 2001 appointment, the car had been previously stolen. At that time it was the practice of the previous ADVS FID administration to list these items on inventory, out of an abundance of caution, in the event they were later located.

Client #3 - ADVS is the successor-Conservator. This Client does not have a life insurance policy. A life insurance company holds an annuity that is co-titled in the name of the Client and ADVS.

Client #5 - This Client either gave away his vehicle and boat trailer, or they were stolen before ADVS' appointment as conservator. ADVS was appointed as the Client's conservator because of the Client's propensity to give away his assets and/or his inability to stop others from taking his assets.

Clients #6 - The accounts are titled in the names of ADVS and the Client.

Client #8 - The credit card charges were through the trust. ADVS is not the trustee; the Client's daughter is the trustee. ADVS has a copy of the trust accounting in its files.

Client #9 - ADVS was appointed temporary conservator on February 29, 2008. Receipts in the Client's file show that on March 17, 2008, Bob's Lock and Key was paid for changing the locks. All of this Client's assets have been disposed of.

Client #10 - All current assets are titled in ADVS' name. At the time ADVS became successor-custodian (and later conservator) this Client was already in bankruptcy, and had no money. By the time of ADVS' appointment as conservator it was too late for ADVS to withdraw the Client's assets from the bankruptcy action.

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	<p>Client #12 - The accounts are titled in the names of ADVS and the Client. With assistance of ADVS' attorney-of-record, ADVS has been able to secure some of Client's funds that had been exploited.</p>
<p><i>Corrective Action</i></p>	<p>ADVS hired an assets manager for the Fiduciary Division. The Assets Manager is a certified guardian and an Arizona certified fiduciary. ADVS has also hired a part-time person, who is experienced in asset inventory, to assist the FID Assets Manager in conducting physical inventories and valuation of Client property conserved by ADVS.</p> <p>ADVS will collect all financial accounts within 7 days of appointment as conservator and secure real property within 45 days of appointment as conservator. ADVS monitors vacant Client real property by monthly on-site inspections.</p> <p>ADVS will not place uncollected Client property on inventories. ADVS will identify on inventories that Client property ADVS is unable to collect and conserve, and note the reasons why ADVS has been unable to collect and conserve the identified property.</p> <p>ADVS agrees, pursuant to A.R.S. § 14-5424, that ADVS, as conservator, acting reasonably to accomplish the purpose of its conservatorship appointments, may act to collect, hold and retain assets of the estate to be conserved until disposition should be made.</p> <p>ADVS agrees, pursuant to A.R.S. § 14-5417, that ADVS, as conservator, shall act as a fiduciary and observe the standard of care, that of a prudent person, found at A.R.S. § 14-10804. In administering to a conserved estate as a prudent person, ADVS, as conservator, shall exercise reasonable care, skill and caution.</p> <p>ADVS agrees, pursuant to A.R.S. § 14-10806, applied through A.R.S. § 14-5417, that ADVS, as conservator, shall use those special skills and expertise that ADVS has.</p> <p>ADVS agrees, pursuant to ACJA § 7-202(J)(4), that ADVS, as</p>

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	<p>conservator, shall exercise intelligence, prudence and diligence in the discharge of its conservatorship duties.</p> <p>ADVS does not agree that A.R.S. §§ 14-5417, 14-5418, 14-10804, and 4-10806, separately or together, expressly impose a duty to exercise prudence, intelligence and diligence.</p>
<p><i>Finding # 8</i></p> <p><u>Conflict of Interest or Self-Dealing</u></p> <p><u>Related Attributes:</u></p> <p><i>Arizona Code of Judicial Administration § 7-202 (2)(b)</i></p> <p><i>Requirement</i></p>	<p>By code the fiduciary must avoid self-dealing or the appearance of a conflict of interest.</p> <ul style="list-style-type: none"> • Second Hand Rose gathered, valued, and sold all belongings in the home. No personal items were listed on the Inventory and no appraisals, values or bids were obtained. – Client # 15 <p>ADVS must avoid self-dealing and the appearance of a conflict of interest. Self-dealing or conflict of interest arises where the fiduciary has some personal or agency interest other individuals may perceive as self-serving or adverse to the position or best interest of the protected person.</p>
<p><i>Auditee's Response</i></p>	<p>ADVS Fiduciary respectfully responds to finding #8 as follows:</p> <p>ADVS Fiduciary division has completed its own review and "internal audit" of its files concerning Client #15, who's file was audited by the Fiduciary Board. Discrepancies with and/or clarifications to the Audit Report are noted below:</p> <p>Client #15 - ADVS met with the Client and Second Hand Rose at the Client's home. The Client's personal items were inventoried by ADVS; the majority of the items were moved to storage at the Client's request and were not sold. ADVS agrees that the personal items were not appraised. Please see <i>Auditee's Response</i> to Finding #10 below.</p> <p>ADVS does not agree that ADVS self-dealt, caused conflict in the Client's or ADVS' interests, or gave the appearance of conflicts</p>

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	with the Client's or ADVS' interests in this or any other matter.
<p><i>Corrective Action</i></p>	<p>ADVS has hired an assets manager for the Fiduciary Division. The Assets Manager is a certified guardian and an Arizona certified fiduciary.</p> <p>ADVS has hired a part-time person, who is experienced in asset inventory, to assist the FID Assets Manager in conducting physical inventories and valuation of Clients' property conserved by ADVS.</p> <p>ADVS is expanding, and will continue to expand, its pool of independent contractors to be used for the disposition of Client property.</p> <p>ADVS agrees, pursuant to ACJA § 7-202(J)(2)(b), that ADVS, as fiduciary, shall avoid self-dealing or the appearance of a conflict of interest.</p> <p>ADVS agrees, pursuant to ACJA § 7-202(J)(4) and its subsection (g), that ADVS, as conservator, shall: (i) avoid self-interest in the discharge of its conservatorship duties; and (ii) have no self-interest in the management of the conserved estate and shall exercise caution to avoid even the appearance of self-interest in the management of the conserved estate.</p>
<p><i>Finding # 9</i></p> <p><u><i>Supplemental Inventory</i></u></p> <p><u><i>Related Attributes:</i></u></p> <p><i>ARS § 14-3708</i></p> <p> </p> <p><i>Requirement</i></p>	<p>By Arizona statute a fiduciary must file a supplemental inventory if property not included on the original inventory comes to the fiduciary's knowledge.</p> <ul style="list-style-type: none"> • No amended Inventory was filed after additional assets were found. – Client # 3 • An amended Inventory should have been filed due to an asset being discovered after the original Inventory was filed (cash). – Client # 6 • An amended Inventory should be filed to reflect that the house is not part of the conservatorship due to fact that it is in a Trust. – Client # 8 <p>If any property not included in the original inventory comes to the</p>

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	<p>knowledge of a fiduciary or if the fiduciary learns the value or description indicated in the original Inventory for any item is incorrect or misleading, the fiduciary must make a supplementary inventory and file it with the court.</p>
<p><i>Auditee's Response</i></p>	<p>ADVS Fiduciary respectfully responds to finding #9 as follows:</p> <p>ADVS Fiduciary division has completed its own review and "internal audit" of its files concerning the Clients 3, 6 & 8, whose files were audited by the Fiduciary Board. Discrepancies with and/or clarifications to the Audit Report are noted below:</p> <p>Client #3 - ADVS agrees to file supplementary inventories or appraisements and amended valuations and inventories as prescribed under applicable law.</p> <p>Client #6 - ADVS agrees to file supplementary inventories or appraisements and amended valuations and inventories as prescribed under applicable law.</p> <p>Client #8 - ADVS is <u>not</u> the trustee of the Client's trust. Documents were presented in superior court which were in conflict over whether the Client's house was included the trust or would be under the Conservator. ADVS included the house in the inventory out of an abundance of caution. ADVS is working with the trustee for the trustee to become appointed as successor-Conservator for this Client, which is expected to occur in September, 2009.</p>
<p><i>Corrective Action</i></p>	<p>ADVS will file supplementary inventories or appraisements and amended valuations and inventories as prescribed under applicable law.</p> <p>ADVS agrees, pursuant to A.R.S. § 14-3708, that ADVS, as personal representative, shall file supplementary inventories or appraisements as required in § 14-3708.</p> <p>ADVS agrees, pursuant to A.R.S. § 14-5418, that ADVS,</p>

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	<p>as conservator, shall file inventories of conserved estates as required in § 14-5418.</p> <p>ADVS agrees that ADVS, as conservator, from January 1, 2009, will file conservatorship inventories pursuant to Ariz.R.Prob.P. R30.</p>
<p><i>Finding # 10</i></p> <p><i><u>Prudent Person</u></i></p> <p><i><u>Related Attributes:</u></i></p> <p><i>ARS § 14-7662 (B)</i></p> <p><i>Arizona Code of Judicial Administration § 7-202 (1)(a)(b)(d)</i></p> <p><i>Requirement</i></p>	<p>A fiduciary shall make decisions in the best interest of the ward.</p> <ul style="list-style-type: none"> • Five storage units have been paid for by the client's estate at \$4,500 a year for a relative's benefit. – Client # 15 <p>Diligence equates to the competent management of the property and income of a client's estate.</p>
<p><i>Auditee's Response</i></p>	<p>ADVS Fiduciary respectfully responds to finding #10 as follows:</p> <p>ADVS Fiduciary division has completed its own review and "internal audit" of its files concerning Client #15, whose file was audited by the Fiduciary Board. Discrepancies with and/or clarifications to the Audit Report are noted below:</p> <p>Client 15 - At this Client's request, ADVS stored the Client's personal items for the Client's daughter, who lived out of state. The storage did not interfere with his care or maintenance. ADVS agrees that ADVS should have diligently transferred the Client's items to the daughter sooner.</p> <p>ADVS does not agree that A.R.S. § 14-7662 applies to any fiduciary appointment of ADVS. Section 14-7662 is under A.R.S. Title 14, Chapter 7 <u>Trust Administration</u>, Article 7 <u>Arizona Uniform Transfers to Minors Act</u> (§§ 14-7651 through 14-7671). Article 7 applies to transfers of property under the Arizona</p>

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	Uniform Transfers to Minors Act.
<p><i>Corrective Action</i></p>	<p>During the FID's mandatory meetings ADVS will review the storage sheds in which Client property is stored and the need for storage. In addition the ADVS, FID asset team will visit all remaining storage sheds within 180 days of the conclusion of this audit.</p> <p>ADVS agrees, pursuant to ACJA § 7-202(J)(1)(a), (b), and (c), that ADVS, as fiduciary, shall: (i) make all reasonable efforts to determine the preferences of the ward or protected person, both past and current, regarding all decisions ADVS, as fiduciary, is empowered to make; (ii) make decisions in accordance with the determined preferences of the ward or , past or current, in al instances except when ADVS, as fiduciary, is reasonably certain the decision will result in substantial harm to the ward or protected person; and (iii) maintain an awareness of ADVS' limitations, shall carefully consider the views and opinions involved in the treatment, care and management of the ward, protected person, or estate and shall seek independent opinions when necessary.</p> <p>ADVS agrees, pursuant to ACJA § 7-202(J)(1), that ADVS, as fiduciary, shall exercise extreme care and diligence when making decisions on behalf of a ward or protected person.</p> <p>ADVS agrees, pursuant to ACJA § 7-202(J)(4), that ADVS, as conservator, shall exercise intelligence, prudence and diligence in the discharge of its conservatorship duties.</p>
<p><i>Finding # 11</i></p> <p><u><i>Compliance</i></u></p> <p><u><i>Related Attributes:</i></u></p> <p><i>Arizona Code of Judicial Administration §§ 7-202 (J)(2)(f) & (J)(7)</i></p> <p><i>Supreme Court Rule 127</i></p>	<p>A fiduciary must perform all duties and discharge all obligations according to Arizona law and administrative rules, orders & code.</p> <ul style="list-style-type: none"> • A first and Final Accounting was not filed as ordered by the court. – Client # 1 • The court was not notified of client's death. – Client # 1 • There was non-compliance with court orders to distribute the estate. – Client # 1 • An Estate Management Plan was not filed as ordered by the

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<p><i>Requirement</i></p>	<p>court. – Client # 4</p> <ul style="list-style-type: none"> • There was a court order stating the first accounting be filed by 12/31/08, it was filed on 1/14/09. – Client # 4 • The bank account remains titled with client's daughter as POD (Paid On Death). – Client # 12 • An Annual Guardian Report was not filed. – Client # 12 <p>Diligence equates to the competent management of the property and income of a client's estate.</p>
<p><i>Auditee's Response</i></p>	<p>ADVS Fiduciary respectfully responds to finding #11 as follows:</p> <p>ADVS Fiduciary division has completed its own review and "internal audit" of its files concerning the Clients 1, 4 & 12, whose files were audited by the Fiduciary Board. Discrepancies with and/or clarifications to the Audit Report are noted below:</p> <p>Client #1 - ADVS agrees with Finding #11 in regard to this Client.</p> <p>Client #4 - By Maricopa County Superior Court local rule, ADVS was exempt from filing estate management plans. ADVS does not agree that the court of record ordered ADVS to file an estate management plan in the matter. ADVS agrees it filed the Client's first accounting 14 days late.</p> <p>Client #12 - (1) ADVS agrees that the beneficiary of the Payable on Death (POD) account is the Client's daughter. ADVS has acted properly in the matter of this POD account. The POD account was set up, with the assistance of ADVS' attorney-of-record, as part of the Client's estate planning. (2) ADVS was appointed conservator on March 6, 2006, and was appointed guardian on February 5, 2008. The principal fiduciary signed an annual guardian report on April 8, 2009, but was not filed with the Probate Court until June 16, 2009.</p>
<p><i>Corrective Action</i></p>	<p>ADVS will implement a system to: (i) track filing dates for inventories and reports due to the Probate Court, (ii) when the inventories and reports are completed by ADVS for review by ADVS' attorney-of-record, (iii) when the inventories and records are sent by ADVS to the respective attorney-of record, and (iv)</p>

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when the attorney-of-record filed the inventory or report with the Probate Court. ADVS, FID management will train FID personnel in the use of the tracking system and monitor its use.

ADVS is working to improve its in-house logs and have increased training of its staff members. ADVS Logs will be reviewed weekly by the accounting manager, asset manager and human service manager. These logs and training will be utilized to help ADVS' compliance with court orders and rules.

ADVS has established a record retention procedure, which will be put into effect and implemented on or before September 1, 2009.

ADVS agrees, pursuant to ACJA § 7-202(J)(1), that ADVS, as conservator, in investing the estate, and in selecting assets of the estate for distribution under A.R.S. § 14-5425(A), in utilizing powers of revocation or withdrawal available for the support of the protected person, and exercisable by ADVS, as conservator, or the court, ADVS, as conservator, and the court shall take into account any known estate plan of the protected person known to them, including the will, any revocable trust of which the person is settlor, and any contract, transfer or joint ownership arrangement originated by the protected person with provisions for payment or transfer of benefits or interests at the person's death to another or other persons. ADVS, as conservator, may examine the will of the protected person.

ADVS agrees, pursuant to ACJA § 7-202(J)(1); that ADVS, as fiduciary, shall exercise extreme care and diligence when making decisions on behalf of a ward or protected person.

ADVS agrees, pursuant to ACJA § 7-202(J)(4), that ADVS, as conservator, shall exercise intelligence, prudence and diligence in the discharge of its conservatorship duties.

ADVS agrees, pursuant to ACJA § 7-202(J)(2)(f), that ADVS, as fiduciary, shall inform the superior court within ten days of the change of location or death of a client or ward. ADVS does not agree that ADVS knowingly filed any document with the superior court which is misleading, inaccurate, false, or contains

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	<p>misstatements, misrepresentations or omissions of material facts.</p> <p>ADVS agrees, pursuant to ACJA § 7-202(J)(7), that ADVS, as fiduciary, shall perform all duties and discharge all obligations in accordance with current Arizona law and the administrative rules, court orders, administrative orders, ACJA § 7-201 and this ACJA § 7-202 adopted by the supreme court governing the certification of fiduciaries. Further, ADVS agrees that such performance shall be reasonable under the given circumstances in accordance with law so applicable. ADVS does not agree performance of all duties and discharge of all obligations were not reasonable and not in accordance with applicable law.</p> <p>ADVS agrees, pursuant to Rule 127, Rules of the Supreme Court of Arizona, that ADVS, as guardian or conservator appointed pursuant to A.R.S. Title 14, Chapter 5, shall provide written notice to the court disclosing the death of a minor or adult ward or protected person within ten days after learning of the ward or protected person's death.</p> <p>ADVS agrees, pursuant to ACJA § 7-202(J)(2)(f), that ADVS, as fiduciary, shall inform the superior court within ten days of the change of location or death of a client or ward.</p>
<p><i>Finding # 12</i></p> <p><u>Accuracy</u></p> <p><u>Related Attributes:</u></p> <p><i>Arizona Code of Judicial Administration §§ 7-202 (4)(i) & (5)(h)</i></p>	<p>Required court documents are not accurate.</p> <ul style="list-style-type: none"> • The client's vehicle was stolen and no longer an asset, however it was listed on inventory. – Client # 1 • Client Accounting schedules do not agree from one Annual Accounting to the next Accounting. – Client # 1 & 13 • An invoice was stamped paid but a double payment was made. – Client # 2 • Client's Annual Accountings do not reflect gains or loss of investments. – Client # 2 • The Inventory and First Accounting do not balance. – Client # 3 • The ending balance of the First Accounting does not agree with the beginning balance of the Second Accounting. – Client # 5

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<i>Requirement</i>	<ul style="list-style-type: none"> • There is no personal property listed on the client's Annual Accountings. – Client # 6 • The Inventory includes a house that is actually part of client's trust. – Client # 8 • Client's bankruptcy was not listed on the First Accounting. – Client # 10 • The total deficiency owed on the client's vehicle is misstated on the Accounting. It was reported as \$15,000 but a letter of deficiency states \$17,633.67. – Client # 10 • The Annual Report of Guardian states more visits were made by the Guardian than records indicate. – Client # 11 • An invoice requesting \$347.04 was paid in the amount of \$374.04. – Client # 13 • CATTs, personal attendant company, invoice was not reflected in the 36th Annual Accounting. – Client # 14 • The first 4 months of appointment are missing from the first Annual Report of Guardian. – Client # 14 • A Wells Fargo cashier check's value is different from the value listed on the Inventory. – Client # 15 • Client's life insurance value is not listed at face value on inventory. – Client # 15 <p>Diligence equates to the competent management of the property and income of a client's estate.</p>
<i>Auditee's Response</i>	<p>ADVS Fiduciary respectfully responds to finding #12 as follows:</p> <p>ADVS Fiduciary division has completed its own review and "internal audit" of its files concerning the 15 clients whose files were audited by the Fiduciary Board. Discrepancies with and/or clarifications to the Audit Report are noted below:</p> <p>Client #1 - To ADVS' knowledge and belief, the car had already been stolen at the time of ADVS' appointment. At that time it was the practice of the previous FID administration to list these items on inventory in the event they were located later. ADVS does not agree that accounting schedules do not agree from one Annual Accounting to the next accounting; ADVS filed only one accounting for this Client.</p>

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Client #2 - ADVS does not agree that ADVS made a double payment. ADVS stamped the bill twice but ADVS paid the bill only once. The bank records confirm only one payment. This Client has one investment account. An explanation of the investment account is found in the ADVS' notes to the annual accountings filed in Superior Court.

Client #3 - ADVS agrees with the finding in regard to this Client. This error has already been corrected. The corrected reports were approved by the Superior Court on July 30, 2009.

Client #5 - ADVS agrees with the finding in regard to this Client. Even though the court approved these accountings, ADVS will make the correction and reflect the correction on the next annual accounting.

Client #6 - ADVS agrees the Client's personal property should be listed in annual accountings.

Client #8 - ADVS is not the trustee of the Client's trust. Documents were presented in superior court, which were in conflict over whether the Client's house was included the trust or would be under the Conservator. ADVS included the house in the inventory out of an abundance of caution. ADVS is working with the trustee for the trustee to become appointed as successor-Conservator for this Client, which is expected to occur at the hearing set for September 14, 2009.

Client #10 - ADVS does not agree the Client's bankruptcy was not included in the first accounting. The notes in the first accounting specially address the bankruptcy and the settlement. In the accounting filed by ADVS in 2004, the amount of the judgment was stated at "approximately \$15,000" and the charge actually was \$2,633.67 greater.

Client #13 - ADVS requests the auditor's clarification as to which accounting is referred to the Compliance Audit. ADVS was appointed in March 1983. At the court's direction, ADVS has allowed this Client to invest some of his own money. ADVS keeps copies of these investments in the Client's files, but ADVS

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	<p>is not accountable for this money. ADVS agrees that it inadvertently transposed the numbers in recording the amount from \$347 to \$374. ADVS will contact the provider to have these funds returned.</p> <p>Client #14 - ADVS does not agree; ADVS did not pay CATTs for services for this Client during the 36th annual accounting period. ADVS agrees the first 4 months of the appointment are missing from the first annual report of guardian (ARG).</p> <p>Client #15 - The life insurance value on the inventory was corrected May 8, 2006. The "face value" of the life insurance was inadvertently put on the first annual accounting and the "cash value" was correctly shown on the second annual accounting.</p>
<p><i>Corrective Action</i></p>	<p>ADVS, FID is in the process of rewriting its existing operating procedures. In addition, ADVS is holding mandatory meetings to train FID personnel in the use of existing FID procedures and complying with court mandates.</p> <p>On January 26, 2009, ADVS hired an assets manager for the Fiduciary Division. The Assets Manager is a certified guardian and an Arizona certified fiduciary. ADVS has hired a part-time person, who is experienced in asset inventory, to assist the FID Assets Manager in conducting physical inventories and valuation of Clients property conserved by ADVS.</p> <p>ADVS will verify dates on ARGs prior to filing.</p> <p>ADVS agrees, pursuant to ACJA § 7-202(J)(4)(i), that ADVS, as fiduciary, shall ensure all fees and services incurred for the protected person by ADVS, as fiduciary, including compensation for the services of ADVS, as conservator, are reasonable in amount and necessarily incurred for the welfare of the protected person.</p> <p>ADVS does not agree that Finding #12 presents any instance where or when ADVS, as conservator, knowingly incurred fees and services for clients that were not reasonable in amount and not necessary for the welfare of any client.</p>

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	<p>ADVS agrees, pursuant to ACJA § 7-202(J)(5)(h), that ADVS, as personal representative, shall prepare complete, accurate and understandable court documents, including, but not limited to, petitions for determination of heirs, inventories, accountings and closing statements.</p>
<p><i>Finding # 13</i></p> <p><i>Infringement</i></p> <p><u><i>Related Attributes:</i></u></p> <p><i>Arizona Code of Judicial Administration § 7-202(J) (2)(c)</i></p> <p><i>Requirement</i></p>	<p>A fiduciary must protect the right of the ward or protected person against infringement by third parties.</p> <ul style="list-style-type: none"> • A default judgment occurred when the fiduciary failed to represent or acknowledge a complaint filed against the conservatee. – Client # 12 <p>Diligence equates to the competent management of the property and income of a client's estate.</p>
<p><i>Auditee's Response</i></p>	<p>ADVS Fiduciary respectfully responds to finding #13 as follows: Client #12 - ADVS agrees with Finding #13.</p>
<p><i>Corrective Action.</i></p>	<p>ADVS had and has existing procedures that, if followed in this instance, would have prevented entry the default (but unknown as to any ultimate judgment on the owed debt). ADVS is holding mandatory meetings to train FID personnel in the use of existing FID procedures and court dates.</p> <p>ADVS agrees, pursuant to ACJA § 7-202(J)(5)(h), that ADVS, as fiduciary, shall vigorously protect the rights of the ward or protected person against infringement by third parties.</p>
<p><i>Finding # 14</i></p> <p><i>Notice</i></p> <p><u><i>Related Attributes:</i></u></p>	<p>By Arizona statute a fiduciary must notice the courts within 10 days of learning of a ward's death.</p> <ul style="list-style-type: none"> • A notice of death was not given to courts for 15 months. – Client # 1

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<p><i>Supreme Court Rule 127</i></p> <p><i>Arizona Code of Judicial Administration § 7-202 (J)(2)(f)</i></p> <p>Requirement</p>	<p>ADVS is required to notify the court within 10 days of a wards death.</p>
<p>Auditee's Response</p>	<p>ADVS Fiduciary respectfully responds to finding #14 as follows:</p> <p>ADVS Fiduciary division has completed its own review and "internal audit" of its files concerning client #1 whose file was audited by the Fiduciary Board. Discrepancies with and/or clarifications to the Audit Report are noted below:</p> <p>ADVS agrees with Finding #14. This Client died in 2001. It appears to the present FID management that some of the documents for this Client are missing. All of the primary workers involved in this matter are no longer employed by ADVS.</p>
<p>Corrective Action</p>	<p>ADVS will notify the court of record of a ward's or protected person's death or change of location within 10 days of occurrence.</p> <p>ADVS agrees, pursuant to Rule 127, Rules of the Supreme Court of Arizona, that ADVS, as guardian or conservator appointed pursuant to A.R.S. Title 14, Chapter 5, shall provide written notice to the court disclosing the death of a minor or adult ward or protected person within ten days after learning of the ward or protected person's death.</p> <p>ADVS agrees, pursuant to ACJA § 7-202(J)(2)(f), that ADVS, as fiduciary, shall inform the superior court within ten days of the change of location or death of a client or ward.</p>

The comments do not require a response by the fiduciary. The comments are offered as suggestions only.

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COMMENTS:

I. The internal controls review found the following weaknesses:

1. Inventory and Accounting schedules utilized do not accurately portray client assets and debts in reasonable detail. Using the format in ADVS' policy and procedures should be considered.
2. In accordance with Arizona Code of Judicial Administration § 7-202, Code of Conduct, (J)(2)(h) when ADVS is serving as power of attorney, trustee, social security representative payee, or a legal custodian they should inform the ward and public that their Supreme Court certification does not pertain to these functions. A process should be established to inform clients and interested parties.
3. ADVS should consider developing a revised Policy and Procedure manual that is shared, executed and maintained. ADVS employees had little to no knowledge of current Policy and Procedures. Internal positions were not referenced correctly in the current policy and procedure manual. Policy and procedures should be followed, specifically in regards to inventory.
4. ADVS should consider developing a retention policy. It is suggested that files are to be retained for the lifetime of the court appointed case.

All findings are preliminary until such time as a Final Report is completed.

APPENDIX B

Email from Auditor Requesting Information

Braddock, Lori

Subject: audit

From: Braddock, Lori [mailto:LBraddock@courts.az.gov]

Sent: Wednesday, September 16, 2009 4:00 PM

To: Gary Warner

Subject: RE: audit

Hello Gary,

Before putting the final audit together I need some additional information or documentation to support your response. I have listed below what is needed. If you have any questions please feel free to contact me. I will be away from the office the remainder of the week, but email me and I will contact you upon my return. This information is due back September 15, 2009 by close of business.

Finding #3:

- *Provide documentation demonstrating the banking error in regards to Client #1 and the \$124,000.00.
- *Provide documentation that Arizona Federal Account #XXX7879 was closed for client #5.
- *Provide copies of receipts and request for disposal of Client # 9's property.

Finding #5:

- *Provide documentation for Client #2 that demonstrates the client opened the account themselves in another state and ADVS was not knowledgeable.
- *Finding #5 listed the following: Blank checks linked to a client's credit card account were in the Accounting file. – Client # 14, However it should read Client #13. Please respond to this finding.

Finding #6:

- * Client#4 ADVS states they will file all tax returns necessary, what date will this be done by?

I will be sending additional questions but will begin with these.

Lori Braddock
Fiduciary Compliance Auditor

APPENDIX C

Response and Documents Supporting ADVS Response to Email

JANICE K. BREWER
Governor



JOEY STRICKLAND
Director

**ARIZONA DEPARTMENT OF VETERANS' SERVICES
FIDUCIARY DIVISION**

3839 N. Third Street, Suite 100 - Phoenix, Arizona 85012 - 2068
Telephone: (602) 248-1554 Fax: (602) 248-1557
www.azdvs.gov

September 23, 2009

Arizona Supreme Court
Administrative Office of the Courts
Certification and Licensing Division
1501 West Washington Street
Phoenix, Arizona 85007-3231
Attention: Lori Braddock, Fiduciary Compliance Auditor

Re: Additional Information and Documentation

Reference: e-Mail Message, September 16, 2009, subject: re: audit
ADVS' Response to the Draft Compliance Audit Report, August 21, 2009
Corrected August 24, 2009

Dear Ms. Braddock:

We are in receipt of your email, dated September 16, 2009, requesting that additional information or documentation supporting our audit responses be forwarded to your office by close of business September 23, 2009. Please find enclosed, at Page Two below, the documentation, as enclosures to this letter, and information as requested.

We are also in receipt of your most recent email, dated September 22, 2009 (with attached letter copy dated September 21, 2009) requesting further information be provided by close of business on Monday, September 28, 2009. Please be advised that the information requested will be forwarded to your office by the required due date.

Sincerely,

A handwritten signature in black ink, appearing to read "Gregory T. Sulzer".

Gregory T. Sulzer
ADVS Principal Fiduciary
Fiduciary Division Manager

HAND DELIVERED

SEP 23 2009

Certification and Licensing Division
Re: Additional Information and Documentation
September 23, 2009
Page Two

Finding #3:

Client #1:

Enclosed: Bank One statement, Acct #0000000XXXX1454, Nov 1 through Nov 30, 2001, Page 1 of 2, with attached photocopy of Bank One Official Check XXXXX1818, dated 11/27/01.

Client #5:

Enclosed: Arizona Federal statement, Account Number XXX787, from 01Jan08 to 21Jan08 (2 pages).

Client #9:

Enclosed:

(1) ADVS, FID, Request for Disposal of Asset, dated 6-16-[200]8, Motor Home, 2001 Ford Storm; Contractors Invoice (Krystal Kleen), dated 1/30/[20]09; and Receipt No. 5071, received \$17,575.00 from Krystal Kleen.

(2) ADVS, FID, Request for Disposal of Asset, dated 6-16-[200]8, Vehicle, 1996 Ford Escort; Contractors Invoice (Krystal Kleen), dated 1/2009; Arizona Certificate of Title, VIN 1GNGM17W1VB118564; and Receipt No. 5068, received \$1,150.00 from Krystal Kleen.

Finding #5:

Client #2:

Enclosed:

(1) Statement, Wells Fargo Bank, Concord, CA, Account XXXX-XX1008, 7/12/97 through 8/12/97.

(2) Statement, Wells Fargo Bank, Portland, OR, Account XXXX-XX1008, 12/11/97 through 1/13/98

Client #13:

Blank promotional checks in Client's file were destroyed on September 21, 2009.

Finding #6:

Client #4: Tax returns for 2008 are prepared and will be mailed on or before September 25, 2009. Tax returns for 2007 are not required.

Bank One, NA
 Arizona Market
 P.O. BOX 92102
 Bedford, TX 76095-2102

Acct #



Nov 1 through Nov 30, 2001

Page 1 of 2

IF YOUR SAVINGS ACCOUNT HAS NO ACTIVITY IN 24 MONTHS, IT WILL BE CONSIDERED DORMANT. DORMANT ACCOUNTS WILL RECEIVE MONTHLY STATEMENTS AND BE SUBJECT TO NORMAL MONTHLY SERVICE FEES RATHER THAN AN ANNUAL FEE, EFFECTIVE 11/09/01. YOU CAN KEEP YOUR ACCOUNT ACTIVE BY SIMPLY MAKING A DEPOSIT OR WITHDRAWAL AT LEAST ONCE A YEAR.

FOR AUTOMATED ACCOUNT INFORMATION, PAYMENTS, TRANSFERS AND TO CHANGE YOUR ACCOUNT MAILING ADDRESS, CALL 1-800-366-2265 ANYTIME OR VISIT WWW.BANKONE.COM TELEPHONE BANKERS ARE AVAILABLE DURING EXTENDED BUSINESS HOURS. FOR THE SPEECH OR HEARING IMPAIRED, CALL 1-888-663-4833. PARA ESPANOL, LLAME AL 1-888-BANK-ONE (226-5663).

BANK ONE HIGH BALANCE SAVINGS

Account number:

Interest earned	
this statement period	\$17.53
Annual Percentage Yield Earned	
this statement period	1.95%
Interest paid this year	\$304.50

Beginning balance	\$12,915.41
Deposits	+ 111,643.53
Withdrawals	- 124,263.67
Balance as of Nov 30	\$295.27

Transactions

Date	Description	Deposits	Withdrawals
11-05	Premium Aarp Health Care		222.67
11-27	Check	\$/b 12,400.00 (see attached)	124,000.00
11-28	Miscellaneous Charge		1.00
11-28	Overdraft Fee		25.00
11-29	Credit Memo	26.00	
11-30	Credit Memo (correction)	111,600.00	
11-30	Service Fee		15.00
11-30	Interest Payment	17.53	
		111,643.53	124,263.67

continues

P.O. BOX 60070
 Phoenix, AZ 85082

Phone inquiries to: 602-683-1000

ARIZONA DEPARTMENT OF VETERANS
 3839 N 3RD ST STE 100
 PHOENIX AZ 85012-2068

		1
	01JAN08	31JAN08
SOCIAL SECURITY NO.	FROM	TO
	STATEMENT PERIOD	

Now's the time to start saving for your retirement. We offer IRA products that can help you meet your retirement goals. Start saving today and watch your money grow.

savings
 suffix 0

Your balance at the beginning of the period.....\$ 32.49
 17JAN Withdrawal -31.66 = 0.83
 Transfer 'STL' 31.66 to acct: GRANBY-9 0.02 = 0.85
 17JAN Dividend through 16JAN2008
 ANNUAL PERCENTAGE YIELD EARNED: 1.41% FOR A 16 DAY PERIOD
 Average Daily Balance: 32.49
 17JAN withdrawal -0.85 = 0.00
 17JAN <CU CK#8656 THE ESTATE OF DONALD E. GRANBY A PROTECTED>
 Your new balance on 31JAN08.....\$
 Dividends Paid To You In 2008 On suffix 0 \$ 0.02

====CHANGE IN TERMS NOTICE=====

Arizona Federal is making changes to selected fees effective March 1, 2008. The amounts for these fees are listed below:

- Non-sufficient funds fee \$25
- Stop payment fee \$25
- Overdraft courtesy fee \$25
- Excess transfer fee \$6

=====
 Line of Credit Loan 9
 Your balance at the beginning of the period.....\$ 88.92
 14% ***ANNUAL PERCENTAGE RATE***
 .038356% Daily Periodic Rate
 FINANCE
 (PAYMENT)**CHARGE**PRINCIPAL
 01JAN Debt Protection 0.05 = 88.97
 06DEC* Payment (65.08) 1.16 63.92 = 25.05
 17JAN Payment (31.66) 0.40 25.05 = 0.00
 (6.21 Late charge)
 Transfer 'STL' 31.66 from acct: GRANBY-0
 Your new balance on 31JAN08.....\$
 FINANCE CHARGES PAID IN 2008 ON LOAN 9 \$ 1.56

P.O. BOX 60070
Phoenix, AZ 85082

Phone inquiries to: 602-583-1000

ACCOUNT NUMBER		PAGE
757		2
01JAN08		31JAN08
SOCIAL SECURITY NO.	FROM	TO
STATEMENT PERIOD		

THE ESTATE OF
ARIZONA DEPARTMENT OF VETERANS
3839 N 3RD ST STE 100
PHOENIX AZ 85012-2068

YOUR
Financial
Summary

YOUR total Savings balances.....\$ 0.00
YOUR total Loan balances.....\$ 0.00

YTD Tax
Summary

YEAR-TO-DATE INFORMATION FOR TAX PURPOSES:
Total non-IRA dividends earned
(May be reported to IRS as interest for this calendar year)...\$ 0.02
Total finance charges paid on loans this calendar year.....\$ 1.56

Previous
Year
Summary

PRIOR YEAR SUMMARY FOR TAX PURPOSES:
Total non-IRA dividends earned
(May be reported to IRS interest for 2007).....\$ 9.52
1099 OID dividends will be reported for 2007.....\$ 0.00
Total finance charges paid on loans in 2007.....\$ 259.48
Interest refunds in 2007 for finance charges paid in 2007....\$ 6.73
Net finance charges paid on loans in 2007.....\$ 252.75

SUMMARY OF FINANCE CHARGES PAID LAST YEAR:

Loan Suffix	Collateral Description	Net YTD Interest Paid
Loan 1	120 Pre-owned Vehicle	0.00
Loan 2	120 Pre-owned vehicle	0.00
Loan 3	120 Pre-owned vehicle	0.00
Loan 4	150 C/E Personal	0.00
Loan 6	120 Pre-owned Vehicle	0.00
Loan 9	020 LOC	254.29
Loan 98	320 VISA Platinum	0.00
Loan 99	320 VISA Platinum	0.00

ARIZONA DEPARTMENT OF VETERANS' SERVICES
 FIDUCIARY DIVISION
 REQUEST FOR DISPOSAL OF ASSET

PREPARED BY: J Mulvey DATE: 6-16-08
 NAME OF CLIENT: _____ CT #: 012801

ASSET TO BE DISPOSED: TYPE: Motor Home

<u>VEHICLE INFORMATION</u>	<u>OTHER ASSET INFORMATION</u>
YEAR: <u>2001</u>	PARCEL ID: _____
MAKE: <u>Ford storm</u>	LEGAL DESC: _____
MODEL #: _____	LEGAL DESC: _____
VIN #: _____	SERIAL #: _____
COLOR: _____	POLICY #: _____
	BENEFICIARY: _____
LIEN INFO: _____	
INSURER INFO: _____	
OTHER INFO: _____	

LOCATION OF ASSET:

COMPANY NAME			
STREET		CONTACT	
CITY: <u>Florence</u>	STATE: <u>AZ</u>	ZIP	PHONE #

KEYS OBTAINED? YES NO N/A LOCATION: Box # 2 / #2

VEHICLE TITLE OBTAINED? YES NO N/A LOCATION: _____

JUSTIFICATION FOR DISPOSING OF ASSET: in nursing home - not needed

PROVIDER/VENDOR TO DISPOSE OF ASSET: _____

CT VALUE OF ASSET: \$ 25,620⁰⁰ CSV: \$ _____ SOURCE: _____

METHOD USED TO VALUE ASSET: (circle one) FMV APPRAISAL COST ASSESSOR FACE

APPROVED <input checked="" type="checkbox"/>	DENIED _____	APPROVED <input checked="" type="checkbox"/>	DENIED _____
<u>Max Wains</u>	<u>6-19-08</u>	<u>Sherry J. J. J.</u>	<u>06-19-2008</u>
HUMAN SERVICES MANAGER	DATE	STATE VETERANS FIDUCIARY	DATE
<u>Kathleen J. J.</u>	<u>6-19-08</u>	FID, Mgr.	
ASSET MANAGER	DATE		

DATE ASSET DISPOSED: 6/16/09 AMOUNT RECEIVED: \$ 17575.⁰⁰
 DATE ENTERED IN CT: 6/16/09 DATE ENTERED IN EXCEL: 6/16/09
 CT SEQUENCE #: 3 CT TRANSACTION CODE: 1003

Handwritten initials/signature

Wastal Kleen

CONTRACTORS INVOICE

WORK PERFORMED AT:

TO: Veterans Admin

Estate of [unclear]

DATE: 1/30/09 YOUR WORK ORDER NO: OUR BID NO:

DESCRIPTION OF WORK PERFORMED: Estate of [unclear] Sold (1) 2001 Ford Storm Motorhome Sold - \$18,500.00 ~~2005~~ - COMM 925.00 \$17,575.00

[Handwritten signature]

All Material is guaranteed to be as specified, and the above work was performed in accordance with the drawings and specifications provided for the above work and was completed in a substantial workmanlike manner for the agreed sum of _____ Dollars (\$ _____)

This is a Partial Full Invoice due and payable by: _____ Month _____ Day _____ Year

Invoice Date with our Agreement Proposal No. _____ Date _____ Month _____ Day _____ Year

TOPS FORM 46808 ©

RECEIPT DATE _____ NO. 5071

RECEIVED FROM _____

ADDRESS _____

FOR _____ DOLLARS \$ _____

ACCOUNT		HOW PAID	
AMT. OF ACCOUNT		CASH	17515 00
AMT. PAID		CHECK	
BALANCE DUE		MONEY ORDER	

BY _____

~~Handwritten scribble~~

TOPS FORM 46808 ©

RECEIPT DATE 2/6/09 NO. 5071

RECEIVED FROM Krystal Kiden

ADDRESS _____

FOR _____ 2001 Motorhome DOLLARS \$ 17515 00

ACCOUNT		HOW PAID	
AMT. OF ACCOUNT		CASH	17515 00
AMT. PAID		CHECK	
BALANCE DUE		MONEY ORDER	

BY Chad [Signature]

Handwritten notes on left:
 175 x 1.00
 1 x \$50
 1 x \$20
 1 x \$5

ARIZONA DEPARTMENT OF VETERANS' SERVICES
 FIDUCIARY DIVISION
 REQUEST FOR DISPOSAL OF ASSET

PREPARED BY: M. Williams DATE: 6.16.08
 NAME OF CLIENT: _____ CT #: 012301

ASSET TO BE DISPOSED: TYPE: Vehicle

<u>VEHICLE INFORMATION</u>	<u>OTHER ASSET INFORMATION</u>
YEAR: <u>1996</u>	PARCEL ID: _____
MAKE: <u>Ford Escort</u>	LEGAL DESC: _____
MODEL #: _____	LEGAL DESC: _____
VIN #: _____	SERIAL #: <u>208</u>
COLOR: _____	POLICY #: _____
	BENEFICIARY: _____
LIEN INFO: <u>none</u>	
INSURER INFO: _____	
OTHER INFO: _____	

LOCATION OF ASSET:

COMPANY NAME			
STREET		CONTACT	
CITY: <u>Phoenix</u>	STATE: <u>AZ</u>	ZIP	PHONE #

KEYS OBTAINED? YES NO N/A LOCATION: _____

VEHICLE TITLE OBTAINED? YES NO N/A LOCATION: _____

JUSTIFICATION FOR DISPOSING OF ASSET: _____

PROVIDER/VENDOR TO DISPOSE OF ASSET: _____

CT VALUE OF ASSET: \$1750.00 CSV: \$ _____ SOURCE: _____

METHOD USED TO VALUE ASSET: (circle one) FMV APPRAISAL COST ASSESSOR FACE

APPROVED <u>[Signature]</u>	DENIED _____	APPROVED <u>[Signature]</u>	DENIED _____
HUMAN SERVICES MANAGER	DATE <u>6-19-08</u>	STATE VETERANS' FIDUCIARY	DATE <u>06-19-2008</u>
ASSET MANAGER <u>[Signature]</u>	DATE <u>6-19-08</u>	FID, mgr.	

DATE ASSET DISPOSED: 11/27/09 AMOUNT RECEIVED: \$ 1150.00
 DATE ENTERED IN CT: 11/27/09 DATE ENTERED IN EXCEL: 11/27/09
 CT SEQUENCE #: 2 CT TRANSACTION CODE: 1003

CONTRACTORS INVOICE

Crystal Klean
600

WORK PERFORMED AT:

Veterans Home
Phoenix Az

Estate
Florence, Az

DATE: 1/2009 YOUR WORK ORDER NO: OUR BID NO:

DESCRIPTION OF WORK PERFORMED

FORD ESCORT
GROSS \$ 1300.00
- 250.00
COMM 1,150.00

Material is guaranteed to be as specified, and the above work was performed in accordance with the drawings and specifications provided for the above work and was completed in a substantial workmanlike manner for the agreed sum of _____

_____ Dollars (\$)

is a Partial Full invoice due and payable by: _____ Month _____ Day _____ Year

_____ Month _____ Day _____ Year

SOLD TO C

Florence, Az 85232

1996 Ford Escort

OWNER -

1/11/09 Sold

ARIZONA DEPARTMENT OF TRANSPORTATION
Motor Vehicle Division

Certificate of Title

VEHICLE IDENTIFICATION NUMBER: 1FNDX1E1A0DE118564 YEAR: 97 MAKE: FORD

BODY STYLE: 2DR MODEL: EST MO/YR FIRST REGISTERED: 12/96 FACTORY LIST PRICE: \$10,999

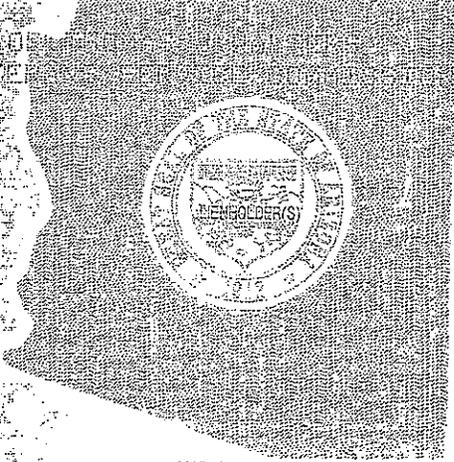
TITLE: 1996 FORD ESCORT ISSUE DATE: 010797 TYPE: OTHER FIRM: NONE

PREV. TITLE: NONE ST: AZ ISSUE DATE: PREV. FILE NO: NONE

PLATE: 1A0788 GROSS VEH. WGT.: 000000 FUEL: G ODOMETER MILES*: 00000

MH MFS: STATUS: REGULAR

VEHICLE OWNER(S) AND LESSOR(S)



MAILING ADDRESS

IN THE STATE OF ARIZONA
COUNTY OF PIMA 05014

This Certificate of Title, pursuant to the laws of Arizona, certifies that the vehicle has been duly registered in this Office as owner of the described vehicle which is subject to the liens and encumbrances, if any, herein set forth.

A - REFLECTS ACTUAL MILEAGE.
B - MILEAGE IS IN EXCESS OF MECHANICAL LIMITS.
C - NOT ACTUAL MILEAGE - VARYING - ODOMETER DISCREPANCY.



FORM 46808 ©



10 x 100w
x 50
x 10
9 x 5
= 1150

RECEIPT

DATE 1-27-9

NO. 5068

RECEIVED FROM

Kristal Klein

ADDRESS

9537 Waverly Dr S

DOLLARS \$

1150.00

FOR

1000 (Scott)

ACCOUNT		HOW PAID	
AMT. OF ACCOUNT		CASH	
AMT. PAID		CHECK	
BALANCE DUE		MONEY ORDER	

BY

[Signature]

205

32928-06FEB98
G06FEB98-1980



WELLS FARGO

008
2964

+ WELLS FARGO BANK, N.A.
P.O. BOX 4001
CONCORD, CA 94524-4001

#0655

6655-241008

UD N

CALL 1-800-TO-WELLS
(1-800-869-3557)
24 HOURS/DAY, 7 DAYS/WEEK
FOR ASSISTANCE WITH
YOUR ACCOUNT.

PAGE 1 OF 1 THIS STATEMENT COVERS: 7/12/97 THROUGH 8/12/97

WELLS FARGO
NEWSLINE

TRAVELING THIS SUMMER?
AMERICAN EXPRESS TRAVELERS CHEQUES ARE CONVENIENTLY AVAILABLE AT
TRADITIONAL AND IN-STORE WELLS FARGO BRANCHES. IF LOST OR STOLEN,
THEY ARE REFUNDABLE WITHIN 24 HOURS WORLDWIDE.

MARKET RATE
ACCOUNT

SUMMARY

008

PREVIOUS BALANCE	35,671.49	MINIMUM BALANCE	35,671.49
DEPOSITS	.00+	AVERAGE BALANCE	35,674.17
INTEREST EARNED	80.37+	ANNUAL PERCENTAGE YIELD EARNED	2.60%
WITHDRAWALS	.00-	INTEREST EARNED 1997	558.86
TELEPHONE BANKING CALLS	.00-		
OTHER SERVICE CHARGES	.00-		
- NEW BALANCE	35,751.86		

DETAILS

DATE	TRANSACTION	AMOUNT	BALANCE
8/12	INTEREST PAYMENT THIS PERIOD	80.37+	35,751.86

24-HOUR
TELEPHONE
BANKING

EACH ACCOUNT COMES WITH 3 COMPLIMENTARY CALLS PER STATEMENT PERIOD. IF YOU
MAINTAIN A MINIMUM DAILY BALANCE OF \$2,500, THERE WILL BE NO CHARGE FOR
TELEPHONE BANKING CALLS.

CALLS TO 24-HOUR TELEPHONE BANKING THIS STATEMENT PERIOD: 0

INTEREST
INFORMATION

FROM	THROUGH	INTEREST RATE	ANNUAL PERCENTAGE YIELD (APY)
7/12	8/12	2.57%	2.60%

INTEREST RATE/APY AS OF 8/12/97 IF YOUR BALANCE IS

\$ 0 - 2,499	0.00%	0.00%
\$ 2,500 - 9,999	2.35%	2.38%
\$ 10,000 - 24,999	2.40%	2.43%
\$ 25,000 - 49,999	2.57%	2.60%
\$ 50,000 - 99,999	2.86%	2.90%
\$ 100,000 AND OVER	3.15%	3.20%

THANK YOU FOR BANKING WITH WELLS FARGO

6655-241008

01/13/98 008
2964

+ WELLS FARGO BANK, N.A.
P.O. BOX 6995
PORTLAND, OR 97228-6995

#0655

6655-241008

UD N

CALL 1-800-TO-WELLS
(1-800-869-3557)
24 HOURS/DAY, 7 DAYS/WEEK
FOR ASSISTANCE WITH
YOUR ACCOUNT.

PAGE 1 OF 1 THIS STATEMENT COVERS: 12/11/97 THROUGH 1/13/98

MARKET RATE ACCOUNT	SUMMARY			
008	PREVIOUS BALANCE	36,054.87	MINIMUM BALANCE	36,054.87
	DEPOSITS	122.00+	AVERAGE BALANCE	36,128.04
	INTEREST EARNED	86.48+	ANNUAL PERCENTAGE	
	WITHDRAWALS	.00-	YIELD EARNED	2.60%
	TELEPHONE BANKING CALLS	.00-	INTEREST EARNED 1998	33.16
	OTHER SERVICE CHARGES	.00-		
	NEW BALANCE	36,263.35		

IMPORTANT NOTICE

PLEASE READ THE ENCLOSED "NEW FEE SCHEDULE" FOR INFORMATION ON CHANGES TO SOME OF OUR MISCELLANEOUS FEES. THESE FEES ARE IMPORTANT FOR YOU TO REVIEW. THE FEE CHANGES WILL BE EFFECTIVE MARCH 2, 1998. IF YOU HAVE ANY QUESTIONS ABOUT THESE CHANGES, PLEASE CALL US AT THE TELEPHONE NUMBER ON THIS STATEMENT.

DETAILS

DATE	TRANSACTION	AMOUNT	BALANCE
12/31	CUSTOMER DEPOSIT	122.00+	36,176.87
12/31	INTEREST PAYMENT THIS PERIOD	53.32+	36,230.19
1/13	INTEREST PAYMENT THIS PERIOD	33.16+	36,263.35

24-HOUR
TELEPHONE
BANKING

EACH ACCOUNT COMES WITH 3 COMPLIMENTARY CALLS PER STATEMENT PERIOD. IF YOU MAINTAIN A MINIMUM DAILY BALANCE OF \$2,500, THERE WILL BE NO CHARGE FOR TELEPHONE BANKING CALLS.

CALLS TO 24-HOUR TELEPHONE BANKING THIS STATEMENT PERIOD: 0

INTEREST INFORMATION	FROM	THROUGH	INTEREST RATE	ANNUAL PERCENTAGE YIELD (APY)
	12/11	1/13	2.57%	2.60%
INTEREST RATE/APY AS OF 1/13/98 IF YOUR BALANCE IS				
	\$ 0 - 2,499		0.00%	0.00%
	\$ 2,500 - 9,999		2.35%	2.38%
	\$ 10,000 - 24,999		2.40%	2.43%
	\$ 25,000 - 49,999		2.57%	2.60%
	\$ 50,000 - 99,999		2.86%	2.90%
	\$ 100,000 AND OVER		3.15%	3.20%

THANK YOU FOR BANKING WITH WELLS FARGO

APPENDIX D

Letter from Auditor Requesting Information



Supreme Court

STATE OF ARIZONA

ADMINISTRATIVE OFFICE OF THE COURTS

Rebecca White Berch
Chief Justice

David K. Byers
Administrative Director
of the Courts

September 22, 2009

Gary Warner
Arizona Department of Veterans' Services
3839 North Third Street, Suite 100
Phoenix, AZ 85012

RE: Fiduciary Compliance Audit

Dear Mr. Warner:

After review of your responses to the Draft Audit report additional information will be needed. Please provide the following information:

- A date the new system to track filing dates, the progression of inventories and reports will be implemented referenced in audit responses.
- A copy of the credit memo for Client #1, referred to in Finding #3.
- Copies of receipts and request for disposal of assets for client #9 during inventory and first accounting period.
- A copy of the 1st accounting for Client #10.
- A copy of the Physician statement in support of Title 14 Guardianship and/or Conservatorship in regards to Client #14.
- The date by which ADVS will have Client #5 removed from the title to the boat trailer.
- The date that ADVS will complete the review of all Clients' files to determine if they contain blank check books and destroy them if found.
- The steps ADVS will implement to marshal and secure the property and income of clients' estates and by what dates.
- The date by which ADVS will have completed the review, update, and rewriting of operating

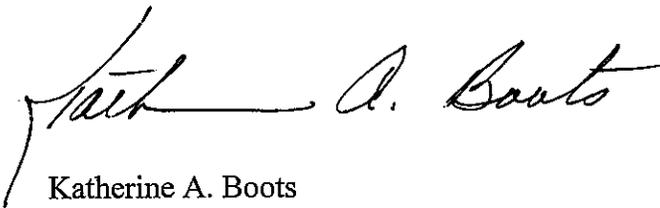
procedures.

- The date by which ADVS will institute a system for tracking due dates of Client payments.
- The steps ADVS will adhere to when making decisions on behalf of a ward or protected person and implemented by what date.
- Explain how ADVS verify dates on Annual Guardian Reports prior to filing?
- A copy of Client #1's biennial accounting approved March 23, 2004.
- The date ADVS will have completed filing the tax returns for Client #4?
- The bill for Client #2 that was stamped twice for payment as well as the bank ledger showing it was paid once.

All requested information is due to the Auditor by close of business on Monday, September 28, 2009.

If you have questions, please contact Lori at (602) 452-3277.

Sincerely,

A handwritten signature in black ink, appearing to read "Katherine A. Boots". The signature is written in a cursive style with a large initial "K".

Katherine A. Boots
Compliance Manager
Certification and Licensing Division
Administrative Office of the Court

APPENDIX E

Response and Documents Supporting ADVS Response to Letter

JANICE K. BREWER
Governor



JOEY STRICKLAND
Director

**ARIZONA DEPARTMENT OF VETERANS' SERVICES
FIDUCIARY DIVISION**

3839 N. Third Street, Suite 100 - Phoenix, Arizona 85012 - 2068
Telephone: (602) 248-1554 Fax: (602) 248-1557
www.azdvs.gov

September 28, 2009

Arizona Supreme Court
Administrative Office of the Courts
Certification and Licensing Division
1501 West Washington Street
Phoenix, Arizona 85007-3231
Attention: Lori Braddock, Fiduciary Compliance Auditor

Re: Additional Information and Documentation (September 22, 2009 Request)
ADVS' Response to Draft Compliance Audit Report, August 21, 2009
(Corrected August 24, 2009)

Reference: e-Mail Message, September 22, 2009, subject: re: Audit Info Request

Enclosures: Listed at Page Five below

Dear Ms. Braddock:

We are in receipt of your email dated September 22, 2009, and its attached letter dated September 21, 2009, requesting that additional information or documentation supporting our audit responses be forwarded to your office by close of business September 28, 2009. Please find listed the documentation, as enclosures to this letter, and other information requested in the order presented in the September 21st letter.

Sincerely,

A handwritten signature in black ink, appearing to read "Gregory T. Sulzer".

Gregory T. Sulzer
ADVS Principal Fiduciary
Fiduciary Division Manager

HAND DELIVERED

SEP 28 2009

1. A date the new system to track filing dates, the progression of inventories and reports will be implemented referenced in audit responses.

Response:

(a) The undersigned, ADVS principal fiduciary effective September 18, 2009, has been revising the ADVS Fiduciary Division's fiduciary operating procedures (the "Revised Fiduciary Operating Procedures"). The draft revisions, which will include a system to: (i) track filing dates for inventories and reports due to the Probate Court, (ii) when the inventories and reports are completed by ADVS for review by ADVS' attorney-of-record, (iii) when the inventories and records are sent by ADVS to the respective attorney-of record, and (iv) when the attorney-of-record filed the inventory or report with the Probate Court, will be circulated among the ADVS FID personnel by October 30, 2009, for review and comment during November, 2009. The Revised Fiduciary Operating Procedures will be implemented by January 1, 2010.

(b) During March, 2008, ADVS FID was preparing and sending guardian reports, accounting reports, and inventory and appraisal reports to counsels-of-record for submission or filing with the court only shortly prior to court due dates. By mid-March 2009, FID changed its procedures to prepare and send such reports to counsels 3 weeks prior to their respective court due dates. Presently, FID is preparing and sending the reports to counsel approximately 45 to 60 days (6 to 8 weeks) prior to their respective court due date. The FID has maintained, and will continue to maintain, this 6 to 8 week scheduling; and will monitor and enforce timely filing of inventories and reports with the probate courts.

2. A copy of the credit memo for Client #1, referred to in Finding #3.

Response:

Please see **Enclosure A**. The check in question was issued in the amount of \$12,400. The bank statement shows the beginning balance of the account was \$12,915.41, and a check in the amount of \$12,400 was withdrawn from the account. The bank erred in entering the withdrawal amount. On the bank's statement 3 days later, the bank corrected its error, by way of a credit memo, and showed the proper withdrawal amount of \$12,400 (rather than \$124,000).

3. Copies of receipts and request for disposal of assets for client #9 during inventory and first accounting period.

Response:

Please see **Enclosures B(1) and B(2)**.

4. A copy of the 1st accounting for Client #10.

Response:

Please see **Enclosure C**.

5. A copy of the Physician statement in support of Title 14 Guardianship and/or Conservatorship in regards to Client #14.

Response:

Please see **Enclosure D**.

6. The date by which ADVS will have Client #5 removed from the title to the boat trailer.

Response:

Please see **Enclosure E**.

7. The date that ADVS will complete the review of all Clients' files to determine if they contain blank check books and destroy them if found.

Response:

ADVS will complete the review all of fiduciary Client's files to determine whether or not they contain blank check books and destroy any found by October 16, 2009. Confirmation of completion of the review and destruction will be forwarded to your attention, not later than October 16, 2009, under separate cover.

8. The steps ADVS will implement to marshal and secure the property and income of clients' estates and by what dates.

Response:

The undersigned, ADVS principal fiduciary effective September 18, 2009, has been updating and revising the ADVS Fiduciary Division's fiduciary operating procedures (the "Revised Fiduciary Operating Procedures"). The draft revisions, which will include procedures for identifying, locating, and obtaining possession and/or control over the properties of fiduciary Clients, will be circulated among the ADVS FID personnel by October 30, 2009, for review and comment during November, 2009. The Revised Fiduciary Operating Procedures will be implemented by January 1, 2010.

9. The date by which ADVS will have completed the review, update, and rewriting of operating procedures.

Response:

The undersigned, ADVS principal fiduciary effective September 18, 2009, has been updating and revising the ADVS Fiduciary Division's fiduciary operating procedures (the "Revised Fiduciary Operating Procedures"). The draft revisions will be circulated among the ADVS FID personnel by October 30, 2009, for review and comment during November, 2009. The Revised Fiduciary Operating Procedures will be implemented by January 1, 2010.

10. The date by which ADVS will institute a system for tracking due dates of Client payments.

Response (to 10):

The undersigned, ADVS principal fiduciary effective September 18, 2009, has been updating and revising the ADVS Fiduciary Division's fiduciary operating procedures (the "Revised Fiduciary Operating Procedures"). The draft revisions, which will include procedures for tracking due dates of Client payments, will be circulated among the ADVS FID personnel by October 30, 2009, for review and comment during November, 2009. The Revised Fiduciary Operating Procedures will be implemented by January 1, 2010.

11. The steps ADVS will adhere to when making decisions on behalf of a ward or protected person and implemented by what date.

Response:

The undersigned, ADVS principal fiduciary effective September 18, 2009, has been updating and revising the ADVS Fiduciary Division's fiduciary operating procedures (the "Revised Fiduciary Operating Procedures"). The draft revisions, which will include procedures for making decisions on behalf of wards and protected persons, for whom ADVS is appointed as fiduciary, will be circulated among the ADVS FID personnel by October 30, 2009, for review and comment during November, 2009. The Revised Fiduciary Operating Procedures will be implemented by January 1, 2010.

12. Explain how ADVS verify dates on Annual Guardian Reports prior to filing?

Response:

ADVS will verify due dates for Annual Guardian Reports by the probate date (date of appointment) and by court minute entries.

13. A copy of Client #1's biennial accounting approved March 23, 2004.

Response:

Please see **Enclosures E(1) and E(2)**.

14. The date ADVS will have completed filing the tax returns for Client #4?

Response:

(a) Form 1040, *U.S. Individual Income Tax Return 2008* was filed on behalf of Client #4 on September 23, 2009.

(b) Arizona Form 140 *Resident Personal Income Tax Return 2008* was filed on behalf of Client #4 on September 23, 2009.

15. The bill for Client #2 that was stamped twice for payment as well as the bank ledger showing it was paid once.

Response:

Please see **Enclosures G(1) and G(2)**.

Certification and Licensing Division

Re: Additional Information and Documentation (September 22, 2009 Request)

September 28, 2009

Page Five

Enclosures:

- A. Bank One statement with credit memo, Acct #0000000XXXX1454, Nov 1 through Nov 30, 2001, Page 1 of 2, with attached photocopy of Bank One Official Check XXXXX1818, dated "11/27/01" (re: Client #1).
- B. (1) ADVS, FID, Request for Disposal of Asset, dated 6-16-[200]8, Motor Home, 2001 Ford Storm; Contractors Invoice (Krystal Kleen), dated 1/30/[20]09; and Receipt No. 5071, received \$17,575.00 from Krystal Kleen; and
- (2) ADVS, FID, Request for Disposal of Asset, dated 6-16-[200]8, Vehicle, 1996 Ford Escort; Contractors Invoice (Krystal Kleen), dated 1/2009; Arizona Certificate of Title, VIN 1GNGM17W1VB118564; and Receipt No. 5068, received \$1,150.00 from Krystal Kleen (re: Client #9).
- C. (1) Order Approving Annual Account, for the accounting period "06/02/03 to 06/01/04", In the Matter of the Conservatorship of Daniel J. Brys, an Adult Protected Person, GC-20030257, In the Superior Court of the State of Arizona in and for the County of Pima, file-stamped "Oct 1 2004" (1 page); and
- (2) First Annual Accounting, GC2003-0257, Period Covered "06/02/03 thru 06/01/04" (24 pages) (re: Client #10).
- D. Physicians Statement in Support of Title 14 Guardianship and/or Conservatorship signed and dated "12/11/06" (December 11, 2006) by a medical doctor (3 pages) (re: Client #14).
- E. Arizona Department of Transportation, Motor Vehicle Division, Sold Notice, Vehicle Identification Number 912325, Year 1969, Make "Shore", Plate Number R41162 (re: Client #5).
- F. (1) Order Approving First Biannual Accounting, Accounting Period: 11/21/01 - 11/20/03, In the Matter of the Guardianship of and Conservatorship for Mitchell Bulich, an Adult Protected Person, PB2001-004122, In the Superior Court of the State of Arizona in and for the County of Maricopa, file-stamped "2004 MAR 23" (2 pages); and
- (2) First Annual Accounting, PB2001-004122, Period Covered: "11/21/01 thru 11/20/03" (18 pages) (re: Client #1).
- G. (1) Letter, March 2, 2007, from Tracy G. Ragsdale, Esq. to ADVS, re: David Yurek, Billing Period: 07/01/05-06/30/06, amount invoiced \$350.00.
- (2) Printout of Computrust screen dated Monday, Sep 28, 2009: showing ADVS Check #512952, made payable to Tracy Ragsdale in the amount of \$320.00 as issued and then voided (and the \$320.00 credited back to the Client's account); and then replaced with ADVS Check #513004 in the amount of \$350.00 (re: Client #2).

Bank One, NA
 Arizona Market
 P.O. BOX 92102
 Bedford, TX 76095-2102

Acct #



Nov 1 through Nov 30, 2001

Page 1 of 2

IF YOUR SAVINGS ACCOUNT HAS NO ACTIVITY IN 24 MONTHS, IT WILL BE CONSIDERED DORMANT. DORMANT ACCOUNTS WILL RECEIVE MONTHLY STATEMENTS AND BE SUBJECT TO NORMAL MONTHLY SERVICE FEES RATHER THAN A ANNUAL FEE, EFFECTIVE 11/09/01. YOU CAN KEEP YOUR ACCOUNT ACTIVE BY SIMPLY MAKING A DEPOSIT OR WITHDRAWAL AT LEAST ONCE A YEAR.

FOR AUTOMATED ACCOUNT INFORMATION, PAYMENTS, TRANSFERS AND TO CHANGE YOUR ACCOUNT MAILING ADDRESS, CALL 1-800-366-2265 ANYTIME OR VISIT WWW.BANKONE.COM TELEPHONE BANKERS ARE AVAILABLE DURING EXTENDED BUSINESS HOURS. FOR THE SPEECH OR HEARING IMPAIRED, CALL 1-888-663-4833. PARA ESPANOL, LLAME AL 1-888-BANK-ONE (226-5663).

BANK ONE HIGH BALANCE SAVINGS

Account number

Interest earned		Beginning balance	\$12,915.41
this statement period	\$17.53	Deposits	+ 111,643.53
Annual Percentage Yield Earned		Withdrawals	- 124,263.67
this statement period	1.95%	Balance as of Nov 30	\$295.27
Interest paid this year	\$304.50		

Transactions

Date	Description	Deposits	Withdrawals
11-05	Premium Aarp Health Care 0226865211 1105		222.67
11-27	Check 5/6 12,400.00 (See attached)		124,000.00
11-28	Miscellaneous Charge		1.00
11-28	Overdraft Fee		25.00
11-29	Credit Memo	26.00	
11-30	Credit Memo (correction)	111,600.00	
11-30	Service Fee		15.00
11-30	Interest Payment	17.53	
		111,643.53	124,263.67

continues

Drawer, BANK ONE, NA

~~NON-NEGOTIABLE~~

Issued by Integrated Payment Systems Inc., Englewood, Colorado
Wells Fargo Bank Ltd, N.A., Los Angeles, CA

PV

TERMS

KEEP THIS COPY FOR YOUR RECORD OF THE TRANSACTION. TO REPORT A LOSS OR FOR ANY OTHER INFORMATION ABOUT THE INSTRUMENT, CONTACT THE INSTITUTION FROM WHICH YOU RECEIVED THE INSTRUMENT.

BANK ACCOUNT #: _____

VA BENEFITS: _____

SOCIAL SECURITY: _____

CSF/CSA: _____

DFAS/OTHER: _____

WARDS FUNDS: \$12,400

TOTAL AMOUNT WITHDRAWN: \$12,400

INITIATOR: Cindy Willis

SOCIAL WORKER APPROVAL: J. Warner

THIS TRANSACTION REQUIRES TWO ADVS EMPLOYEES AT THE BANK!

SIGNATURE#1: Cindy Willis

SIGNATURE#2: Mark Bond

RECEIVED BY: Cindy Willis

OFFICIAL CHECK

065301818

W/D Per Superior Court of the State of Arizona
of AZ in & for the County of Maricopa

BANK ONE
AZONA, NA 12,400

Bank One Signature

COPYING THIS CHECK IS ILLEGAL

ARIZONA DEPARTMENT OF VETERANS' SERVICES
 FIDUCIARY DIVISION
 REQUEST FOR DISPOSAL OF ASSET

PREPARED BY: J. Mulvey DATE: 6-16-08
 NAME OF CLIENT: _____ CT #: 1 801

ASSET TO BE DISPOSED: TYPE: Motor Home

B

VEHICLE INFORMATION	OTHER ASSET INFORMATION
YEAR: <u>2001</u>	PARCEL ID: _____
MAKE: <u>Ford storm</u>	LEGAL DESC: _____
MODEL #: _____	LEGAL DESC: _____
VIN #: _____	SERIAL #: _____
COLOR: _____	POLICY #: _____
	BENEFICIARY: _____
LIEN INFO: _____	
INSURER INFO: _____	
OTHER INFO: _____	

LOCATION OF ASSET:

COMPANY NAME			
STREET		CONTACT	
CITY: <u>Glendale</u>	STATE: <u>AZ</u>	ZIP: _____	PHONE #: _____

KEYS OBTAINED? YES NO N/A LOCATION: Box # 2 / #2

VEHICLE TITLE OBTAINED? YES NO N/A LOCATION: _____

JUSTIFICATION FOR DISPOSING OF ASSET: in nursing home - not needed

PROVIDER/VENDOR TO DISPOSE OF ASSET: _____

CT VALUE OF ASSET: \$ 25,620⁰⁰ CSV: \$ _____ SOURCE: _____

METHOD USED TO VALUE ASSET: (circle one) FMV APPRAISAL COST ASSESSOR FACE

APPROVED <input checked="" type="checkbox"/>	DENIED _____	APPROVED <input checked="" type="checkbox"/>	DENIED _____
<u>Ray Whinn</u>	<u>6-19-08</u>	<u>Shirley J. J...</u>	<u>06-19-2008</u>
HUMAN SERVICES MANAGER	DATE	STATE VETERANS' FIDUCIARY	DATE
<u>Kathleen J...</u>	<u>6-19-08</u>	FID. Mgr.	
ASSET MANAGER	DATE		

DATE ASSET DISPOSED: 6/16/09 AMOUNT RECEIVED: \$ 17575⁰⁰
 DATE ENTERED IN CT: 6/16/09 DATE ENTERED IN EXCEL: 6/16/09
 CT SEQUENCE #: 3 CT TRANSACTION CODE: 603

[Handwritten initials]

CONTRACTORS INVOICE

WORK PERFORMED AT:

[Redacted]

ESTATE OF [Redacted]

YOUR WORK ORDER NO. [Redacted] JOB REF. NO. [Redacted]

DESCRIPTION OF WORK PERFORMED

Estate of

Sold (1) 2001 Ford Storm Motorhome

Sold - \$ 18,500⁰⁰

~~900~~ - COMM 925⁰⁰

\$ 17,575⁰⁰

[Handwritten Signature]

All Material is guaranteed to be as specified, and the above work was performed in accordance with the drawings and specifications provided for the above work and was completed in a substantial workmanlike manner for the agreed sum of

Dollars \$

This is a partial invoice due and payable to

Name:

City:

State:

Date:

Day:

Year:

TOPS FORM 488DB ©

RECEIPT

RECEIVED FROM _____

ADDRESS _____

DATE _____

FOR _____

AMOUNT _____ DOLLARS

ACCOUNT		HOW PAID	
AMT. OF ACCOUNT		CASH	175.00
AMT. PAID		CHECK	
BALANCE DUE		MONEY ORDER	

B

[Handwritten signature]

TOPS FORM 488DB ©

RECEIPT

RECEIVED FROM _____

ADDRESS _____

DATE _____

FOR _____

AMOUNT _____ DOLLARS

ACCOUNT		HOW PAID	
AMT. OF ACCOUNT		CASH	175.00
AMT. PAID		CHECK	
BALANCE DUE		MONEY ORDER	

B

**ARIZONA DEPARTMENT OF VETERANS SERVICES
FIDUCIARY DIVISION
REQUEST FOR DISPOSAL OF ASSET**

PREPARED BY: M. Miller DATE: 6.16.09
 NAME OF CLIENT: _____ CT #: 012801

ASSET TO BE DISPOSED: TYPE: Vehicle

VEHICLE INFORMATION	OTHER ASSET INFORMATION
YEAR: <u>1996</u>	PARCEL ID: _____
MAKE: <u>Cord Esprit</u>	LEGAL DESC: _____
MODEL #: _____	LEGAL DESC: _____
VIN #: _____	SERIAL #: <u>013</u>
COLOR: _____	POLICY #: _____
	BENEFICIARY: _____
LIEN INFO: <u>None</u>	
INSURER INFO: _____	
OTHER INFO: _____	

LOCATION OF ASSET:

COMPANY NAME			
STREET		CONTACT	
CITY: <u>Phoenix</u>	STATE: <u>AZ</u>	ZIP	PHONE #

KEYS OBTAINED? YES NO N/A LOCATION: _____

VEHICLE TITLE OBTAINED? YES NO N/A LOCATION: _____

JUSTIFICATION FOR DISPOSING OF ASSET: _____

PROVIDER/VENDOR TO DISPOSE OF ASSET: _____

CT VALUE OF ASSET: \$1750.00 CSV: \$ _____ SOURCE: _____

METHOD USED TO VALUE ASSET: (circle one) FMV APPRAISAL COST ASSESSOR FACE

APPROVED <u>[Signature]</u>	DENIED _____	APPROVED <u>[Signature]</u>	DENIED _____
HUMAN SERVICES MANAGER	DATE <u>6-19-09</u>	STATE VETERANS FIDUCIARY	DATE <u>06-19-2009</u>
ASSET MANAGER <u>[Signature]</u>	DATE <u>6-19-09</u>	FID, Mgr.	

DATE ASSET DISPOSED: 11/27/09 AMOUNT RECEIVED: \$1150.00
 DATE ENTERED IN CT: 11/27/09 DATE ENTERED IN EXCEL: 11/27/09
 CT SEQUENCE #: 2 CT TRANSACTION CODE: 1003

CONTRACTORS INVOICE

4 stall Kleen

WORK PERFORMED AT:

Phoenix Az

Estate
Florence, Az

DATE: 1/20/09 ORDER WORK ORDER NO: COURTESY NO:

DESCRIPTION OF WORK PERFORMED

FORD ESCORT

GROSS	#	1300.00
-		250.00
COMM		<u>1,150.00</u>

[Handwritten Signature]

Material is guaranteed to be as specified, and the above work was performed in accordance with the drawings and specifications mixed for the above work and was completed in a substantial workmanlike manner for the agreed sum of _____

Payable by _____ Month _____ Day _____ Year

SOLD TO

1111 N. ...
Florence, Az

1996 Ford ESCORT

OWNER -

1/11/09 Sold

ARIZONA DEPARTMENT OF TRANSPORTATION
Motor Vehicle Division

Certificate of Title

VEHICLE IDENTIFICATION NUMBER 118564 YEAR 97

BODY STYLE MODEL EST MO/YR FIRST REGISTERED 12/96

ISSUE DATE 01/07/97 TYPE OTHER

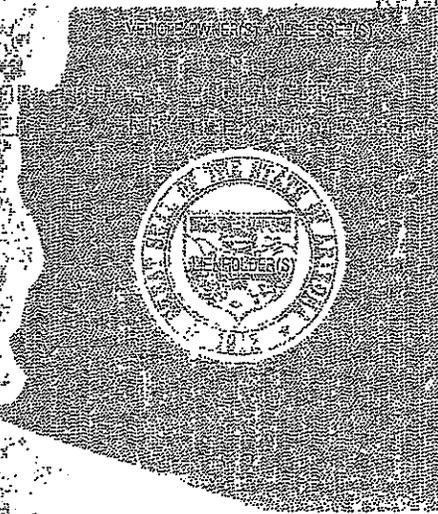
PREV. TITLE ST. ISSUE DATE

GROSS VEH. WGT. 000000 FUEL C ODOMETER MILES*

STATUS REGULAR

FACTORY LIST PRICE

PREV. FILE



MAILING ADDRESS

STATE OF ARIZONA
DEPARTMENT OF TRANSPORTATION
65014



REFLECTS ACTUAL MILEAGE.
MILEAGE IS IN EXCESS OF MECHANICAL LIMITS.
NOT ACTUAL MILEAGE - WARNING - ODOMETER DISCREPANCY.

Tops FORM 4880B ©

RECEIPT DATE _____ TO _____

RECEIVED FROM _____

ADDRESS _____

FOR _____ DOLLARS _____

ACCOUNT		HOW PAID	
AMT. OF. ACCOUNT		CASH	
AMT. PAID		CHECK	
BALANCE DUE		MONEY ORDER	

BY _____

205

RECEIVED AVSC
FIDUCIARY DIVISION

04 OCT 28 PM 12:49

COPY
OCT 1 2004
PATRICIA A. NOLAND
CLERK, SUPERIOR COURT

1 TRACY G. RAGSDALE
2 Attorney at Law
3 1852 N. Santa Margarita
4 Fallbrook, Ca. 92028
5 520-575-0440
6 PCC #46336
7 Attorney for Petitioner

8 IN THE SUPERIOR COURT OF THE STATE OF ARIZONA

9 IN AND FOR THE COUNTY OF PIMA

10 In the Matter of the)
11 Conservatorship of:)

NO. GC-

12 DOB:)

ORDER APPROVING
ANNUAL ACCOUNT

13 An Adult Protected Person..)

14 The Petition for Approval Interim Account having been
15 considered, and proper notice having been given the Court finds:

16 1. The Arizona Department Veterans' Services, as Conservator
17 has filed an interim account with schedules for the period 06/02/03
18 to 06/01/04.

19 2. Notice has been given as required by law.

20 3. No objection has been filed to the accounting, and the
21 accounting is complete and correct. The end date for the next
22 annual accounting shall be 6-30-05, and the hearing date for
23 review of said account shall be 9-30-05.

24 IT IS THEREFORE ORDERED that the Interim Account as above
25 stated is approved and settled.

26 DATED this _____ day of OCT - 1 2004, 2004.

27 Hon. Deborah Ward
28 Commissioner/Judge Pro Tempore
JUDGE/COMMISSIONER
OF THE SUPERIOR COURT

C

Handwritten initials/signature

ARIZONA DEPARTMENT OF VETERANS' SERVICES

FIRST ANNUAL ACCOUNTING

SUMMARY OF ACCOUNT

ESTATE:

ACCOUNT#:

COURT#: GC

PERIOD COVERED: 06/02/03 THRU 06/01/04

CHARGES

INVENTORY AND APPRAISAL
RECEIPTS

(SCHEDULE 8)

\$73,147.88

\$46,845.89

TOTAL CHARGES

\$119,993.77

CREDITS

ADJUSTMENTS TO INVENTORY
ADMINISTRATIVE EXPENSES
DISBURSEMENTS
PROPERTY ON HAND

(SCHEDULE 10)

(SCHEDULE 12)

\$63,503.00

\$1,838.05

\$17,550.95

\$37,101.77

TOTAL CREDITS

\$119,993.77

1. TRACY G. RAGSDALE
 Attorney at Law
 2 1852 N. Santa Margarita
 Fallbrook, Ca. 92028
 3 (520)575-0440
 PCC #46336
 4 Attorney for Petitioner

5 IN THE SUPERIOR COURT OF THE STATE OF ARIZONA
 6 IN AND FOR THE COUNTY OF PIMA

7 In the Matter of the Guardian/)
 Conservatorship of:) NO. GC
 8)
 9) INVENTORY
 10 Adult Incapacitated/Protected)
 Person.)

11
 12 The undersigned, Fiduciary for the Arizona Department Veterans' Services,
 Conservator of the above-named estate, submits the following inventory of assets owned on the
 13 appointment date of the Conservator, June 2, 2003.

14	Wells Fargo Trust Account (Received from ward in cash and uncashed checks)	
	Phoenix, AZ. 85003	
15	Account Number 1002	\$09,474.63
16	Wells Fargo Trust Account	
	Phoenix, AZ. 85003	
17	Account Number 1633	\$00,170.25
18	Real Property Pima County, Arizona	
19	Commonly Known As:	
20		\$07,826.00
21	Real Property Pima County, Arizona	
22	Commonly Known As:	
23		\$46,652.00
24	1963 GMC Suburban 1/2 Ton Truck VIN:	
25	2002 Pontiac Sunfire SE 4dr Sedan VIN:	\$01,000.00
26		\$08,025.00
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28		

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STATE OF ARIZONA }
COUNTY OF MARICOPA } ss

Gary Noviello, being first duly sworn, deposes and says that he has read the foregoing and knows the contents thereof and believes the same to be true and correct.


GARY NOVIELLO, Fiduciary
Arizona Department Veterans Services
Certified Fiduciary # 20135/20232

SUBSCRIBED AND SWORN TO before me this 27th day of August, 2003.


Notary Public

My Commission Expires:

6/12/04



FIDUCIARY DIVISION

SEP 29

PROPERTY ON HAND

AS OF : 06/01/04

1st Annual

TRUST	\$5,731.16
SAVINGS	\$0.00
POOLED CD	\$0.00
OFFICE 2	\$31,370.61
BURIAL	\$0.00
OTHER ASSETS	\$0.00
TOTAL PROPERTY ON HAND	<u><u>\$37,101.77</u></u>

This Account and Report reviewed. Written
 notice of hearing waived this 16 day
 of September, 2004. Approved
 only as to VA funds received and expended.

Mary Ann Burges ZPE

VETERANS SERVICES OFFICER
 3225 N. Central Avenue
 Phoenix, Az. 85012
 (602) 640-2715

Input FBS 9/17/04

act/s

VALUED ASSETS

AS OF : 06/01/04

TRAN CODE	SEQ NO.	ASSET DESC.	BEGINNING INVENTORY VALUE	ENDING INVENTORY VALUE	BEGINNING MARKET VALUE	ENDING MARKET VALUE
601			\$46,652.00	\$0.00		
605		LAND	\$7,826.00	\$0.00		
603		VEHICLES 2002 PONTIAC SUNFIRE SE	\$8,025.00	\$0.00		
603		VEHICLES 1963 GMC SUBURBAN 1/2 TON UTILITY TRUCK AMBO	\$1,000.00	\$0.00		
(7)			\$63,503.00	\$0.00	\$0.00	\$0.00

CREDITS - ADJUSTMENTS TO INVENTORY

AS OF : 06/01/04

TRAN CODE	SEQ NO.	TRANSACTION DESCRIPTION	AMOUNT
601		MOBILE HOME	\$46,652.00
605		LAND	\$7,826.00
603		VEHICLE 2002 PONTIAC SUNFIRE SE	\$8,025.00
603		VEHICLE 1963 GMC SUBURBAN 1/2 TON TRUCK	\$1,000.00
(7) CREDITS - ADJUSTMENTS TO INVENTORY			<u>\$63,503.00</u>

SCHEDULE 8 - RECEIPTS
*** SUMMARY PAGE ***
06/02/03 THRU 06/01/04

<u>CODE</u>	<u>DESCRIPTION</u>	<u>TOTAL</u>
200	SOCIAL SECURITY	\$11,441.00
202	VETERAN BENEFIT	\$27,305.17
205	WARDS FUNDS	\$7,898.01
222	OTHER INCOME	\$3.57
265	OTHER REFUNDS	\$0.34
267	SS REP PAYEE FEE REFUND	\$18.40
507	TRUST INTEREST	\$0.07
509	TREASURER INTEREST.....	\$179.33
TOTAL RECEIPTS		<u><u>\$46,845.89</u></u>

SCHEDULE 10- ADMINISTRATIVE EXPENSES

*** SUMMARY PAGE ***

06/02/03 THRU 06/01/04

CODE	DESCRIPTION	TOTAL
468	BOND FEE	\$14.50
470	CONSERVATOR FEE	\$1,823.55
TOTAL ADMINISTRATIVE EXPENSES		<u>\$1,838.05</u>

SCHEDULE 10
 CONSERVATOR FEE RECONCILIATION WORKSHEET
 06/02/03 THRU 06/01/04

SOCIAL SECURITY/RAILROAD RETIREMENT	\$ 11,441.00		
VA/MILITARY RETIREMENT	\$ 27,305.17		
INTEREST & DIVIDENDS	\$ 179.40		
OTHER PENSIONS & ANNUITIES	\$ -		
INCOME TAX REFUNDS	\$ -		
OTHER RECEIPTS	\$ 3.57		
OVERPAYMENTS RETURNED	\$ -		
TOTAL	\$ 38,929.14	* 0.05	\$ 1,946.46
PRIOR YEAR UNDERPAYMENT			\$ -
CONSERVATOR FEES OWED			\$ 1,946.46
CONSERVATOR FEES PAID			\$ 1,823.55
CONSERVATOR FEES PAYABLE(RECEIVABLE)			\$ 122.91

The conservator fees payable (receivable) will be charged (refunded) in the next accounting period.

SCHEDULE 12- DISBURSEMENTS

*** SUMMARY PAGE ***

06/02/03 THRU 06/01/04

CODE	DESCRIPTION	TOTAL
302	CARE RM & BD	\$7,268.00
330	PERSONAL FUNDS	\$3,730.25
344	TRANSPORTATION	\$468.50
347	HOLIDAY ALLOW.	\$300.00
350	MEDICAL SVCS	\$75.00
410	TELEPHONE	\$755.75
416	EDUCATION	\$266.91
419	LOAN/CR CD PYMT	\$556.37
424	AUTO PAYMENTS	\$75.00
442	TAX PREPARATION	\$45.00
466	LEGAL FEES	\$2,952.85
472	GUARDIAN FEES	\$565.00
475	OTHER FEES	\$12.25
476	RECORDING FEES	\$10.00
491	OTHER OVERPYMTS	\$470.07
TOTAL DISBURSEMENTS		\$17,550.95

SCHEDULE 8 - RECEIPTS

06/02/03 THRU 06/01/04

TRAN CODE	SEQ NO.	TRANSACTION DESCRIPTION	REF #	VENDOR NAME	CHECK#	DATE POSTED	AMOUNT
200		SOCIAL SECURITY CK#				06/03/03	948.00
		MAY 2003					
200		SOCIAL SECURITY CK#				07/03/03	948.00
		JUNE 2003					
200		SOCIAL SECURITY CK#				07/31/03	948.00
		JULY 2003					
200		SOCIAL SECURITY CK#				09/03/03	948.00
		AUGUST 2003					
200		SOCIAL SECURITY CK#				10/03/03	948.00
		SEPT. 2003					
200		SOCIAL SECURITY CK#				11/03/03	948.00
		OCTOBER 2003					
200		SOCIAL SECURITY CK#				12/03/03	948.00
		NOVEMBER 2003					
200		SSA 1/04 DIR DE				01/02/04	961.00
200		SSA 2/04 DIR DE				02/03/04	961.00
200		SSA 3/04 DIR DE				03/03/04	961.00
200		SSA 4/04 DIR DE				04/02/04	961.00
200		SSA 5/04 DIR DE				05/03/04	961.00
TOTAL SOCIAL SECURITY							\$11,441.00
202	(1)	VETERAN BENEFIT CK#				08/01/03	2,472.00
		JULY 2003					
202		VETERAN BENEFIT CK#				08/29/03	2,472.00
		AUGUST 2003					
202		VETERAN BENEFIT CK#				10/01/03	2,472.00
		SEPT. 2003					
202		VETERAN BENEFIT CK#				10/31/03	2,472.00
		OCTOBER 2003					

SCHEDULE 8 - RECEIPTS

06/02/03 THRU 06/01/04

TRAN CODE	SEQ NO.	TRANSACTION DESCRIPTION	REF #	VENDOR NAME	CHECK#	DATE POSTED	AMOUNT
202		VA 12/03 DIR DE.				12/01/03	2,472.00
202		VA 12/03 DIR DE				12/31/03	2,523.00
202		VA 1/04 DIR DEP				01/30/04	2,523.00
202		VA 3/04 DIR DEP				03/01/04	2,523.00
202		VA 4/04 DIR DEP				04/01/04	2,460.17
202		VA 4/04 DIR DEP				04/30/04	2,458.00
202		VA 6/04 DIR DEP				06/01/04	2,458.00
TOTAL VETERAN BENEFIT							\$27,305.17
205		WARDS FUNDS CK# 60 DOC 9/6/03 WELLS FARGO MARTY O'DEA				09/15/03	7,898.01
TOTAL WARDS FUNDS							\$7,898.01
222		OTHER INCOME CK# DOC 11/19/03 MBNA AMERICA F S M C				11/25/03	3.57
TOTAL OTHER INCOME							\$3.57
265		OTHER REFUNDS CK# DOC 9/15/03 SEARS				09/24/03	0.34
TOTAL OTHER REFUNDS							\$0.34

SCHEDULE 8 - RECEIPTS

06/02/03 THRU 06/01/04

TRAN CODE	SEQ NO.	TRANSACTION DESCRIPTION	REF #	VENDOR NAME	CHECK#	DATE POSTED	AMOUNT
267		SS REP PAY REF WRRT# DOW 7/30/03 05/01/03 THRU 06/02/03				08/04/03	18.40
TOTAL SS REP PAY REF							\$18.40
507		TRUST INTEREST FROM 07/01/03 TO 07/31/03 ADB= 9593.83				08/04/03	0.04
507		TRUST INTEREST FROM 04/01/04 TO 04/30/04 ADB= 7754.42				05/05/04	0.03
(2)		TOTAL TRUST INTEREST					\$0.07
509		TREAS INT FROM 08/01/03 TO 08/31/03 ADB= 1774.19				09/18/03	1.00
509		TREAS INT FROM 09/01/03 TO 09/30/03 ADB= 5000.43				10/17/03	9.00
509		TREAS. INT FROM 10/01/03 TO 10/31/03 ADB= 5035.32				11/19/03	10.60
509		TREAS INT FROM 11/01/03 TO 11/30/03 ADB= 6032.02				12/30/03	8.66
509		TREAS INT FROM 12/01/03 TO 12/31/03 ADB= 14266.90				01/20/04	25.89

SCHEDULE 8 - RECEIPTS

06/02/03 THRU 06/01/04

TRAN CODE	SEQ NO.	TRANSACTION DESCRIPTION	REF #	VENDOR NAME	CHECK#	DATE POSTED	AMOUNT
509		TREAS INT FROM 01/01/04 TO 01/31/04 ADB= 17123.73				02/19/04	29.04
509		TREAS INT FROM 02/01/04 TO 02/29/04 ADB= 17150.62				03/24/04	22.93
509		TREAS INT FROM 03/01/04 TO 03/31/04 ADB= 18743.62				04/12/04	30.24
509		TREAS INT FROM 04/01/04 TO 04/30/04 ADB= 25317.55				05/13/04	41.97

(3)

TOTAL TREASURER INTEREST

\$179.33

TOTAL RECEIPTS

\$46,845.89

SCHEDULE 10- ADMINISTRATIVE EXPENSES

06/02/03 THRU 06/01/04

TRAN CODE	SEQ NO.	TRANSACTION DESCRIPTION	REF #	VENDOR NAME	CHECK#	DATE POSTED	AMOUNT
468		BOND FEE FY 2003-04		ADVS FIDUCIARY		07/10/03	14.50
TOTAL BOND FEE							\$14.50
470		CONSERVATOR FEE 05/15/03 THRU 06/14/03		ADVS FIDUCIARY		06/18/03	47.40
470		CONSERVATOR FEE 06/15/03 THRU 07/14/03		ADVS FIDUCIARY		07/16/03	47.40
470		CONSERVATOR FEE 07/15/03 THRU 08/14/03		ADVS FIDUCIARY		08/18/03	171.00
470		CONSERVATOR FEE 08/15/03 THRU 09/14/03		ADVS FIDUCIARY		09/15/03	171.00
470		CONSERVATOR FEE 09/15/03 THRU 10/14/03		ADVS FIDUCIARY		10/15/03	171.05
470		CONSERVATOR FEE 10/15/03 THRU 11/14/03		ADVS FIDUCIARY		11/18/03	171.45
470		CONSERVATOR FEE 11/15/03 THRU 12/14/03		ADVS FIDUCIARY		12/17/03	171.71
470		CONSERVATOR FEE 12/15/03 THRU 01/14/04		ADVS FIDUCIARY		01/15/04	174.63
470		CONSERVATOR FEE 01/15/04 THRU 02/14/04		ADVS FIDUCIARY		02/18/04	175.49
470		CONSERVATOR FEE 02/15/04 THRU 03/14/04		ADVS FIDUCIARY		03/15/04	175.65
470		CONSERVATOR FEE 03/15/04 THRU 04/14/04		ADVS FIDUCIARY		04/15/04	173.72
470		CONSERVATOR FEE 04/15/04 THRU 05/14/04		ADVS FIDUCIARY		05/18/04	173.05
TOTAL CONSERVATOR FEE							\$1,823.55
TOTAL ADMINISTRATIVE EXPENSES							\$1,838.05

SCHEDULE 12- DISBURSEMENTS

06/02/03 THRU 06/01/04

TRAN CODE	SEQ NO.	TRANSACTION DESCRIPTION	REF #	VENDOR NAME	CHECK#	DATE POSTED	AMOUNT
302		CARE RM & BD INVOICE 1572 STMT. 5/29/03		MARSHALL HOME FOR MEN ATTN:KAREN		06/11/03	552.00
302		CARE RM & BD INVOICE 1619 STMT. 6/25/03		MARSHALL HOME FOR MEN ATTN:KAREN		07/10/03	552.00
302		CARE RM & BD MONTHLY		MARSHALL HOME FOR MEN ATTN:KAREN		07/25/03	552.00
302		CARE RM & BD MONTHLY		MARSHALL HOME FOR MEN ATTN:KAREN		08/26/03	552.00
302		CARE RM & BD MONTHLY		MARSHALL HOME FOR MEN ATTN:KAREN		09/26/03	552.00
302		CARE RM & BD MONTHLY		MARSHALL HOME FOR MEN ATTN:KAREN		10/27/03	552.00
302		CARE RM & BD MONTHLY		MARSHALL HOME FOR MEN ATTN:KAREN		11/25/03	552.00
302		CARE RM & BD MONTHLY		MARSHALL HOME FOR MEN ATTN:KAREN		12/26/03	552.00
302		CARE RM & BD MONTHLY		MARSHALL HOME FOR MEN ATTN:KAREN		01/27/04	552.00
302		CARE RM & BD MONTHLY		MARSHALL HOME FOR MEN ATTN:KAREN		02/26/04	575.00
302		CARE RM & BD MONTHLY		MARSHALL HOME FOR MEN ATTN:KAREN		03/26/04	575.00
302		CARE RM & BD MONTHLY		MARSHALL HOME FOR MEN ATTN:KAREN		04/26/04	575.00
302		CARE RM & BD MONTHLY		MARSHALL HOME FOR MEN ATTN:KAREN		05/26/04	575.00
TOTAL CARE RM & BD							57,268.00
330		PERSONAL FUNDS		CLIENT BANK A/C		06/02/03	170.25
330	(4)	PERSONAL FUNDS		c/o MARSHALL HOME FOR MEN		06/09/03	60.00

SCHEDULE 12- DISBURSEMENTS

06/02/03 THRU 06/01/04

TRAN CODE	SEQ NO.	TRANSACTION DESCRIPTION	REF #	VENDOR NAME	CHECK#	DATE POSTED	AMOUNT
330		PERSONAL FUNDS ALLOWANCE		c/o MARSHALL HOME FOR MEN		06/23/03	60.00
330		PERSONAL FUNDS ALLOWANCE FOR 7/7-11/03		c/o MARSHALL HOME FOR MEN		07/09/03	60.00
330		PERSONAL FUNDS ALLOWANCE FOR 7/1-4/03		c/o MARSHALL HOME FOR MEN		07/09/03	60.00
330		PERSONAL FUNDS WEEKLY ALLOW JULY 14-18 2003		c/o MARSHALL HOME FOR MEN		07/11/03	60.00
330		PERSONAL FUNDS WEEKLY ALLOW. 7/21-25/03		c/o MARSHALL HOME FOR MEN		07/18/03	60.00
330		PERSONAL FUNDS WEEKLY FOR 7/28 THRU 7/31		c/o MARSHALL HOME FOR MEN		07/24/03	60.00
330		PERSONAL FUNDS WEEKLY		c/o MARSHALL HOME FOR MEN		08/01/03	60.00
330		PERSONAL FUNDS WEEKLY		c/o MARSHALL HOME FOR MEN		08/01/03	60.00
330		PERSONAL FUNDS WEEKLY		c/o MARSHALL HOME FOR MEN		08/01/03	60.00
330		PERSONAL FUNDS WEEKLY		c/o MARSHALL HOME FOR MEN		08/01/03	60.00
330		PERSONAL FUNDS WEEKLY		c/o MARSHALL HOME FOR MEN		08/01/03	60.00
330		PERSONAL FUNDS WEEKLY		c/o MARSHALL HOME FOR MEN		08/01/03	60.00
330		PERSONAL FUNDS WEEKLY		c/o MARSHALL HOME FOR MEN		09/03/03	60.00
330		PERSONAL FUNDS WEEKLY		c/o MARSHALL HOME FOR MEN		09/03/03	60.00
330		PERSONAL FUNDS WEEKLY		c/o MARSHALL HOME FOR MEN		09/03/03	60.00
330		PERSONAL FUNDS WEEKLY		c/o MARSHALL HOME FOR MEN		09/03/03	60.00
330		PERSONAL FUNDS WEEKLY		c/o MARSHALL HOME FOR MEN		10/03/03	60.00

SCHEDULE 12- DISBURSEMENTS

06/02/03 THRU 06/01/04

TRAN CODE	SEQ NO.	TRANSACTION DESCRIPTION	REF #	VENDOR NAME	CHECK#	DATE POSTED	AMOUNT
330		PERSONAL FUNDS WEEKLY		c/o MARSHALL HOME FOR MEN		10/03/03	60.00
330		PERSONAL FUNDS WEEKLY		c/o MARSHALL HOME FOR MEN		10/03/03	60.00
330		PERSONAL FUNDS WEEKLY		c/o MARSHALL HOME FOR MEN		10/03/03	60.00
330		PERSONAL FUNDS WEEKLY		c/o MARSHALL HOME FOR MEN		11/03/03	60.00
330		PERSONAL FUNDS WEEKLY		c/o MARSHALL HOME FOR MEN		11/03/03	60.00
330		PERSONAL FUNDS WEEKLY		c/o MARSHALL HOME FOR MEN		11/03/03	60.00
330		PERSONAL FUNDS WEEKLY		c/o MARSHALL HOME FOR MEN		11/03/03	60.00
330		PERSONAL FUNDS WEEKLY		c/o MARSHALL HOME FOR MEN		11/03/03	60.00
330		PERSONAL FUNDS WEEKLY		c/o MARSHALL HOME FOR MEN		11/03/03	60.00
330		PERSONAL FUNDS FAMILY VISIT TO DETROIT 12/1-15/03		c/o MARSHALL HOME FOR MEN		11/19/03	500.00
330		PERSONAL FUNDS WEEKLY		c/o MARSHALL HOME FOR MEN		12/03/03	60.00
330		PERSONAL FUNDS WEEKLY		c/o MARSHALL HOME FOR MEN		12/03/03	60.00
330		PERSONAL FUNDS WEEKLY		c/o MARSHALL HOME FOR MEN		12/03/03	60.00
330		PERSONAL FUNDS WEEKLY		c/o MARSHALL HOME FOR MEN		12/03/03	60.00
330		PERSONAL FUNDS WEEKLY		c/o MARSHALL HOME FOR MEN		01/02/04	60.00
330		PERSONAL FUNDS WEEKLY		c/o MARSHALL HOME FOR MEN		01/02/04	60.00
330		PERSONAL FUNDS WEEKLY		c/o MARSHALL HOME FOR MEN		01/02/04	60.00

SCHEDULE 12- DISBURSEMENTS

06/02/03 THRU 06/01/04.

TRAN CODE	SEQ NO.	TRANSACTION DESCRIPTION	REF #	VENDOR NAME	CHECK#	DATE POSTED	AMOUNT
330		PERSONAL FUNDS WEEKLY		c/o MARSHALL HOME FOR MEN		01/02/04	60.00
330		PERSONAL FUNDS WEEKLY		c/o MARSHALL HOME FOR MEN		02/03/04	60.00
330		PERSONAL FUNDS WEEKLY		c/o MARSHALL HOME FOR MEN		02/03/04	60.00
330		PERSONAL FUNDS WEEKLY		c/o MARSHALL HOME FOR MEN		02/03/04	60.00
330		PERSONAL FUNDS WEEKLY		c/o MARSHALL HOME FOR MEN		02/03/04	60.00
330		PERSONAL FUNDS WEEKLY		c/o MARSHALL HOME FOR MEN		02/03/04	60.00
330		PERSONAL FUNDS WEEKLY		c/o MARSHALL HOME FOR MEN		02/03/04	60.00
330		PERSONAL FUNDS WEEKLY		c/o MARSHALL HOME FOR MEN		03/03/04	60.00
330		PERSONAL FUNDS WEEKLY		c/o MARSHALL HOME FOR MEN		03/03/04	60.00
330		PERSONAL FUNDS WEEKLY		c/o MARSHALL HOME FOR MEN		03/03/04	60.00
330		PERSONAL FUNDS WEEKLY		c/o MARSHALL HOME FOR MEN		03/03/04	60.00
330		PERSONAL FUNDS WEEKLY		c/o MARSHALL HOME FOR MEN		04/02/04	60.00
330		PERSONAL FUNDS WEEKLY		c/o MARSHALL HOME FOR MEN		04/02/04	60.00
330		PERSONAL FUNDS WEEKLY		c/o MARSHALL HOME FOR MEN		04/02/04	60.00
330		PERSONAL FUNDS WEEKLY		c/o MARSHALL HOME FOR MEN		04/02/04	60.00
330		PERSONAL FUNDS WEEKLY		c/o MARSHALL HOME FOR MEN		05/03/04	60.00
330		PERSONAL FUNDS WEEKLY		c/o MARSHALL HOME FOR MEN		05/03/04	60.00

SCHEDULE 12- DISBURSEMENTS

06/02/03 THRU 06/01/04

TRAN CODE	SEQ NO.	TRANSACTION DESCRIPTION	REF #	VENDOR NAME	CHECK#	DATE POSTED	AMOUNT
330		PERSONAL FUNDS WEEKLY		c/o MARSHALL HOME FOR MEN		05/03/04	60.00
330		PERSONAL FUNDS WEEKLY		c/o MARSHALL HOME FOR MEN		05/03/04	60.00
330		PERSONAL FUNDS WEEKLY		c/o MARSHALL HOME FOR MEN		05/03/04	60.00
TOTAL PERSONAL FUNDS							\$3,730.25
344		TRANSPORTATION AIRFARE DOS 12/1-15/03		SCOTT TRAVEL INC. DBA SIGNATURE DESTINATIONS		10/23/03	468.50
TOTAL TRANSPORTATION							\$468.50
347		HOLIDAY ALLOW. CHRISTMAS MONEY		c/o MARSHALL HOME FOR MEN		12/05/03	300.00
TOTAL HOLIDAY ALLOW.							\$300.00
360		MEDICAL SVCS RE: CASSA GRAND MGR 38973601 DOS 11/18/00		SUNRISE SERVICE BUREAU, LLC		06/24/03	25.00
360		MEDICAL SVCS ACCT# 82358995 82361197 DOS 12/19-21/98		CASA GRANDE REGIONAL MEDICAL CENTER		12/02/03	50.00
TOTAL MEDICAL SVCS							\$75.00
410		TELEPHONE # DISCONNECT NOTICE, DUE 6/6/03		QWEST		06/10/03	136.25

SCHEDULE 12- DISBURSEMENTS

06/02/03 THRU 06/01/04

TRAN CODE	SEQ NO.	TRANSACTION DESCRIPTION	REF #	VENDOR NAME	CHECK#	DATE POSTED	AMOUNT
410		TELEPHONE		QWEST		06/24/03	42.97
		WIRELESS FOR JUNE 2003					
410		TELEPHONE		QWEST		07/28/03	16.30
		ACCT#					
		DOS: 7/1-7/31					
410		WIRELESS TELEPHONE		QWEST		09/02/03	68.98
		WIRELESS FOR AUGUST 2003					
410		TELEPHONE		QWEST		09/24/03	41.34
		WIRELESS FOR SEPTEMBER 2003					
410		TELEPHONE		QWEST		10/23/03	59.60
		WIRELESS FOR OCTOBER 2003					
410		TELEPHONE		QWEST		12/08/03	41.31
		11/4/03					
410		TELEPHONE		QWEST		12/22/03	41.31
		WIRELESS FOR DECEMBER					
410		TELEPHONE		QWEST		01/23/04	78.20
		WIRELESS FOR JANUARY 2004					
410		TELEPHONE		QWEST		02/27/04	56.69
		WIRELESS FEB/04					
410		TELEPHONE		QWEST		03/23/04	41.26
		WIRELESS FOR MARCH					
410		TELEPHONE		QWEST		04/20/04	88.46
		WIRELESS FOR APRIL/04					
410		TELEPHONE		QWEST		05/21/04	43.08
		WIRELESS FOR MAY/04					
TOTAL TELEPHONE							\$755.75

SCHEDULE 12- DISBURSEMENTS

06/02/03 THRU 06/01/04

TRAN CODE	SEQ NO.	TRANSACTION DESCRIPTION	REF #	VENDOR NAME	CHECK#	DATE POSTED	AMOUNT	
416		EDUCATION FOR PIMA COLLEGE CLASSES & BOOKS		c/o MARSHALL HOME FOR MEN		01/22/04	266.91	
		TOTAL EDUCATION						\$266.91
419		LOAN/CR CD PYMT 2695891 STMT. 10/3/03		WELLS FARGO		10/23/03	556.37	
		TOTAL LOAN/CR CD PYMT						\$556.37
424		AUTO PAYMENTS ACCT# 417172467		AMERICREDIT FINANCIAL SERVICES INC.		05/20/04	75.00	
	(7)	TOTAL AUTO PAYMENTS						\$75.00
442	(5)	TAX PREPARATION 2003 INCOME TAX		ADVS FIDUCIARY		02/26/04	45.00	
		TOTAL TAX PREPARATION						\$45.00
466		LEGAL FEES INVOICE 11031 GC-0823.001 STMT. 6/9/03		KATE MCMILLAN ATTORNEY		08/08/03	895.16	
466		LEGAL FEES STMT 7/31/03 BILLING PERIOD 3/2003 -6/2/03		TRACY RAGSDALE ATTORNEY AT LAW		08/18/03	1,937.69	
466		LEGAL FEES GC 2003-00257 STMT. 7/31/03		JEANNE A. MANNING		09/23/03	120.00	
		TOTAL LEGAL FEES						\$2,952.85
472		GUARDIAN FEE JUNE 2003		ADVS FIDUCIARY		06/04/03	45.00	
472		GUARDIAN FEE JULY 2003		ADVS FIDUCIARY		07/03/03	45.00	

SCHEDULE 12- DISBURSEMENTS

06/02/03 THRU 06/01/04

TRAN CODE	SEQ NO.	TRANSACTION DESCRIPTION	REF #	VENDOR NAME	CHECK#	DATE POSTED	AMOUNT
472		GUARDIAN FEE AUGUST 2003		ADVS FIDUCIARY		08/06/03	45.00
472		GUARDIAN FEE SEPTEMBER 2003		ADVS FIDUCIARY		09/04/03	45.00
472		GUARDIAN FEE OCTOBER 2003		ADVS FIDUCIARY		10/07/03	45.00
472		GUARDIAN FEE NOVEMBER 2003		ADVS FIDUCIARY		11/04/03	45.00
472		GUARDIAN FEE DECEMBER 2003		ADVS FIDUCIARY		12/04/03	45.00
472		GUARDIAN FEE JANUARY 2004		ADVS FIDUCIARY		01/06/04	45.00
472	(6)	GUARDIAN FEE JANUARY 2004		ADVS FIDUCIARY		01/09/04	5.00
472		GUARDIAN FEE FEBRUARY 2004		ADVS FIDUCIARY		02/04/04	50.00
472		GUARDIAN FEE MARCH 2004		ADVS FIDUCIARY		03/04/04	50.00
472		GUARDIAN FEE APRIL 2004		ADVS FIDUCIARY		04/07/04	50.00
472		GUARDIAN FEE MAY 2004		ADVS FIDUCIARY		05/06/04	50.00
TOTAL GUARDIAN FEES							\$565.00
475		BANK FEE 2003 WELLSFARGO BANK		ADVS FIDUCIARY		01/13/04	12.25
TOTAL OTHER FEES							\$12.25
476		RECORDING FEES RECORD G/C LETTERS		PIMA COUNTY RECORDER		06/09/03	10.00
TOTAL RECORDING FEES							\$10.00
491		OTHER OVERPYMTS OVERDRAFT CHECKING A/C STATEMENT 8/19/03		SUN STATE BANK		10/22/03	470.07
TOTAL OTHER OVERPAYMENTS							\$470.07
TOTAL DISBURSEMENTS							\$17,550.95

NOTES TO THE ACCOUNTING
AS OF: 06/01/04

SCHEDULE 8

- (1) THE VA SENT MR. VETERAN BENEFITS FOR 06/03 TO THE PRIOR VA CUSTODIAN-IN-FACT, AND ADVS DID NOT RECEIVE MR. VETERAN BENEFITS UNTIL THE 07/03 BENEFIT MONTH.
- (2) TRUST ACCOUNT AVERAGE DAILY BALANCE (ADB) WAS TOO LOW TO EARN INTEREST DURING THE MONTHS OF 06/03 AND 08/03-03/04. TRUST INTEREST FOR 05/04 POSTED ON 06/04/04 AND WILL APPEAR IN THE NEXT ACCOUNTING.
- (3) TREASURER ACCOUNT OPENED 08/03. TREASURER INTEREST FOR 05/04 POSTED 06/21/04 AND WILL APPEAR IN THE NEXT ACCOUNTING.
- (4) TO ALLOW MR. TO HAVE SOME INDEPENDENCE IN USING HIS PERSONAL SPENDING MONTH, ADVS DID NOT CLOSE MR. PERSONAL CHECKING ACCOUNT UPON APPOINTMENT AS CONSERVATOR. RATHER, ADVS ALLOWED MR. CONTINUED ACCESS TO HIS ACCOUNT. ACCORDINGLY, THE BALANCE OF \$170.25 IN THE CHECKING ACCOUNT ON THE DATE OF APPOINTMENT WAS LEFT IN THE ACCOUNT TO ALLOW MR. ACCESS TO THE FUNDS FOR HIS PERSONAL SPENDING.

SCHEDULE 10

NONE

SCHEDULE 12

- (5) ADVS COMPILED AND ANALYZED MR. INCOME TAX INFORMATION FOR THE YEAR ENDED 12/31/03 AND DETERMINED THAT FEDERAL AND STATE INCOME TAX RETURNS WERE NOT REQUIRED TO BE FILED.
- (6) GUARDIAN FEES INCREASED TO \$50 PER MONTH EFFECTIVE 01/04.
- (7) SEE COMMENTS BELOW FOR PROPERTY ON HAND/VALUED ASSETS.

PROPERTY ON HAND/VALUED ASSETS

- (7) AT THE TIME OF ADVS' APPOINTMENT AS GUARDIAN AND CONSERVATOR, MR. WAS INVOLVED IN A BANKRUPTCY. ASSETS IN THE BANKRUPTCY INCLUDE HIS MOBILE HOME, LAND ON WHICH THE MOBILE HOME WAS PLACED, AND 2002 PONTIAC SUNFIRE. MR. PURCHASED THESE ITEMS IN 2002, BUT DID NOT MAKE ANY PAYMENTS TO THE VARIOUS LENDERS. A BANKRUPTCY WAS STARTED IN THE LATTER PART OF 2002; HOWEVER, NEITHER MR. NOR HIS VA CUSTODIAN-IN-FACT MADE ANY PAYMENTS TOWARD THE BANKRUPTCY.

AT THE TIME OF ADVS APPOINTMENT AS GUARDIAN AND CONSERVATOR, MR. DID NOT HAVE SUFFICIENT INCOME NOR FUNDS IN HIS ESTATE TO MAKE PAYMENTS ON THE BANKRUPTCY. THUS, THE LENDERS FORECLOSED. PER THE BANRUPTCY PROVISIONS, THE LENDER ON THE LAND AND MOBILE HOME COULD ONLY TAKE POSSESSION OF THE LAND AND MOBILE HOME, WHICH THEY DID. THE LENDER ON THE 2002 PONTIAC SUNFIRE DID HAVE A PROVISION ENTITLING THEM TO THE DIFFERENCE BETWEEN THE NET VALUE RECEIVED FOR THE VEHICLE AND THE OUTSTANDING DEBT ON THE VEHICLE, WHICH WAS APPROXIMATELY \$15,000.

ADVS REACHED AN AGREEMENT WITH THE LENDER ON THE VEHICLE IN 05/04. PER THE AGREEMENT, MR. BEGAN PAYING \$75 PER MONTH TO THE LENDER IN 05/04 WITH NO INTEREST BEING CHARGE OR ACCUMULATING.

MR. 1963 GMC SUBURBAN WAS INOPERABLE AND WAS SCRAPPED AT THE TIME THE LAND AND MOBILE HOME WERE REPOSSESSED. HE RECEIVED NOTHING OF VALUE FOR THE SUBURBAN, NOR DID HE HAVE TO PAY TO HAVE THE VEHICLE SALVAGED.

ARIZONA DEPARTMENT OF VETERANS' SERVICES (ADVS)

PHYSICIAN'S STATEMENT IN SUPPORT OF TITLE 14
GUARDIANSHIP AND/OR CONSERVATORSHIP

PATIENT'S NAME: _____

I, NATHAN OSBORN, the personal physician of the above-named patient, submit this report to ADVS supporting my opinion of the need for appointment of a **GUARDIAN** and/or **CONSERVATOR**. I have been the patient's physician since 12/7/06 and saw this patient most recently on 12/11/06.

1. I am a licensed physician and am authorized to make this statement. My area of specialty is PSYCHIATRY. I am am not Board Certified in this area. I am also Board Certified in the following area(s). _____

2. I examined the patient on 12/11/06 in connection with the preparation of this report. I was asked to perform this evaluation because (please check all that apply) I have been the person's physician for many years, I was asked by the person's family, An attorney selected me, My office is close to the person's residence, I am the doctor for the person's nursing home, Other (please explain). The patient was sent to the inpatient psychiatry unit at the VA after assaulting other residents at his nursing home.

3. The patient has difficulty in the following area(s): mental illness or disorder; physical illness; chronic intoxication or drug abuse; cognitive abilities; other. Check all that apply and explain. History of schizoaffective disorder and PTSD, but appears currently chiefly disabled by his chronic dementia.

4. The patient's primary diagnosis supporting a guardianship and/or conservatorship petition is dementia, schizoaffective. The patient has been suffering from this condition since _____ and has has not previously been treated or hospitalized for this condition.

5. The patient is limited in the following abilities due to his/her condition: to pay bills; to obtain food; to provide adequate housing; to perform daily self-help skills; to live alone; to take medication appropriately; to drive a motor vehicle (see #6 below) to make appropriate judgments that will protect the patient personally, physically, or financially.

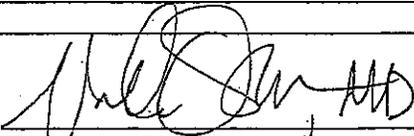
6. If you believe the person is still able to drive a motor vehicle, but is in need of the assistance of a **GUARDIAN**, please explain why the person should be allowed to keep driving.

7. The medications for which the patient is presently prescribed are: thiothixine, quetiapine, benztropine, valproic acid, citalopram

D

8. I do do not believe the medication is affecting the patient's ability to respond coherently.
9. I do do not believe the medication is affecting the patient's ability to ambulate.
10. I do do not believe a "medication holiday," if possible, would help better evaluate this patient.
11. I do do not believe any changes made in the type or amount of drugs the patient is receiving would noticeably affect their mental or physical abilities.
12. I do do not believe further medical evaluation or treatment would benefit the patient. Explain.
Stable, no evidence of infection or acute physical
malady, vital signs stable
13. I do do not believe the patient would benefit from other types of therapy such as counseling. Explain.
Too impaired
14. It is my belief the patient should be living: at home with a companion; at home with a nurse; in a group home; in a boarding home; in a supervisory care facility; in a nursing home; in a hospital; in a level one behavioral health facility for inpatient mental health treatment (if checked, complete page 3 of 3); other (please explain). looked, long term care facility with
geriatrics expertise
15. Based on the patient's condition described above, it is my opinion the patient is **GRAVELY DISABLED** and requires the **EMERGENCY** appointment of a **TEMPORARY GUARDIAN**: YES NO
16. Based on the patient's condition described above, it is my opinion the patient requires the appointment of a **GUARDIAN** as the patient is unable to make and communicate responsible decisions concerning his/her person: YES NO
17. Because of the patient's condition described above, it is my opinion the patient requires the appointment of a **CONSERVATOR** as the patient is unable to manage his/her property and affairs effectively, which property is needed for his/her care, support, and welfare: YES NO
ALREADY HAS CONSERVATION
18. I do do not believe that the patient's condition will improve within six months to a year.
19. I do do not believe that this matter should be reviewed by the Court within six months to one year.
20. Following are additional comments or suggestions I think would be helpful to the Court in making its decision.

Dated: 12/11/06



 Signature of Physician

NATHAN OSBORN

 Physician's Printed Name (please attach business card)

Mental Health Treatment Issues (This page must be completed when requesting authority to consent to inpatient mental health treatment. Refer to question 14 on page 2 of 3)

1. Is it opinion of the undersigned the patient is incapacitated as a result of a mental disorder? YES NO
2. What is the mental disorder? Dementia, schizo affective disorder
3. Is it the opinion of the undersigned that the patient is currently in need of inpatient mental health care and treatment? YES NO (For the purpose of this question, the term "currently" means, based upon the medical professional's experience and training, and to a degree of medical probability, the patient does now or will within a reasonably imminent and immediate time require inpatient mental health treatment.)
4. In the event the answer to #3 above is "Yes," please explain the need for, and the anticipated onset and duration of, the inpatient treatment. Needs chronic treatment for both his progressive dementia and schizo affective disorder, likely permanently
5. What kind of treatment is the patient currently receiving for this disorder? Anti-depressant, anti-psychotic, mood-stabilization
6. Give a comprehensive assessment of any functional impairments of the patient. No physical impairment, only from dementia and impairments in thinking and judgement
7. How, and to what extent, do these impairments affect the patient's ability to receive or evaluate information needed in making or communicating personal and financial decisions? Cannot synthesize information to make logical plans for self care
8. What task(s) of daily living is the patient capable of performing without direction or with minimal direction? Eating
9. What is the most appropriate rehabilitation plan or care plan for the patient? Long term care
10. What would be the least restrictive living arrangement reasonably available for the patient? Locked nursing home
11. Is there any reason why this patient should not personally appear in court? YES NO If "yes," please explain.
12. Please make any additional comments or suggestions you feel would be valuable to the court.

Dated: 12/11/06

Nathan Osborn MD / Scott A. Freeman, M
Signature of Physician

NATHAN OSBORN, MD / Scott A. Freeman, M
Physician's Printed Name (please include business card)



**Motor
Vehicle
Division**

Mail Drop 555M
Title Maintenance Unit
Motor Vehicle Division
PO Box 2100
Phoenix AZ 85001-2100

SOLD NOTICE

46-8502 R08/05 www.azdot.gov

When you sell your vehicle or otherwise transfer ownership, or end your lease, you must complete the following information and return this notice to the address above within 10 days. You may also submit a Sold Notice online at www.servicearizona.com.

This notice is your protection from liability for tickets, accidents, etc., that occur after the sale. To transfer ownership, you must also complete the transfer information on the back of the Certificate of Title and give it to the new owner.

Vehicle Identification Number	Year 1969	Make SHORE	Plate Number
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Buyer/Lessor Name (first, middle, last, suffix) UNKNOWN		Date Sold 05/11/2006	
Street Address	City	State	Zip

Seller/Lessee Name (first, middle, last, suffix)		State	Zip
Street Address	City PHX	AZ	85009

Seller/Lessee Signature <i>Donald E. James By ADVS Conservator</i>	Date 9/23/09
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In addition, you must remove the license plate from the vehicle and keep it in your possession. You may qualify for a credit or refund. For credit and license plate refund information visit www.servicearizona.com.

E



MICHAEL A. JEANES, CLERK
BY *M. Jeanes* DEP
FILED

RECEIVED AVSC
CERTIFIED FIDUCIARY DIVISION
2004 MAR 23 PM 2:01
04 APR -5 PM 1:32

Tiffany & Bosco, P.A.

THIRD FLOOR CAMELBACK ESPLANADE II
2525 EAST CAMELBACK ROAD
PHOENIX, ARIZONA 85016
(602) 255-6000

F

Michael A. Bosco, Jr.
State Bar No. 001218
Attorneys for Petitioner

IN THE SUPERIOR COURT OF THE STATE OF ARIZONA
IN AND FOR THE COUNTY OF MARICOPA

In the Matter of the Guardianship of and
Conservatorship for

No.

ORDER APPROVING FIRST
BIANNUAL ACCOUNTING

An Adult Protected Person.

Accounting Period: 11/21/01-
11/20/03

(Assigned to the Honorable Jane
Bayham-Lesselyong)

The above entitled matter coming on to be heard on the Petition for Approval of First Biannual Accounting of the ARIZONA DEPARTMENT OF VETERANS' SERVICES, Guardian of and Conservator for the above entitled Estate, said Accounting covering the period from November 21, 2001, through November 20, 2003, and praying that an Order issue from this court that said Accounting is true and correct; that Notice has been given as provided by law and no objection has been filed, the same should be accepted and confirmed;

IT IS HEREBY ORDERED, ADJUDGED AND DECREED that the First Biannual Accounting be and it is hereby accepted and approved as to all funds received and disbursements made, and as to investments made for the period of said Accounting.

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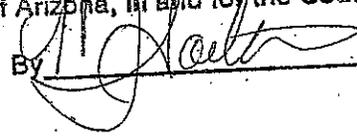
DONE IN OPEN COURT this 16 day of March, 2004.



Commissioner of the Superior Court
Case No. PB2001-004122

The foregoing instrument is a full, true and correct copy of the original on file in this office.

Attest MAR 23 2004
MICHAEL K. NEANES, Clerk of the Superior Court of the State of Arizona, in and for the County of Maricopa.

By  Deputy

ARIZONA DEPARTMENT OF VETERANS' SERVICES

FIRST ANNUAL ACCOUNTING

SUMMARY OF ACCOUNT

ESTATE:

ACCOUNT#:

COURT#:

PERIOD COVERED: 11/21/01 THRU 11/20/03

CHARGES

INVENTORY AND APPRAISAL		\$59,717.93
RECEIPTS	(SCHEDULE 8)	\$2,321.73

TOTAL CHARGES		\$62,039.66
		=====

CREDITS

ADJUSTMENTS TO INVENTORY		\$1,200.64
ADMINISTRATIVE EXPENSES	(SCHEDULE 10)	\$22.44
DISBURSEMENTS	(SCHEDULE 12)	\$4,324.62
PROPERTY ON HAND		\$56,491.96

TOTAL CREDITS		\$62,039.66
		=====

*****NOTES TO THE ACCOUNTING ARE ON THE FINAL PAGE*****

PROPERTY ON HAND

AS OF : 11/20/03

TRUST	WELLS FARGO	\$12,341.96
SAVINGS		\$0.00
POOLED CD		\$0.00
OFFICE 2		\$0.00
BURIAL		\$0.00
OTHER ASSETS	SEE VALUED ASSETS	\$44,150.00
	TOTAL PROPERTY ON HAND	<u>\$56,491.96</u>

VALUED ASSETS

AS OF : 11/20/03

TRAN CODE	SEQ NO.	ASSET DESC.	BEGINNING INVENTORY VALUE	ENDING INVENTORY VALUE	BEGINNING MARKET VALUE	ENDING MARKET VALUE
605			\$750.00	\$750.00		
603			\$2,400.00	\$2,400.00		
600		STOCK & BONDS 7 \$100 EE US TREASURY SAVINGS BONDS VALUED 11/01	\$708.44	\$0.00		(REDEEMED)
600		STOCK & BONDS 9 \$50 EE US TREASURY SAVINGS BONDS VALUED 11/01	\$492.20	\$0.00		(REDEEMED)
			<u>\$45,350.64</u>	<u>\$44,150.00</u>	<u>\$0.00</u>	<u>\$0.00</u>

CREDITS - ADJUSTMENTS TO INVENTORY

AS OF : 11/20/03

TRAN CODE	SEQ NO.	TRANSACTION DESCRIPTION	AMOUNT
600		STOCK & BONDS REDEEMED 7 \$100 EE SAVINGS BOND	\$708.44
600		STOCK & BONDS REDEEMED 9 \$50 EE SAVINGS BOND	\$492.20
CREDITS - ADJUSTMENTS TO INVENTORY			<u>\$1,200.64</u>

SCHEDULE 8 - RECEIPTS
*** SUMMARY PAGE ***
11/21/01 THRU 11/20/03

CODE	DESCRIPTION	TOTAL
202	VETERAN BENEFIT	\$194.00
205	WARDS FUNDS	\$0.06
211	OTHER ANNUITIES	\$86.85
222	OTHER INCOME	\$1,296.48
229	DEATH BENEFITS	\$580.00
238	OTHER INTEREST	\$41.43
246	SALE OF PROP.	\$48.75
265	OTHER REFUNDS	\$35.29
507	TRUST INTEREST	\$38.87
	TOTAL RECEIPTS	<u>\$2,321.73</u>

SCHEDULE 10- ADMINISTRATIVE EXPENSES

*** SUMMARY PAGE ***

11/21/01 THRU 11/20/03

CODE	DESCRIPTION	TOTAL
468	BOND FEE	\$12.50
470	CONSERVATOR FEE	\$9.94
TOTAL ADMINISTRATIVE EXPENSES		<u>\$22.44</u>

SCHEDULE 10
 CONSERVATOR FEE RECONCILIATION WORKSHEET
 11/21/01 THRU 11/20/03

SOCIAL SECURITY				
VA	\$	194.00		
INTEREST (TOTAL)	\$	80.30		
ANNUITIES	\$	86.85		
OTHER RECEIPTS				
OVERPAYMENTS				
TOTAL		\$ 361.15	* 0.05	\$ 18.06
PRIOR YEAR UNDERPAYMENT				
CONSERVATOR FEES OWED				\$ 18.06
CONSERVATOR FEES PAID				\$ 9.94
CONSERVATOR FEES PAYABLE(RECEIVABLE)				\$ 8.12

The conservator fees payable (receivable) will be charged (refunded) in the next accounting period.

SCHEDULE 1z-- DISBURSEMENTS
*** SUMMARY PAGE ***
11/21/01 THRU 11/20/03

CODE	DESCRIPTION	TOTAL
394	PROPERTY TAXES	\$200.20
442	TAX PREPARATION	\$90.00
452	INSURANCE PREMIUM	\$222.67
466	LEGAL FEES	\$2,211.75
475	OTHER FEES	\$84.00
476	RECORDING FEES	\$16.00
499	FUNERAL EXP.	\$1,500.00
	TOTAL DISBURSEMENTS	<u>\$4,324.62</u>

SCHEDULE 8 - RECEIPTS

11/21/01 THRU 11/20/03

TRAN CODE	SEQ NO.	TRANSACTION DESCRIPTION	REF #	VENDOR NAME	CHECK#	DATE POSTED	AMOUNT
202		VETERAN BENEFIT CK# DOC: 12/31/01 BANK ONE				12/31/01	194.00
TOTAL VETERAN BENEFIT							\$194.00
205		WARDS FUNDS CASH FOUND IN M. BULICH'S BELONGINGS				03/19/02	0.06
TOTAL WARDS FUNDS							\$0.06
211		OTHER ANNUITIES CK# DOC: 11/03/01 ID#000H1190123 METLIFE				02/08/02	49.44
211		OTHER ANNUITIES CK# DOC:03/11/2002 BA#27407759 BANK ONE				03/12/02	37.41
TOTAL OTHER ANNUITIES							\$86.85
222		OTHER INCOME CK# DOC:04/10/02 T37020020990010 FED RESERV BK				04/12/02	1,200.64
222		OTHER INCOME CK# DOC:05/14/02 SAVINGS BD RDMP FEDERAL RESERE				05/15/02	95.84
TOTAL OTHER INCOME							\$1,296.48

SCHEDULE 8 - RECEIPTS
11/21/01 THRU 11/20/03

CODE NO.	DESCRIPTION	REF #	VENDOR NAME	CHECK#	POSTED	AMOUNT
229	DEATH BENEFITS CK# DOC:04/03/02 BURIAL AWD U S TREASURY				04/08/02	580.00
TOTAL DEATH BENEFITS						\$580.00
238	OTHER INTEREST CK# DOC:04/10/02 T37020020990010 FED RESERV BK				04/12/02	23.78
238	OTHER INTERST FED RESERV BK				11/30/03	17.53
238	OTHER INTERST FED RESERV BK				12/12/03	0.12
TOTAL OTHER INTEREST						\$41.43
246	SALE OF PROP. MO# DOC:03/07/02 WHEELCHAIR SUN WEST/HELLER				03/13/02	37.50
246	SALE OF PROP. MO#06-540770667 DOC 10/28/02				10/28/02	11.25
TOTAL SALE OF PROP.						\$48.75
265	OTHER REFUNDS CK DOC 3/21/02 WEST END WATER				09/26/02	35.29
TOTAL OTHER REFUNDS						\$35.29

SCHEDULE 8 - RECEIPTS
11/21/01 THRU 11/20/03

TRAN CODE	SEQ NO.	TRANSACTION DESCRIPTION	REF #	VENDOR NAME	CHECK#	DATE POSTED	AMOUNT
507		TRUST INTEREST FROM 11/01/01 TO 11/30/01 ADB= 1380.00				12/04/01	0.82
507		TRUST INTEREST FROM 12/01/01 TO 12/31/01 ADB= 13474.50				01/03/02	4.02
507		TRUST INTEREST FROM 01/01/02 TO 01/31/02 ADB= 12772.27				02/04/02	1.72
507		TRUST INTEREST FROM 02/01/02 TO 02/28/02 ADB= 11528.46				03/04/02	1.84
507		TRUST INTEREST FROM 03/01/02 TO 03/31/02 ADB= 11476.05				04/02/02	1.78
507		TRUST INTEREST FROM 04/01/02 TO 04/30/02 ADB= 12577.49				05/02/02	3.30
507		TRUST INTEREST FROM 05/01/02 TO 05/31/02 ADB= 13157.09				06/04/02	3.14
507		TRUST INTEREST FROM 06/01/02 TO 06/30/02 ADB= 13203.31				07/03/02	3.43
507		TRUST INTEREST FROM 07/01/02 TO 07/31/02 ADB= 13195.14				08/02/02	4.07
507		TRUST INTEREST FROM 08/01/02 TO 08/31/02 ADB= 13120.25				09/04/02	3.48
507		TRUST INTEREST FROM 09/01/02 TO 09/30/02 ADB= 13032.44				10/02/02	4.06
507		TRUST INTEREST FROM 10/01/02 TO 10/31/02 ADB= 12894.07				11/04/02	4.06

SCHEDULE 8 - RECEIPTS

11/21/01 THRU 11/20/03

TRAN CODE	SEQ NO.	TRANSACTION DESCRIPTION	REF #	VENDOR NAME	CHECK#	DATE POSTED	AMOUNT
507		TRUST INTEREST FROM 11/01/02 TO 11/30/02 ADB= 12907.65				12/03/02	1.66
507		TRUST INTEREST FROM 12/01/02 TO 12/31/02 ADB= 12909.61				01/03/03	0.50
507		TRUST INTEREST FROM 01/01/03 TO 01/31/03 ADB= 12794.82				02/04/03	0.49
507		TRUST INTEREST FROM 02/01/03 TO 02/28/03 ADB= 12568.16				03/07/03	0.43
507		TRUST INTEREST FROM 03/01/03 TO 03/31/03 ADB= 12401.79				04/02/03	0.01
507 (1)		TRUST INTEREST FROM 07/01/03 TO 07/31/03 ADB= 12385.30				08/04/03	0.05
507 (1)		TRUST INTEREST FROM 08/01/03 TO 08/31/03 ADB= 12341.95				09/03/03	0.01

TOTAL TRUST INTEREST

\$38.87

TOTAL RECEIPTS

\$16,464.35

UV/Term - (Computrust) - uvterm.cfg

File Edit Connection Modem Configure Window Help

ACCOUNT :
 SOC SEC :
 CSWRKR : A505 CHALMERS JAMES TRUST : 32954.56 BURIAL : 0.00
 STATUS : 300 CONSERVATOR ONL CD SAVING : 0.00 ASSET : 0.00
 HOLD : Y CLIENT MISSING MAINT : 50000.00 OFFICE : 151674.66
 : 0.00 PAYABLE: 0.00

DATE/ TRAN	CDE	SEQ#	VENDE# CHECK#	UENDOR NAME DESCRIPTION	REFERENCE	AMOUNT	BALANCE
050407 1162633	466		0652 512952	TRACY RAGSDALE LEGAL FEES 07/01/05 THRU 06/30/06		-320.00	2,727.99
050407 1162685	466		0652 513004	TRACY RAGSDALE LEGAL FEES STMT. 03/02/07		-350.00	2,377.99
050407 1162727	466		0652 512952	TRACY RAGSDALE VOIDED WRONG AMOUNT		320.00	2,697.99

ENTRIES 1 THRU 3 OF 3
 ENTER LINE #, <P>REV PAGE, OTTOM, <T>OP, <E>XIT OR <CR> TO CONTINUE :

PF1 PF2 PF3 PF4 -1-

online num 11:23 AM

start 3 Microsoft Office UV/Term - (Computru... 11:24 AM

TRACY G. RAGSDALE

Attorney at Law

TUCSON, ARIZONA

ADMITTED IN ARIZONA

TELEPHONE (877) 775-2230

FACSIMILE (970) 532-2224

PLEASE REPLY TO:

427 GOOSE HOLLOW ROAD

BERTHOUD, COLORADO 80513

March 2, 2007

Ms. Mary Lou Cleland

ADVS

3839 N. Third St.

Phoenix, Az. 85012

Re:

Billing Period: 07/01/05-06/30/06

TC ADVS; Draft Petition for Approval Interim Account; Notice of Hearing; Proof of Notice; Application and Affidavit Fee Approval; Order Approving Account; TC Clerk of Court; Preparation of file for hearing; notice all parties of hearing; File Proof of Notice; Review interim Order

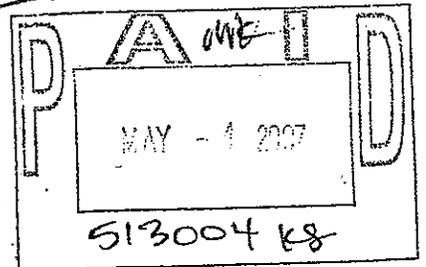
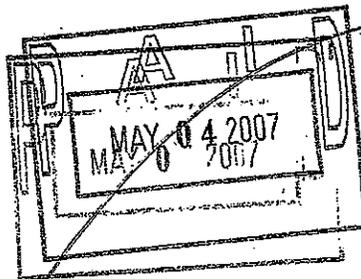
Total Services

\$350.00

Total Amount this Invoice

\$350.00

Your payment is appreciated.



5

MK

ACC # 012256	
AMOUNT \$ 350	
CODE 416	VEND # 0652
APPROVED BY. DJ	DATE 5-4-07

NOTES TO THE ACCOUNTING
AS OF : 11/20/03

SCHEDULE 8

- (1) TRUST ACCOUNT AVERAGE DAILY BALANCE (ADB) WAS TOO LOW TO EARN INTEREST FOR THE MONTHS OF 04/03-06/03 AND 09/03-10/03.

SCHEDULE 10

(NONE)

SCHEDULE 12

- (2) ADVS COMPILED AND ANALYZED MR. INCOME TAX INFORMATION FOR THE YEARS ENDED 12/31/01 AND 12/31/02 ON 01/23/02 AND 1/06/03 AND DETERMINED THAT FEDERAL AND STATE TAX RETURNS WERE NOT REQUIRED TO BE FILED.

PROPERTY ON HAND

- (3) QUESTIONS EXIST REGARDING WHETHER MR. ACTUALLY HOLDS TITLE TO THE PROPERTIES LISTED AND THEREFORE THERE ARE OUTSTANDING PROPERTY TAXES DUE ON BOTH THE WITTMAN AND SALOME PROPERTIES.

SCHEDULE 12- DISBURSEMENTS

11/21/01 THRU 11/20/03

TRAN CODE	SEQ NO.	TRANSACTION DESCRIPTION	REF #	VENDOR NAME	CHECK#	DATE POSTED	AMOUNT
466		LEGAL FEES FILE#7046301MAB DOS: 12/27/02 INVESTIGATION STATUS/VALUES		TIFFANY & BOSCO P.A. ATTORNEYS AT LAW		01/21/03	218.75
466		LEGAL FEES FILE# 7046-301 DOS 2/12/03 REV DOCS & CORRESPONDENCE		TIFFANY & BOSCO P.A. ATTORNEYS AT LAW		02/20/03	245.00
466		LEGAL FEES FILE# 7046-301 STMT 7/11/03 CONFERENCE W/GN		TIFFANY & BOSCO P.A. ATTORNEYS AT LAW		07/24/03	58.50
TOTAL LEGAL FEES							\$2,211.75
475		OTHER FEES DRILLING OF SAFE DEPOSIT BX		BANK ONE		01/14/02	80.00
475		2002 WELLSFARGO SERVICE CHARGES		ADVS FIDUCIARY		03/24/03	2.00
475		OTHER FEES BANK ONE SERVICE CHARGES				12/05/03	2.00
TOTAL OTHER FEES							\$84.00
476		RECORDING FEES LETTERS OF APPT		LA PAZ COUNTY RECORDER		01/31/02	9.00
476		RECORDING FEES LETTERS OF APPT		MARICOPA COUNTY RECORDER		01/31/02	7.00
TOTAL RECORDING FEES							\$16.00
499		FUNERAL EXP. CT#P01-231 DOS:12/12/2001		PARADISE CHAPEL FUNERAL HOME		01/24/02	1,500.00
TOTAL FUNERAL EXP.							\$1,500.00
TOTAL DISBURSEMENTS							\$4,324.62

SCHEDULE 12- DISBURSEMENTS
11/21/01 THRU 11/20/03

CODE	NO.	DESCRIPTION	REF #	VENDOR NAME	CHECK#	POSTED	AMOUNT
442	(2)	TAX PREPARATION 2001 TAXES		ADVS FIDUCIARY		01/23/02	45.00
442	(2)	TAX PREPARATION INCOME TAX 2002		ADVS FIDUCIARY		01/06/03	45.00
TOTAL TAX PREPARATION							\$90.00
452		INSURANCE PREMIUM AARP		AARP		12/05/03	222.67
TOTAL INSURANCE PREMIUM							\$222.67
466		LEGAL FEES FILE#7046-301 DOS:10/16/01 PLUS ARREARS		TIFFANY & BOSCO P.A. ATTORNEYS AT LAW		12/13/01	536.25
466		LEGAL FEES FILE# 7046-301 DOS: 12/12/01 APPOINTMENT HEARING		TIFFANY & BOSCO P.A. ATTORNEYS AT LAW		12/31/01	478.50
466		LEGAL FEES DOS:10/11-11/06 NEW CLIENT		LARRY J. RUHL, ATTORNEY-AT-LA		02/05/02	187.50
466		LEGAL FEES FILE#7046-301 DOS:12/21/01 MESSENGER SERV		TIFFANY & BOSCO P.A. ATTORNEYS AT LAW		02/05/02	50.00
466		LEGAL FEES FILE#7046-301 DOS:02/08/02 PREP INV AND APPR/CORRESPOND		TIFFANY & BOSCO P.A. ATTORNEYS AT LAW		03/20/02	206.25
466		LEGAL FEES FILE#7046-301 DOS:03/06/02 INV/REF/CONF		TIFFANY & BOSCO P.A. ATTORNEYS AT LAW		04/23/02	82.50
466		LEGAL FEES FILE# 7046-301 DOS: 05/09/02 DOD: 11/28/01 RESEACH		TIFFANY & BOSCO P.A. ATTORNEYS AT LAW		08/13/02	82.50
466		LEGAL FEES FILE#7046-301MB DS: 7/22/02 CONF. & REV. ESTATE		TIFFANY & BOSCO P.A. ATTORNEYS AT LAW		08/19/02	66.00

SCHEDULE 12- DISBURSEMENTS

11/21/01 THRU 11/20/03

TRAN CODE	SEQ NO.	TRANSACTION DESCRIPTION	REF #	VENDOR NAME	CHECK#	DATE POSTED	AMOUNT
394		PROPERTY TAXES PARCEL #		MARICOPA COUNTY TREASURER DOUG TODD, TREASURER		09/27/02	34.42
394		2002 FULL YEAR PROPERTY TAXES PARCEL#		ELLEN SOLPER LA PAZ COUNTY TREASURER		09/27/02	18.42
394		2002 FULL YEAR PROPERTY TAXES PARCEL #		ELLEN SOLPER LA PAZ COUNTY TREASURER		09/27/02	18.42
394		2002 FULL YEAR PROPERTY TAXES PARCEL #		ELLEN SOLPER LA PAZ COUNTY TREASURER		09/27/02	18.42
394		2002 FULL YEAR PROPERTY TAXES PARCEL #		ELLEN SOLPER LA PAZ COUNTY TREASURER		09/27/02	18.42
394		2002 FULL YEAR PROPERTY TAXES PARCEL #		ELLEN SOLPER LA PAZ COUNTY TREASURER		09/27/02	18.42
394		2002 FULL YEAR PROPERTY TAXES PARCEL #		ELLEN SOLPER LA PAZ COUNTY TREASURER		09/27/02	18.42
394		2002 FULL YEAR PROPERTY TAXES PARCEL #		ELLEN SOLPER LA PAZ COUNTY TREASURER		09/27/02	18.42
394		2002 FULL YEAR PROPERTY TAXES PARCEL #		ELLEN SOLPER LA PAZ COUNTY TREASURER		09/27/02	18.42
394		2002 FULL YEAR PROPERTY TAXES PARCEL #		ELLEN SOLPER LA PAZ COUNTY TREASURER		09/27/02	18.42
394		2002 FULL YEAR PROPERTY TAXES PARCEL #		ELLEN SOLPER LA PAZ COUNTY TREASURER		09/27/02	18.42
(3)		2002 FULL YEAR					
TOTAL PROPERTY TAXES							----- \$200.20 -----

SCHEDULE 10- ADMINISTRATIVE EXPENSES

11/21/01 THRU 11/20/03

TRAN CODE	SEQ NO.	TRANSACTION DESCRIPTION	REF #	VENDOR NAME	CHECK#	DATE POSTED	AMOUNT
468		BOND FEE FY 2002-03		ADVS FIDUCIARY		07/03/02	12.50
TOTAL BOND FEE							\$12.50
470		CONSERVATOR FEE 11/15/01 THRU 12/14/01		ADVS FIDUCIARY		12/17/01	0.04
470		CONSERVATOR FEE 12/15/01 THRU 01/14/02		ADVS FIDUCIARY		01/15/02	9.90
TOTAL CONSERVATOR FEE							\$9.94
TOTAL ADMINISTRATIVE EXPENSES							\$22.44