

California Probate  
Referees' Association

# THE PROBATE REFEREE GUIDE

Using Probate Referees in Trusts, Probate,  
Conservatorships and Guardianships,  
Small Estates and Non-Probate Matters

Published and Distributed by

# THE PROBATE REFEREE GUIDE

## Association Letter and Acknowledgements

Dear Reader:

Once again, the California Probate Referees' Association is pleased to present a new edition of the Probate Referee Guide. This guide is designed to assist those with experience in probate matters and their staff, as well as those who may have no previous experience. This revision covers all basic procedures and highlights several laws enacted since the previous edition was published, including the law requiring valuation of all assets whenever an account is required, and the small estate transfer rules. This guide may also be found online at the association website: [www.probatereferes.net](http://www.probatereferes.net).

As in the past, the focus of this publication is the preparation of the Inventory and Appraisal. Practical suggestions are offered for preparing attachments, describing assets, presenting necessary supporting data and obtaining appraisals.

Probate Referees have been proudly assisting the courts, attorneys and the public for over 70 years. As trusts have become a more and more popular estate transfer device, the Referee's role has expanded to include trust and other non-probate valuations as well.

In the early 1960's, the State Inheritance Tax Appraisers'

Association of California published a four page brochure entitled "What To Do Until The Appraiser Comes." This guide was written by Harold Miozzi, a Referee in San Luis Obispo County.

In 1976, the next edition was prepared under the chairmanship of Irving Reifman, with committee members: J. Edward Fleishell and Albert Nicora. Since 1976, the Referees' Association has published several editions of this Guide. Over 250,000 copies have been printed.

Additionally, the guide has been reprinted in its entirety by the Continuing Education of the Bar (C.E.B.), and by various legal, accounting, paralegal and secretarial associations for distribution to their participating members.

My thanks to the current guide committee, and to the editors listed below. Finally, it would not have been possible to publish and distribute this guide statewide without the generous assistance of Ruben Martinez, Broker F.R.E.S.

We look forward to serving you.

**Dennis Illingworth**

*President, California Probate Referees Association*

**PUBLISHED AND DISTRIBUTED BY:**  
**California Probate Referees' Association**

TO OBTAIN ADDITIONAL COPIES, CONTACT  
YOUR LOCAL PROBATE REFEREE OR DENNIS  
ILLINGWORTH AT EXITREF@AOL.COM

Copyright 1976 by California Probate Referees' Association  
Revised 1978, 1979, 1989, 1994, 1998, 2001, 2005, 2013,  
2013, 2014, 2015, 2017

All rights reserved. This booklet or parts thereof may not be  
reproduced in any form without permission.

**NOT PRINTED AT PUBLIC EXPENSE**

### 2017 EDITORS

**Dennis Illingworth**

*Chairman – Orange County*

**David Elefant**

*Contra Costa County*

**Robert Harmssen**

*Santa Clara County*

**Michael Kasolas**

*San Francisco County*

**Albert Nicora**

*Monterey County*

**Irving Reifman**

*Los Angeles County*

Rev. 03/2017

**TABLE OF CONTENTS**

**WHY USE A PROBATE REFEREE?.....1**

**THE ROLE OF THE PROBATE REFEREE.....3**

**BENEFITS OF USING PROBATE REFEREES IN TRUST AND NON-PROBATE MATTERS.....4**

**TRANSFER OF SMALL ESTATES AND SPOUSAL PROPERTY PETITIONS.....5**

**REQUIREMENT OF VALUATIONS WHENEVER ACCOUNTS ARE REQUIRED TO BE FILED.....5**

**PREPARING THE INVENTORY AND APPRAISAL.....6**

- What is the Inventory and Appraisal
- Checklist for preparing the Inventory and Appraisal
- What does not go on the Inventory and Appraisal
- Differences between Inventory and Appraisals in Conservatorships and Probate Estates
- What goes on Attachment 1
- What goes on Attachment 2

**LISTING PARTICULAR ASSETS.....10**

- The importance of complete information

**REAL PROPERTY.....10**

- Vacant, agricultural, condominium and single family residential
- Residential income/commercial/industrial property
- Stock cooperatives
- Oil, Gas and Mineral Rights
- Life estates
- Remainder and reversionary interests

**BUSINESS INTERESTS.....13**

- Basic Financial Information
- Closely held corporations
- Limited partnerships
- General partnerships
- Sole proprietorships

**TANGIBLE PERSONAL PROPERTY.....15**

- Jewelry/art/coins/antiques
- Mobile homes
- Motor vehicles and boats
- Livestock and breeding animals

**PROMISSORY NOTES.....16**

**SECURITIES .....17**

- Portfolio accounts at brokerage firms
- Common and preferred stocks
- Mutual funds
- Stock options
- Corporate, municipal and state bonds
- United States treasury notes and bonds
- United States savings bonds
- GNMA, FNMA, and FHLMC securities

**OTHER INTERESTS.....19**

- Distributions from estates and trusts
- Insurance/annuity policies and proceeds
- Patents, trademarks, copyrights and royalty interests
- Judgments and ongoing litigation

**ADMINISTRATIVE QUESTIONS COMMONLY ASKED..... 21**

- How long does the appraisal take?
- How do I correct a mistake in the inventory?
- When do I need a reappraisal for sale?
- Can I request Minority discounts?

**APPENDIX A – G:       EXAMPLES OF THE FORMS**

- Sample completed **Inventory and Appraisal** Form
- Sample Attachment 1
- Sample Attachment 2, with with completed attachments
- Attachment 1 vs. Attachment 2
- Sample Blank **Appraisal Report of California Probate Referee** Form
- Sample **Inventory and Appraisal** Forms with corrections
- Sample Blank **Application and Order Appointing Probate Referee** Form

## WHY USE A PROBATE REFEREE?

For many years, estate representatives have enjoyed the benefits of a system unique to California. This system offers low cost, prompt, and reliable appraisals of **all** types of estate assets, including businesses, securities, real estate, and personal property. Attorneys, professional fiduciaries, and private citizens have used the system to their advantage for decades. That system is known as the California Probate Referee System.

Formerly known as Inheritance Tax Appraisers or Inheritance Tax Referees before the 1982 repeal of the California inheritance tax, Probate Referees continue to provide quality appraisals to the California taxpayer. The very modest appraisal fees are paid by the estates. Although required in most court-related matters, Probate Referees also serve at reasonable cost in non-probate matters such as Trust Administration.

California Probate Referees serve in every county in California. Using the Probate Referee system means "one stop" service for the estate representative or trustee. Simply provide your local Probate Referee with a list of all property, and your local Probate Referee will handle the referrals to other Probate Referees throughout the state. This "ancillary" portion of the system costs the estate nothing extra, as the statutory fee is shared by the Probate Referees involved. The ancillary system assures each party that a local expert has appraised each parcel of real property.

Probate Referees regularly perform similar appraisal services for trusts and estates where no court proceeding is involved and with the evolution of living trusts in California, non-judicial appraisals have become much more common. Trustees and their legal representatives need asset values for inventory, tax basis, and distribution purposes. Using regular fee appraisers for such valuations can be quite costly. Often such fee appraisers can only appraise one type of property, making it necessary to hire several appraisers. And if assets are located in more than one county, it makes the Trustee's job even more difficult. One of the obvious benefits of the Probate Referee system is the availability of one expert who can provide all the trust values. Our legislature specifically authorized Trustees to use Probate Referees for non-Court appraisals in **Probate Code § 16247**. Further references to the Probate Code sections are shown as **(PC)** in this guide.

**PC § 1063** requires an additional schedule showing market values of assets whenever accountings are required to be filed by the court. This includes accountings made anytime during a conservatorship or guardianship. Although these required valuations can be made by the fiduciary, use of a Probate Referee is recommended. Most fiduciaries are not experienced appraisers. In the event a fiduciary makes an error in valuation, the fiduciary may expose himself or herself to surcharge or mismanagement claims. Use of the Probate Referee may insulate the fiduciary from such claims, and ensures the valuations will be made in a professional, non-biased, and independent manner. Further, if property is located throughout the state, Probate Referees can make the fiduciary's job much easier.

Probate Referees are well qualified to serve. Before being appointed, Probate Referees must pass a rigorous state administered test on probate procedures and appraisal principles, and be interviewed by a qualification committee appointed by the California State Controller. Probate Referees are currently required to complete 15 hours of continuing education each year. Their offices are periodically audited by the Controller. Probate Referee values are widely accepted by both judges and the Internal Revenue Service as being objective, fair and accurate.

The use of independent Probate Referees relieves the estate representative, trustee, conservator, guardian, or attorney from the responsibility (and potential liability) of determining values. Well informed fiduciaries utilize Probate Referees to avoid potential claims by unhappy beneficiaries. If prior arrangements have been made, Probate Referees will defend their independent valuation to the estate beneficiaries or the IRS. California Probate Referees look forward to the opportunity to serve you for court or non-court appraisal needs.

Please check our association website: [www.probatereferees.net](http://www.probatereferees.net), where the following interesting links can be found:

1. Probate Referee Directory
2. Guide to Using Probate Referees
3. California Probate Code
4. CUSIP finder
5. Trust/Non-Probate Appraisal Form
6. Probate Appraisal Form
7. California Inheritance Tax Forms
8. Summary of Probate Procedures

## **THE ROLE OF THE PROBATE REFEREE**

### **Who Is A Probate Referee?**

**PC §§ 400-408**

Probate Referees are appointed by the State Controller from a pool of qualified applicants who have successfully passed a comprehensive examination. Each Probate Referee serves a specific county for a term not exceeding four years. Probate Referees are officers of the court, but not employees of the State of California. Referees cost the taxpayers nothing, as their fees are paid by the estates or Trusts involved. In court matters, such as probates, conservatorships, and guardianships the court designates the Probate Referee, usually by impartial rotation. In the case of trusts or non-probate procedures, the trustee or estate representative may select the Probate Referee.

Following the "Savings and Loan Scandal" in the late 1980s, and the tremendous problems caused by inappropriate loan appraisals, the federal government required all states to license appraisers. Each state has adopted licensing to meet its own unique needs. After extensive hearings, the California Legislature set requirements for licensing and **specifically exempted** Probate Referees. California Business and Professions Code § 11302(b) provides:

"This part does not apply to a Probate Referee acting pursuant to sections 400 to 408 inclusive of the Probate Code."

The intent and purpose of this exemption was further enhanced in 1994. In the comprehensive Probate Reform Bill, the Legislature amended **PC § 16247** to provide that Probate Referees were authorized to perform appraisals for Trustees and other non-Probate Court matters.

### **What Does The Probate Referee Do?**

**PC §§ 8800, 8802, 8902, 8940**

The Probate Referee appraises all property in the estate, except for "cash" type items. It is the responsibility of the personal representative or trustee to provide the Probate Referee with the list of property items to be appraised (the Inventory and Appraisal). The Inventory and Appraisal must be filed with the Court no later than four months after the court issues Letters Testamentary or Letters of Administration. In conservatorships, the Inventory and Appraisal must be filed within 90 days after the appointment of the Conservator. After receipt of the Inventory, the Referee is required to complete the appraisals within 60 days, return the Inventory to the personal representative, or report to the court the reason for the delay. In non-probate and trust cases, there is no specific time deadline, and the Probate Referee may appraise the assets that are requested. The trust assets to be appraised are described on the Appraisal Report of California Probate Referee form. (See Appendix "E")

### **What Is The Compensation Of The Probate Referee?**

**PC §§ 8960-8964**

For any appraisal required by statute, Probate Referee fees are 1/10th of 1% (.001) of the total assets listed on Attachment 2. For example, the Probate Referee's fee to appraise a home valued at \$400,000.00 is \$400.00. In addition, the Probate Referee charges for expenses, such as mileage, mapping, and photos. In trust and other non-probate matters, the fee is negotiable. The minimum fee is \$75.00.

### **Do I Have To Use A Probate Referee?**

**PC §§ 8903 & 8904**

Generally yes, in all court matters and even in some non-probate procedures, a Probate Referee is required. The court will not waive the Probate Referee appraisal absent a showing of "good cause". However, waiver of a Probate Referee requires a court hearing, and the filing of legal documents. In the end, it may cost the estate more to attempt to waive the Probate Referee than the usual relatively modest Probate Referee fee involved. Most judges, who rely upon the Probate Referee to verify assets, are reluctant to grant a waiver. If there are extraordinary circumstances in your case which you believe may justify a waiver, you should discuss them with one of the Probate Referees in your county **before** filing a Petition for Waiver. In many cases, the matter can be resolved to the satisfaction of all parties.

## **BENEFITS OF USING PROBATE REFEREES IN TRUST AND NON-PROBATE MATTERS**

### **WHAT CAN THE PROBATE REFEREE DO FOR THE TRUSTEE?**

- Probate Referees provide accurate appraisals of trust assets for purposes of estate taxes, gift distribution, or determination of the Trustee fees.
- Probate Referees may insulate the Trustee from claims by the beneficiaries that assets were undervalued or overvalued for distribution, fee determination purposes, or help eliminate any other conflict of interest that may exist.
- Probate Referees can appraise **all** non-cash assets located within California, making the Trustee's job easier. Your local Probate Referee will take care of referring out-of-county property to other Probate Referees in the State, obtaining a local expert in each county for the appraisal.
- Act as an independent and fair appraiser for dispute situations such as in a dissolution proceeding, in an action for partition of real property, or in partnership conflicts.

### **IN OTHER COURT AND NON-COURT MATTERS, THE REFEREE CAN**

- Determine fair market value to assist in liquidation matters. **(CCP §873.010)**
- Determine fair market values for use in dissolution of partnership matters or partition actions. **(CCP §873.010)**
- Provide valuations for partial ownership interests. (See Minority Discounts page 22)
- Determine fair market value in foreclosure actions. **(CCP §726)**

### **OVERALL BENEFITS**

- Appraisal fees are extremely competitive. In Trust situations, Probate Referee fees are negotiable and compare favorably with charges made by "fee" appraisers.
- Probate Referees enjoy the support and confidence of the IRS and judges. If prior arrangements have been made, Probate Referees will defend their values if questions arise with the IRS and courts. Probate Referees are required by law to retain their records and supporting documentation for a minimum period of three (3) years.

## TRANSFER OF SMALL ESTATES AND SPOUSAL PROPERTY PETITIONS

California provides several options for transferring property of small value without a formal probate proceeding. Many assets are exempt in arriving at the dollar limit, and these are found in **PC § 13050**. If you are unfamiliar with these laws, remember that the following is only a summary of the Probate Referee's involvement, and you should consult with your legal advisor to be sure you are in full compliance with the law.

**OPTION 1)** If the estate holds only personal property worth not more than \$150,000.00 (**PC § 13100**). There is a 40 day waiting period from date of death.

**OPTION 2)** If the estate holds real and/or personal property worth not more than \$150,000.00 (**PC § 13150**). There is a 40 day waiting period from date of death.

**OPTION 3)** If the estate holds only real property worth not more than \$50,000.00 (**PC § 13200**). There is a six month waiting period from date of death.

**OPTION 4)** If the estate holds property passing to a surviving spouse (no dollar limit) (**PC § 13650**). There is no waiting period.

**UNDER OPTION 1**, if there is no real property, the heirs simply sign an affidavit, under penalty of perjury, alleging, among other things, that the estate is worth not more than \$150,000.00. **No court documents need to be filed. No Inventory and Appraisal is necessary.** There is a 40 day waiting period.

**BOTH OPTIONS 2 and 3 require a Probate Referee.** In both cases, an Inventory and Appraisal is required to be attached to the petition or affidavit which is filed with the court. The statutory fees for the Probate Referee are the same as in probate proceedings. California law requires that the appraisal be made and signed by a Probate Referee from the county where the real property is located. Your local Probate Referee can assist you in selecting an out of county referee if requested.

**UNDER OPTION 4**, a surviving spouse can receive unlimited amounts, and a Probate Referee appraisal is not required, but is strongly recommended in order to clearly establish a new tax basis of the property for federal and state income tax purposes. A future challenge by the IRS or the State Franchise Tax Board is thereby greatly reduced. **Court documents must be filed. An Inventory and Appraisal is not required, but is often filed with the court.** There is no waiting period. The Petitioner selects the Probate Referee, and the Inventory and Appraisal form is used.

### REQUIREMENT OF VALUATIONS WHENEVER ACCOUNTS ARE REQUIRED TO BE FILED (PC § 1063)

Whenever the fiduciary is required to file an account with the court (usually in conservatorships, guardianships, and trusts subject to continuing jurisdiction of the court), an additional schedule must be included which shows the market value of the assets on hand at the beginning of the accounting period **and for all accounts subsequent to the initial account.** The code section allows the fiduciary to make this valuation by "good faith estimate", but many fiduciaries are concerned about the potential liability in self-appraising such assets. Fiduciaries are often untrained in appraising, and assets may be located throughout the state. Given the very reasonable cost of Probate Referee appraisals, and the state-wide Probate Referee network available, a Probate Referee appraisal should be considered.

**PREPARING THE INVENTORY AND APPRAISAL**  
**("PC" refers to the Probate Code)**

**WHAT IS THE INVENTORY AND APPRAISAL?**

**PC § 8802**

The Inventory and Appraisal is a legal document providing a complete listing of the estate assets as of a particular date, usually the date of death. In a guardianship or conservatorship estate, it is the date of appointment. There is a cover page plus attachment pages.

The Inventory and Appraisal form is used for probates, conservatorships, guardianships, petitions to transfer estates not exceeding \$150,000.00, affidavits to transfer real property not exceeding \$50,000.00, and spousal property petitions. **PC §§ 8800, 2610, 13150, 13200, 13500.**

For non-court proceedings, such as trusts, non-court appraisals for tax purposes, and for other purposes, assets should be listed on a different form called the "Appraisal Report of California Probate Referee." Blank forms may be obtained at the end of this manual (see Appendix "E"), from your local Probate Referee or the Probate Referee Website: [www.probatereferees.net](http://www.probatereferees.net). These forms are designed to be attached to IRS Form 706 or 709 returns. Discuss the purpose of the appraisal with the Probate Referee, as there may be special requirements that need to be taken into consideration.

**CHECKLIST FOR PREPARING THE INVENTORY AND APPRAISAL**

Attachments 1 and 2 at the end of the manual (see Appendices "B" and "C") contain detailed examples of all types of property described below in this manual. Refer to these pages for specific examples of how the property should be listed on the Attachments. For a comparison of Attachment 1 and Attachment 2, see Appendix D. The following applies in all situations in which an Inventory and Appraisal is required:

1) Judicial Council forms must be used. The form is titled "Inventory and Appraisal", with a Judicial Council issue approval date of January 1, 2007 in the lower left corner (see Appendix "A"). Use of an earlier version of the form may result in rejection of your inventory by the court.

2) Note that the date of death (or of appointment) is located in an easy-to-overlook box below the case number. Without this date, the appraisal cannot be completed by the Probate Referee.

3) For both Attachment 1 and Attachment 2, the following recommendations will greatly assist the Probate Referee in completing your appraisal promptly:

- a. Number each item.
- b. Triple-space between items. This allows space for insertion of earnings, such as accrued interest and dividends, and for modification of any incomplete descriptions. This also makes the attachment easier to read, which facilitates processing.
- c. Try to group common items together. For example, list all real property organized by county, all stocks in alphabetical order and all bonds in alphabetical order. If there are Series E, EE or H bonds, list them grouped by issue date in chronological order.
- d. State whether the interest in the property is separate, community, or quasi-community, and whether the interest is 100%, one-half, or some other fraction.

- e. List and describe all assets of the estate as they existed as of the applicable date to be appraised (either date of death in probates or date of appointment in conservatorships and guardianships). For example: A decedent owned a duplex at the time of his death. The personal representative sold the property after the decedent died, but prior to the completion of the Inventory and Appraisal, and placed the proceeds in a bank account. The Inventory and Appraisal must show the real property (duplex) on Attachment 2. The personal representative should not list the cash proceeds in the bank on Attachment 1 because the cash from the duplex sale did not exist at the date of death. The same holds true for securities or other property sold after the decedent died, but prior to the completion of the Inventory and Appraisal.
- f. Number the pages of each attachment separately, since they are completed by different individuals (for example, Attachment 1, page 1 of 1 and Attachment 2, page 1 of 2, etc.)

### **WHAT DOES NOT GO ON THE INVENTORY AND APPRAISAL?**

In most cases, the following are NOT assets of the estate and do NOT belong on the Inventory:

- Insurance proceeds payable to named beneficiaries or individual retirement accounts payable to named beneficiaries
- Totten trust accounts (bank accounts set up "in trust for" or "ATF")
- Assets held in joint tenancy with others, or accounts held in "POD" (payable on death) or "TOD" (transfer on death) designation
- Property held in a trust
- Out-of-state property rules:
  - a. Out-of-state real property is always excluded. (However, an informational schedule is required for Conservatorships.)
  - b. As a general rule, out-of-state tangible personal property is included (such as furniture, a boat, stock cooperative, or an automobile located in another state).
  - c. All intangible personal property of a California resident is always included (this includes such things as stocks, partnership interests, or insurance proceeds, wherever located).

### **DIFFERENCES BETWEEN INVENTORY & APPRAISALS IN CONSERVATORSHIPS AND PROBATE ESTATES<sup>1</sup>**

**PC §2610(c)** provides that "the property described in the [conservatorship] inventory shall be appraised in the manner provided for the inventory and appraisal of estates of decedents." However, there are important differences between the inventory and appraisal in a conservatorship matter and one in a probate administration. Some of the key differences are as follows:

---

<sup>1</sup> This material is reproduced from *California Conservatorship Practice*, copyright 2011 by the Regents of the University of California. Reproduced with permission of Continuing Education of the Bar - California. (For information about CEB publications, telephone toll free 1-800-CEB-3444 or visit their Web site, CEB.com). References to specific paragraphs refer to CEB California Conservatorship Practice.

- **Time for filing inventory.**
  - *Conservatorship:* Ninety days after appointment of a conservator of the estate. **PC §2610(a).**
  - *Probate estate:* Four months after letters are first issued to a general personal representative. **PC §8800(b).**
- **Valuation date.**
  - *Conservatorships:* Assets are valued at the date letters are first issued to a conservator, either temporary or general. **PC §2610(a).** Assets do not need to be reappraised when the temporary conservator becomes the general conservator. See **PC §2255(b).** See also §§**6.37, 6.42.** Property that is discovered or acquired after the inventory has been filed should be valued at the date the property is discovered or acquired. **PC §2613.**
  - *Probate estate:* Property is valued at the date of death. **PC §8802.** Property that is discovered or acquired after the inventory has been filed must also be valued at the date of death. **PC §8801.**
- **Notice.**
  - *Conservatorship:* Within 90 days after appointment, the conservator must mail a copy of the Inventory and Appraisal and a notice of how to file an objection to the conservatee, attorney of record for the conservatee, conservatee's spouse or registered domestic partner, conservatee's relatives in the first degree (or if there are no such relatives, then the next closest relative), unless the court determines that the mailing will result in harm to the conservatee. **PC §2610(a).** Notice to the director of the Mental Health Department or the director of Developmental Services is required if the conservatee is a patient in a state hospital under the jurisdiction of the State Department of Mental Health or State Department of Developmental Services; the copy must be mailed not later than 15 days after the Inventory and Appraisal is filed with the court. **PC §2611.**
  - *Probate estate:* No requirement to mail the Inventory and Appraisal except to those who have requested special notice (**PC §8803**), and no requirement of sending notice of how to object. If special notice has been requested, a copy of the inventory must be mailed to the requesting person not later than 15 days after the inventory is filed with the court. **PC §1252(b).**
- **Assets included or excluded from inventory: Out-of-state real property.**
  - *Conservatorship:* Conservator should include out-of-state real property on an information schedule on the inventory and estimate the value of the property. See **§10.8A.**
  - *Probate estate:* Out-of-state real property should not appear on the inventory. It should be dealt with in an ancillary proceeding in the state where it is located. See **PC §§12500–12591.**
- **Assets included or excluded from inventory: Community property.**
  - *Conservatorship:* Community property remains under the control of the spouse with capacity and is not part of the conservatorship estate unless the spouse consents or the court orders its inclusion. **PC §§3051, 3054–3055, 3080.**
  - *Probate estate:* Decedent's one-half community property interest must be included on the inventory unless the decedent died intestate and the surviving spouse or registered domestic partner chooses to proceed using a spousal property petition (**PC §13650**) rather than a probate proceeding. **PC §§8850(c), 13659.**
- **Assets included or excluded from inventory: Joint tenancy property.**
  - *Conservatorship:* All joint tenancy property should be inventoried and appraised. The conservatee's one-half undivided interest in joint tenancy property should be reported on the Inventory.. If the conservatee's interest was actually a greater or lesser interest in the property, the correct interest should be reflected on the inventory if it is known to the conservator. For further discussion, see §§**10.12–10.13, 10.65.**

- *Probate estate*: In general, joint tenancy property passes by operation of law, is not subject to probate administration, and is not included in the inventory. See, *e.g.*, **CC §683(a); PC §§5100–5407; Veh C §§4150.5(a), 5600.5(a)**.
- **Assets included or excluded from inventory: Assets that generate annual income.**
  - *Conservatorship*: The court in a conservatorship matter needs to be aware of all of the conservatee’s assets and sources of income. See, *e.g.*, **§§10.62–10.64, 10.68–10.68A**. The conservator should inventory public benefits, annuities, pensions, or life insurance policies (at either \$1 or the estimated annual income) and also include those assets on the accounting schedules, showing the beginning assets on hand and the assets on hand at the end of the account period. See **§19.13**.
  - *Probate estate*: All non-cash assets are valued as of the date of death. **PC §8802**.

## WHAT GOES ON ATTACHMENT 1?

**PC §§ 8900-8901**

Attachment 1 contains the items that can be appraised by the personal representative. These include only the following:

- Money and other cash items. A "cash" item includes checks, drafts, money orders, or similar instruments issued on or before the date of the decedent's death (or date of appointment) that can be immediately converted to cash on a dollar for dollar basis (that is, the value does not fluctuate). Rare coins/currency or foreign currency are not "cash" items.
- The following checks issued after the date of the decedent's death (or date of appointment):
  - (1) Checks for wages earned before death.
  - (2) Refund checks, including tax and utility refunds, and Medicare, medical insurance, and other health care reimbursements and payments.
- Cash type accounts in financial institutions, including a checking account, savings account, certificate of deposit, share account, mutual capital certificate, and other like arrangements, provided the value does not fluctuate. This would also include money market accounts. The exceptions to being reported on Attachment 1 are traded CD’s, the term of which is greater than one year and/or may have a CUSIP number.
- Cash deposits and money market funds or accounts, whether in a financial institution or otherwise, including a brokerage cash account. Note: A money market fund is an account where the per share value is a static \$1.00. If the per share value is more or less than \$1.00, then it is a security and must be listed on Attachment 2.
- Proceeds of life and accident insurance policies, retirement plans, and annuities payable on death to the estate in lump sum amounts.

On Attachment 1, the estate representative fills in the value of each such asset. The value is the same as the cash value as of date of death (or date of appointment), including accrued interest (see Appendix “B”).

## WHAT GOES ON ATTACHMENT 2?

**PC §§ 8902**

***Attachment 2 must list all other assets except those shown on Attachment 1. The Probate Referee appraises everything except the items that go on Attachment 1.*** On Attachment 2, the valuation column is left blank, as the Probate Referee will fill in these values (see Appendix “C”).

## LISTING PARTICULAR ASSETS

In each property type example below, there are two sections:

**1) *What goes on Attachment 2***

**and**

**2) *What the Probate Referee needs to know.***

Items listed under "What goes on Attachment 2" must be included on the attachment as part of the property description (See Appendix "C" for examples).

Additional information requested under "What the Probate Referee needs to know" should be provided to the Probate Referee in a letter or by providing copies of the needed documents when sending the Inventory.

### THE IMPORTANCE OF COMPLETE INFORMATION

Generally speaking, any material fact that might affect the value of an asset should be disclosed to the Referee in a letter submitted with the Inventory & Appraisal. This might include:

1. Details of ANY possible contamination or any known damage not immediately apparent. For example, if a gas station used to be operating on the property, there may be toxic contamination or underground storage tanks which would need to be addressed in the appraisal process.
2. A list of improvements or construction completed prior to or after the date of death.
3. Whether a prior appraisal of the property was completed (copy should be included)
4. Details on any options or leases affecting the property.
5. Whether the land is under a "Land Conservation Contract" (Williamson Act), agricultural preserve or subject to a conservation easement.
6. List any maintenance fees.
7. Details of any pending offers for the sale of the property.
8. Directions and/or landmarks to identify remote properties.

## REAL PROPERTY

### VACANT LAND, AGRICULTURAL, CONDOMINIUM, AND SINGLE FAMILY RESIDENTIAL

**-- *What goes on Attachment 2***

The entire legal description must be included. Do not use the abbreviated legal description found on property tax bills. A title insurance company may delay closing of a pending escrow, or worse, refuse to insure title to the property upon sale, if the proper legal description is not included. This can result in cancellation of the sale or loss of the buyer. The exact legal description is found on the most recent deed and can be obtained from title insurance companies or your local county recorder. A well-presented description will include the following information:

1. Percentage interest owned by the estate;
2. Complete legal description. (Note: the legal description can be quite lengthy.)

3. Common street address (if there is one);
4. Assessor's Parcel Number;
5. Description of property, (i.e. commercial, single family residential, condominium, agricultural, groves, unimproved land, mining, etc.)

***-- What the Probate Referee needs to know***

(See discussion of "THE IMPORTANCE OF COMPLETE INFORMATION", above)

**RESIDENTIAL INCOME/COMMERCIAL/INDUSTRIAL PROPERTY**

***-- What goes on Attachment 2***

The entire legal description must be included. Do not use the abbreviated legal description found on property tax bills.

1. Percentage interest owned by the estate;
2. Complete legal description;
3. Common address;
4. Assessor's Parcel Number;
5. Description of property (i.e. apartment, duplex, triplex, commercial, industrial, warehouse, store, shopping center, etc.).

***-- What the Probate Referee needs to know***

The necessary supporting data which should also be transmitted varies according to the type of property. The following is offered as a general guideline for income-producing real property:

1. Rental income and expense schedules for 3 years prior to the date of valuation. If separate income tax returns or income tax schedules have been filed for the property, copies of the schedules are sufficient.
2. Provide a current rent roll for each unit and the unit descriptions (i.e. four 2 bedroom, one bath units rented for \$600.00 per month, or six office units with 500 square feet each, renting for \$700.00 per month).
3. List any periods in which units were vacant during the last year.
4. Provide copies of leases or summaries of essential lease terms for each unit.
5. If a CPA or accountant is familiar with the property, please provide his or her name, address and phone number. (See also discussion of "THE IMPORTANCE OF COMPLETE INFORMATION," above).

**STOCK COOPERATIVES**

***-- What goes on Attachment 2***

1. A description of the asset which is sufficient for transfer of title, which generally consists of a number of shares in a stock cooperative corporation.
2. The full address of the property in which there is a right to reside, including the unit or apartment number.

***-- What the Probate Referee needs to know***

(See discussion of "THE IMPORTANCE OF COMPLETE INFORMATION", above)

## **OIL, GAS AND MINERAL RIGHTS**

### ***-- What goes on Attachment 2***

1. Percentage ownership interest in the rights
2. Full legal description including Assessor's Parcel Number

### ***-- What the Probate Referee needs to know***

1. Income received (if any) for the five years prior to the date of valuation
2. Copies of any relevant leases

## **LIFE ESTATES**

A life estate may be measured by the life of the life tenant or the life of another. The life by which the life estate is measured is known as the measuring life.

A life estate interest will only be an asset in a decedent's estate if it is measured by the life of another who is still alive. A life estate interest will be an asset in a conservatorship (or guardianship) estate if it is measured either by the life of the conservatee (or minor) or the life of another.

### ***-- What goes on Attachment 2***

Complete legal description of the property subject to the life estate (see the requirements of real property above) and notation that the interest is a life estate.

### ***-- What the Probate Referee needs to know***

1. Identification of the property and financial information to appraise the property as if owned outright (see Real Property discussion, above)
2. The date of birth of the measuring life person.

## **REMAINDER AND REVERSIONARY INTERESTS**

Remainder and reversionary interests arise when a life estate ends, or when a specified event occurs. The persons named to receive a remainder interest become owners of the property only when the life tenant dies. In reversion situations, the property was subject to a condition (such as a deed which specifies that alcohol can never be served on the property), which causes title to revert back to the grantor if the condition is violated.

### ***-- What goes on Attachment 2***

Complete legal description of the property subject to the life estate (see the requirements of real property above) and a statement that it is a remainder or reversionary interest.

### ***-- What the Probate Referee needs to know***

Identification of the property and financial information to appraise the property as if owned outright (see Real Property discussion, above), and date of birth of the measuring life person or full details on the condition that could cause a reversion.

## **BUSINESS INTERESTS**

Business interests exist in a variety of forms including closely-held corporations, partnerships, limited liability companies (LLC), limited liability partnerships (LLP), professional corporations (PC) and sole proprietorships. Partnership interests may be general or limited. Other businesses may be known as joint ventures, family limited partnerships, family trusts or syndications. Some information may not be available, or may take time to obtain, but without sufficient information, the Probate Referee cannot make an accurate appraisal. For any limited interest, i.e., corporation, LLP, LLC, etc., the referee appraises the net equity, and annual profit and loss statements of the business for a period of the last 5 years, together with a current balance sheet are recommended..

### ***-- What goes on Attachment 2***

1. For most businesses, the identification on the inventory should be complete and detailed enough to clearly identify the business to someone not familiar with it. Do not abbreviate, especially in cases of limited partnerships and corporations.
2. Number of shares and/or percentage interest held by the decedent as of the date of valuation.

### ***-- What the Probate Referee needs to know***

1. Basic Financial Information (see below)
2. Any factors which would have an effect on the valuation of the company

## **BASIC FINANCIAL INFORMATION**

For all business interests, the following items are needed as appropriate. **Any information given to the Probate Referee is strictly confidential and is not shared with any other person or party.**

1. A brief history of the business and prospects for the future;
2. A description of the role of the decedent in the company;
3. Income & expense statements for five years prior to the date of death;
4. A balance sheet at or near the date of death;
5. A complete description of any underlying assets reported on the balance sheet such as real property, stocks or partnership interests. Provide copies of any appraisals of these assets within five years of the valuation date;
6. An estimate of the fair market value (FMV) of any equipment or other assets owned by the business;
7. The collectability of any accounts receivable;
8. The dividend history of the company (if any);
9. A list of stock/partnership sales (if any) including number of shares, date sold and price/share;
10. The amount of any life insurance held by the business on the life of the decedent (copies of 712's received);
11. Copies of any Buy-Sell Agreements and a letter outlining relevant facts;
12. The number of shares issued and outstanding; and
13. The type of stock held, i.e., common or preferred.

## **CLOSELY HELD CORPORATIONS**

### ***-- What goes on Attachment 2***

The full name of the corporation and number of shares held by the decedent as of the date of valuation.

### ***-- What the Probate Referee needs to know***

1. Basic Financial Information (see above);
2. Total number of outstanding shares of the corporation.

## **PARTNERSHIPS**

There are two types of partnership interests frequently encountered in estates: limited and general.

### **LIMITED PARTNERSHIPS**

A limited partnership interest purchased in a public or private offering frequently represents a very small percentage of ownership and usually entitles the owner to receive income only. For these interests, only items #1, 5, 6 and 7 of "What the Probate Referee needs to know"(see below) are necessary.

### ***-- What goes on Attachment 2***

The complete name of the partnership and the number of units or shares owned by the decedent at the date of death. Do not abbreviate the name. For example, if the partnership is known as "Offshore Swindle Partners", do not simply write "OSP". Also, many partnerships have multiple offerings under the same name, usually distinguished by a number or Roman numeral, or the date of issue. Be sure to include this information.

### ***-- What the Probate Referee needs to know***

1. Date and amount of original (and of any subsequent) investment;
2. Basic Financial Information (see above) as applicable.
3. A copy of the partnership agreement;
4. A summary of the investment, including the nature of the assets of the partnership along with a record of payments made;
5. Copies of the quarterly or annual reports issued by partnership to the investor;
6. Copies of the K-1's for the last three years. Although these are helpful, alone they are insufficient;
7. The general partners' estimate of the value of the partnership interest.

### **GENERAL PARTNERSHIPS**

### ***-- What goes on Attachment 2***

The complete name of the partnership and the percentage ownership held.

### ***-- What the Probate Referee needs to know***

1. Date and amount of original (and any subsequent) investment;
2. Basic Financial Information (see above) as applicable;

3. A copy of the partnership agreement;
4. Copies of the K-1's for the last three years. Although these are helpful, alone they are **insufficient**;
5. The managing partners' estimate of the value of the partnership interest.

### **SOLE PROPRIETORSHIPS**

***-- What goes on Attachment 2***

The complete name of the business.

***-- What the Probate Referee needs to know***

1. Basic Financial Information (see above) as applicable.
2. The role of the sole proprietor, i.e., full-time or part-time.

### **TANGIBLE PERSONAL PROPERTY**

It is generally unnecessary to set out in great detail all tangible personal property owned by the estate unless it is of great or unusual value, or specifically mentioned in the Will, or is a business item on which a depreciable basis is desired. Unless otherwise required, you may group property such as furniture and furnishings in one group, tools in another group, and so forth.

### **FOR ALL TYPES OF PERSONAL PROPERTY LISTED BELOW**

***-- What goes on Attachment 2***

A description of the asset sufficient to identify it.

***-- What the Probate Referee needs to know***

Provide any information that would assist in valuing the property, such as insurance value, prior appraisals, sale price if sold, location of the property, general condition, and so forth.

In all cases, the Probate Referee should be provided with a general description of the personal property together with any estimates of value.

### **JEWELRY, ART, COINS, ANTIQUES**

***-- What the Probate Referee needs to know***

If these types of assets have been professionally appraised, please provide the Probate Referee with a copy of the most recent appraisal. Usually it is helpful to have these types of items examined by a reputable dealer, so your description will be accurate. (See Appendices for correct examples of listing coins, art, antiques and so forth).

### **MOBILE HOMES**

It is important to determine if the mobile home is truly personal property. Some mobile homes have been permanently affixed to the land, making them part of the real estate, like a house. Usually, the rule of thumb is that if there is separate registration on the mobile home (through Department of Housing), the mobile home is personal property. If the mobile home is listed as "structures" on a property tax bill for the county, it is probably treated as part of the real estate, and would not be separately listed. However, state law allows a county assessor to assess and tax a mobile home on a leased space in a mobile home park as real property.

In any case, whenever a mobile home is involved, supply the Probate Referee with a copy of the most recent tax bill for the property where the mobile is located, and a copy of any Department of Housing registration that exists.

***-- What goes on Attachment 2***

1. The legal description should include the year, make, model, insignia numbers, serial numbers, and dimensions of the mobile units.
2. The street address and space number of the mobile home site. The location of the mobile home park can greatly affect the value.

**NOTE:** If the estate owns the real property under the mobile home, it should be separately listed if you are not sure of its status.

***-- What the Probate Referee needs to know***

Information about the condition of the mobile home, and the amount of the rent for the leased space. It is also helpful to know if the rent includes utilities.

**MOTOR VEHICLES AND BOATS**

***-- What goes on Attachment 2***

Include the year, make, model and Vehicle Identification Number (VIN) or Hull Number.

***-- What the Probate Referee needs to know***

A copy of the most recent registration is helpful. The Probate Referee will also need the mileage (or engine time) and condition (for example, excellent, good, fair or poor).

**LIVESTOCK AND BREEDING ANIMALS**

***-- What goes on Attachment 2***

Provide the name, age, breed, sex, and pedigree.

***-- What the Probate Referee needs to know***

Details of an individual animal's records and pedigrees should be presented in a separate letter along with any outside expert-evaluation of value. For race horses, include the breeding records and race records.

**PROMISSORY NOTES**

***-- What goes on Attachment 2***

Include the terms of the note: the borrower, the original amount borrowed, the date of the note, the payment amount and payment due dates, the interest rate, due date (if any) and any security for the note. If security for the payment of money is real property, the Inventory should include the common description of the property securing the note and its Assessor Parcel Number.

***-- What the Probate Referee needs to know***

A copy of the note must be forwarded to the Probate Referee. If a note is of doubtful collectability, or payments have been missed, please notify the Probate Referee. If the security may be worth less than the note, the adequacy of any security will be considered in the valuation. A payment schedule is very helpful as there may have been prepayments or missed payments. At the very least, the Probate Referee needs to know the date of the last payment before the date of valuation and the amount of the unpaid principal balance as of that date.

## **SECURITIES**

Accurate, complete descriptions are critical for valuation of publicly traded securities. The omission of even a small part of the name, such as a series numbers, can delay appraisal of the item.

### **PORTFOLIO ACCOUNTS AT BROKERAGE FIRMS**

If the securities are held within a brokerage account, in "street name", each individual security must be listed separately on the Inventory. Do not simply write "Brokerage account at Morgan Stanley". Group stocks by company, and combine all shares in one amount. For example, if the decedent owned four certificates of IBM for 100 shares each, list all these shares together (i.e., **400 shares IBM** common stock) instead of four separate listings of 100 shares each. It is not necessary to list the serial numbers of the stock certificates in the Inventory, but the CUSIP number and TICKER SYMBOL should be included. If the stock certificates have different par values due to stock splits, they should still be listed as a single combined total, if they all have the same CUSIP number. Since the Probate Referee will have to insert additional information beneath some securities, such as dividends or interest, please triple space between entries.

#### ***-- What the Probate Referee needs to know***

If any preliminary information is available, such as a pending bankruptcy of a company or apparent worthlessness of a stock certificate, it is helpful to transmit that information to the Probate Referee with the submission of the Inventory and Appraisal. If a certificate is believed to be worthless, submit a copy of the certificate, if available. This will speed the appraisal process. A copy of any brokerage statement referencing the asset near the date of valuation is also helpful.

#### ***-- What goes on Attachment 2***

(See specific examples below for different types of securities)

### **COMMON AND PREFERRED STOCKS**

1. Number of shares,
2. TICKER SYMBOL, and/or CUSIP number,
3. Exact name of issuing corporation,
4. Name of stock exchange (if available), and
5. If the stock is preferred, so indicate.

### **MUTUAL FUNDS**

1. The number of units and complete name, including series, and
2. The CUSIP number and TICKER symbol.

### **STOCK OPTIONS**

1. Number of shares,
2. Exact name of issuing corporation,
3. TICKER SYMBOL and/or CUSIP number,
4. Option price, strike price or exercise price, and
5. Vesting schedule.

## **BONDS**

### **Corporate, Municipal and State Bonds**

1. Total face amount or par value (or quantity and denomination),
2. CUSIP number,
3. Name of obligor,
4. Type of bond,
5. Interest rate,
6. Date of issue
7. Date of maturity, and
8. Interest due dates.

The face amount may be shown as the gross value (i.e. \$30,000.00) or the number of bonds (i.e. 30 @ \$1,000.00). The complete name is critical. Omission of a small portion can prevent exact identification of the asset to be appraised. The issue and maturity dates should also be completely stated. The CUSIP number provides positive identification and should be available from the broker who sold the security. Often an account statement near the date of valuation may be helpful and provides some of the answers the Probate Referee is looking for. Municipal Bonds are among the toughest to value. The name of the stock exchange is also helpful, if available.

### **United States Treasury Notes and Bonds (T-bonds, T-notes and T-bills)**

1. Face amount,
2. Exact name of security and series number,
3. CUSIP number,
4. Coupon rate, also known as interest rate,
5. Issue date,
6. Maturity date, and
7. If there are coupons attached, date and number.

If the bond is a flower bond, indicate whether the bond will be used for payment of Federal Estate Taxes.

### **United States Savings Bonds**

There are several series of United States Savings Bonds: E, EE, I, H and HH. A complete description includes:

1. Face amount,
2. Series, and
3. Date issued.

Bonds should be arranged in chronological order, based on issue date. Bonds with the same issue date should be presented as a single item (for example, "15 - \$100 series E bonds issued 1/10/19xx," not "\$1,500.00 in series E bonds"). Bonds of the same issue should be presented together, but not added up. It is not necessary or desirable to list each bond separately or to include certificate numbers.

**GNMA, FNMA, and FHLMC Securities (formerly known as Government National Mortgage Association, Federal National Mortgage Association, and Federal Home Loan Mortgage Association -- now known as Ginnie Mae, Fannie Mae, and Freddy Mac)**

1. Face amount,
2. Exact security name and pool number,
3. CUSIP number,
4. Issue date and maturity date, and
5. Unpaid principal balance, if available.

Note: Just as in Municipal Bonds, U.S. Treasury securities such as Ginnie Mae, Fannie Mae, and Freddy Mac participations are also very difficult to value because of the very large number of different securities issued by these agencies. A small error in the description of these securities will result in an incorrect valuation. Again, the best assurance for the correct value is a correct CUSIP number.

**OTHER INTERESTS**

**DISTRIBUTIONS FROM ESTATES AND TRUSTS**

***-- What goes on Attachment 2***

A complete description of the source of the distribution or inheritance (i.e. 30% share in the Estate of Groucho Marx, deceased, Los Angeles Superior Court Case # LAP 12345).

The vested interest of the estate in the right to receive distribution from the probate estate or trust or another should be inventoried as a single item.

***-- What the Probate Referee needs to know***

The Probate Referee requires a complete description, including the expected share of the estate, an itemization of estate assets, and supporting documents. If distribution has occurred, a copy of the Order for Distribution and a list of distributed assets must be submitted to the Probate Referee, along with a copy of the decree, if any, or receipt for assets received. If these are not available, a listing of assets may be presented in a cover letter or on the attachment, as components of the single item.

If the interest is in a trust, copies of trust documents and a list of trust assets as of the date on which the assets are to be appraised should be submitted.

**INSURANCE/ANNUITY POLICIES AND PROCEEDS**

***-- What goes on Attachment 2***

Name of the insurance company, name of the insured, face amount of policy, and policy number. If payable to a named beneficiary, it is a contractual benefit and should not be listed on the Inventory. If the policy is payable to the estate in a lump sum, it would be included on Attachment 1. If payable in installments, it is listed on Attachment 2. Life insurance policies may or may not be worth their face value. There may be accrued dividends or outstanding policy loans. If the annuity is a commercial annuity, the company will likely be able to provide an exact date of death valuation.

***-- What the Probate Referee needs to know***

Is the policy insurance on the life of the decedent or the life of another, the life of a conservatee or minor, or prepaid burial?

Provide copies of the supporting documents. A copy of Form 712, if available, completed by an officer or employee of the insurance company is most helpful to the Probate Referee.

For prepaid burial expenses in conservatorship or guardianships, a description of the benefit should be provided to the Probate Referee.

In a decedent's estate, prepaid burial expenses are not an asset of the estate.

**PATENTS, TRADEMARKS, COPYRIGHTS AND OTHER ROYALTY INTERESTS**

***-- What goes on Attachment 2***

Patents, trademarks, copyrights and any royalty interests should be described fully.

***-- What the Probate Referee needs to know***

Narrative explanation with appropriate exhibits should accompany the Inventory and Appraisal. A schedule of any income, including royalties and licensing fees, for five years preceding the date of appraisal should be submitted. Any unusual variations to normal income stream should be discussed. Any anticipated changes in income should be described.

Patents, trademarks and copyrights may be underlying business assets. If so, their value would be considered as part of the business entity.

**JUDGMENTS AND ONGOING LITIGATION**

***-- What goes on Attachment 2***

Judgment amount, case name, case number, and date of judgment.

***-- What the Probate Referee needs to know***

A narrative should be submitted to the Probate Referee presenting the name, address and phone number of the trial attorney and outlining the nature of the case and the anticipated outcome. A wrongful death action based upon decedent's death is not an asset of the decedent's estate. If there is a recovery, the proceeds are payable directly to the beneficiaries. A personal injury action, in which a conservatee is injured, is an asset in the estate. Generally the appraised value of pending litigation is based upon the present value of the anticipated recovery. However, in some cases, trial counsel does not make any statements about the pending matters so as not to adversely affect the outcome. If this is the tactic, then the asset may be returned by the Probate Referee "not appraised at this time" and appraised when the case is concluded based upon then available information.

## ADMINISTRATIVE QUESTIONS COMMONLY ASKED

### How Long Does The Appraisal Take?

The Probate Code requires the Probate Referee to complete the appraisals within 60 days of receiving the Inventory and Appraisal. Usually all appraisals are completed in less time, provided the Probate Referee receives all the information necessary to make the appraisals. In complex estates, or when information cannot be supplied to the Probate Referee quickly, the appraisal may be delayed. If the Inventory cannot be completed by the Probate Referee within 60 days, the Probate Referee must either: 1) return the entire incomplete Inventory to the estate representative, or 2) report to the court on the reason for the delay. A preferable alternative is for the Probate Referee to return a "partial" Inventory of those items that are completed.

### How Do I Correct A Mistake In The Inventory?

If a mistake is found in the description or valuation of an asset, a correction can be made by correcting the Inventory and Appraisal before it is filed with the Court. The personal representative may change **Attachment 1** descriptions and values, but the Probate Referee must recheck Attachment 2 after a change. In either case, the Inventory and Appraisal needs to be returned to the Probate Referee for correction.

If the Inventory and Appraisal has already been filed when the mistake is found, a "Corrected" or "Amended" Inventory and Appraisal should be filed to rectify the error. You should consult your local rules.

If it is necessary to revise the Inventory and Appraisal in its entirety, an Amended Inventory and Appraisal should be filed to supersede the original. All items should be listed. The Amended Inventory and Appraisal should clearly state that it supersedes the version filed on (date). The new Inventory and Appraisal is designated as "Amended" by typing the word "Amended" to the left of the words "INVENTORY AND APPRAISAL" in the box just below the estate name on the face page of the Inventory. See Example #1, Appendix F. Again, please check local rules or discuss this with your local examiners before filing.

If only one or a few items need to be corrected, the Inventory and Appraisal form has a box to check for "Corrected". Only those items being corrected are described in the "Corrected" Inventory and Appraisal. If there is a mistake in the description of an asset, the correct description is presented on an attachment with a brief explanation.

For example:

Item No.	Description	Appraisal Value
4.	Item 4 was previously described: 400 shares of XYZ Corp., common stock	

Item 4 is correctly described as: 300 shares of XYZ Corp., common stock

Previous appraised value:	\$4,000.00	
Correct appraised value:	\$3,000.00	
Change in appraised value:		\$<1,000.00>

See Example #2, Appendix F

If an item was correctly described, but incorrectly valued, it may be presented as follows:

5. Incorrect valuation of Item #5, being decedent's household furniture and furnishings

Previous appraised value:	\$2,000.00	
Correct appraised value:	\$ 750.00	
Change in appraised value:		\$<1,250.00>

The Probate Referee will then carry the changes forward to the Appraisal Summary section of Page 1 of the Inventory and Appraisal and add the corrected total valuation amount, followed by the words "CORRECTED TOTAL". See Example #3, Appendix F.

The Corrected Inventory and Appraisal is marked "Corrected" followed by the same name as the original Inventory and Appraisal being revised: i.e., "Corrected Partial No. 1" or "Corrected Final".

If there is an omission of one or several items in a Final Inventory and Appraisal, it may be corrected by utilizing a supplemental Inventory listing these assets.

**When Do I Need A Reappraisal For Sale?**

If real property is being sold more than one year after the original appraisal date (the date of death or appointment), and court confirmation of the sale is sought, a reappraisal for sale is necessary. The "Reappraisal for Sale" box is marked on the Inventory and Appraisal form. (PC §10309)

Please keep in mind that the need for Reappraisal For Sale may be subject to Court Local Rules.

**Can I Request Minority Discounts?**

The IRS requires substantial justification for any claim of a discount for minority interest or lack of marketability and is aggressive in auditing and challenging discounts. Court cases in recent years are more expansive in allowing realistic discounts. If you believe such a discount is warranted, the Probate Referee assigned to the case will either be willing to perform the discounts, or assist you with a reference to a Probate Referee qualified to do so. It would be helpful to supply the Probate Referee with the factual basis to support the discount. Alternatively, you may accept the Probate Referee's appraisal as the actual percentage interest and claim any discount separately when filing the Federal Estate or Gift Tax Return.

In any case, the Probate Referee must list the full value of the property on the Inventory to be consistent with IRS requirements. The discount, if any, is listed below the full value or on an attached schedule with the analysis and partial interest discounts applied.

# **APPENDIX "A"**

**SAMPLE INVENTORY AND APPRAISAL FORM  
(COMPLETED BY THE ATTORNEY)**

ATTORNEY OR PARTY WITHOUT ATTORNEY <i>(Name, state bar number, and address):</i>  <hr/>  TELEPHONE NO.: _____ FAX NO. <i>(Optional):</i> _____ E-MAIL ADDRESS <i>(Optional):</i> _____ ATTORNEY FOR <i>(Name):</i> _____	<b>FOR COURT USE ONLY</b>
<b>SUPERIOR COURT OF CALIFORNIA, COUNTY OF</b> STREET ADDRESS: MAILING ADDRESS: CITY AND ZIP CODE: BRANCH NAME:	
ESTATE OF <i>(Name):</i>  <input type="checkbox"/> DECEDENT <input type="checkbox"/> CONSERVATEE <input type="checkbox"/> MINOR	
<div style="text-align: center;"><b>INVENTORY AND APPRAISAL</b></div> <input type="checkbox"/> <b>Partial No.:</b> <input type="checkbox"/> <b>Corrected</b> <input type="checkbox"/> <b>Final</b> <input type="checkbox"/> <b>Reappraisal for Sale</b> <input type="checkbox"/> <b>Supplemental</b> <input type="checkbox"/> <b>Property Tax Certificate</b>	CASE NUMBER:  Date of Death of Decedent or of Appointment of Guardian or Conservator:

**APPRAISALS**

1. Total appraisal by representative, guardian, or conservator (Attachment 1):        \$
2. Total appraisal by referee (Attachment 2):    \$
- TOTAL: \$**

**DECLARATION OF REPRESENTATIVE, GUARDIAN, CONSERVATOR, OR SMALL ESTATE CLAIMANT**

3. Attachments 1 and 2 together with all prior inventories filed contain a true statement of  
 all     a portion    of the estate that has come to my knowledge or possession, including particularly all money and all just claims the estate has against me. I have truly, honestly, and impartially appraised to the best of my ability each item set forth in Attachment 1.
4.  No probate referee is required     by order of the court dated *(specify):*
5. **Property tax certificate.** I certify that the requirements of Revenue and Taxation Code section 480  
 a.  are not applicable because the decedent owned no real property in California at the time of death.  
 b.  have been satisfied by the filing of a change of ownership statement with the county recorder or assessor of each county in California in which the decedent owned property at the time of death.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Date:

_____ (TYPE OR PRINT NAME; INCLUDE TITLE IF CORPORATE OFFICER)		_____ (SIGNATURE)
---	--	----------------------

**STATEMENT ABOUT THE BOND**

*(Complete in all cases. Must be signed by attorney for fiduciary, or by fiduciary without an attorney.)*

6.  Bond is waived, or the sole fiduciary is a corporate fiduciary or an exempt government agency.
7.  Bond filed in the amount of: \$ \_\_\_\_\_                       Sufficient     Insufficient
8.  Receipts for: \$ \_\_\_\_\_ have been filed with the court for deposits in a blocked account at *(specify institution and location):*

Date:

_____ (TYPE OR PRINT NAME)		_____ (SIGNATURE OF ATTORNEY OR PARTY WITHOUT ATTORNEY)
-------------------------------	--	--

ESTATE OF (Name):  <input type="checkbox"/> DECEDENT <input type="checkbox"/> CONSERVATEE <input type="checkbox"/> MINOR	CASE NUMBER:
--	--------------

### DECLARATION OF PROBATE REFEREE

9. I have truly, honestly, and impartially appraised to the best of my ability each item set forth in Attachment 2.  
 10. A true account of my commission and expenses actually and necessarily incurred pursuant to my appointment is:

Statutory commission:    \$

Expenses (*specify*):        \$

**TOTAL:**    \$

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Date:

_____ (TYPE OR PRINT NAME)		_____ (SIGNATURE OF REFEREE)
-------------------------------	---	---------------------------------

### INSTRUCTIONS

**(See Probate Code sections 2610-2616, 8801, 8804, 8852, 8905, 8960, 8961, and 8963 for additional instructions.)**

1. See Probate Code section 8850 for items to be included in the inventory.
2. If the minor or conservatee is or has been during the guardianship or conservatorship confined in a state hospital under the jurisdiction of the State Department of Mental Health or the State Department of Developmental Services, mail a copy to the director of the appropriate department in Sacramento. (Prob. Code, § 2611.)
3. The representative, guardian, conservator, or small estate claimant shall list on Attachment 1 and appraise as of the date of death of the decedent or the date of appointment of the guardian or conservator, at fair market value, moneys, currency, cash items, bank accounts and amounts on deposit with each financial institution (as defined in Probate Code section 40), and the proceeds of life and accident insurance policies and retirement plans payable upon death in lump sum amounts to the estate, except items whose fair market value is, in the opinion of the representative, an amount different from the ostensible value or specified amount.
4. The representative, guardian, conservator, or small estate claimant shall list in Attachment 2 all other assets of the estate which shall be appraised by the referee.
5. If joint tenancy and other assets are listed for appraisal purposes only and not as part of the probate estate, they must be separately listed on additional attachments and their value excluded from the total valuation of Attachments 1 and 2.
6. Each attachment should conform to the format approved by the Judicial Council. (*See Inventory and Appraisal Attachment* (form DE-161/GC-041) and Cal. Rules of Court, rules 2.100—2.119.)

# **APPENDIX "B"**

## **SAMPLE ATTACHMENT 1**

**(COMPLETED BY THE PERSONAL REPRESENTATIVE)**

ESTATE OF (Name):  JOHN DOE	CASE NUMBER:  189701
-----------------------------------	----------------------------

**INVENTORY AND APPRAISAL  
ATTACHMENT NO.: 1**

(In decedents' estates, attachments must conform to Probate Code section 8850(c) regarding community and separate property.)

Page: 1 of: 2 total pages.  
(Add pages as required.)

<u>Item No.</u>	<u>Description</u>	<u>Appraised value</u>
1.	Cash found in Conservatee's home	\$ 159.37
2.	Interest Checking Account #xx-15678 located at Bank of America Accrued interest	8,719.08 237.57
3.	Certificate of Deposit Acct. #xx-xx-4589 at Wells Fargo Bank Accrued interest	100,897.53 237.57
4.	Money Market Fund at XYZ brokerage Account #xxx-93456 Accrued interest	9,248.16 43.03
5.	ABC Liquid Asset Account #xxx-xxxx-15 Accrued interest	7,692.27 59.48
6.	Uncashed check from Internal Revenue Service Payable to conservatee, dated before date of appointment.	2,419.00
7.	Money Order payable to conservatee dated Before date of appointment.	166.44
8.	Proceeds from Metropolitan Life Insurance Policy #467-009822-0 on the life of Patricia Marlene Doe	25,000.00
9.	Funeral benefit from United Sisterhood of Homemakers.	1,000.00
10.	Reimbursement of medical expenses from Prudential Insurance	2,694.34

ESTATE OF (Name):  JOHN DOE	CASE NUMBER:  189701
-----------------------------------	----------------------------

**INVENTORY AND APPRAISAL  
ATTACHMENT NO.: 1**

(In decedents' estates, attachments must conform to Probate Code section 8850(c) regarding community and separate property.)

Page: 2 of: 2 total pages.  
(Add pages as required.)

<u>Item No.</u>	<u>Description</u>	<u>Appraised value</u>
1.		\$
11.	Reimbursement of medical expenses from Medicare	581.09
12.	Health insurance refund from AARP.	107.93
13.	Refund from National Auto Club	15.75
14.	Refund from San Francisco Newspaper Agency.	41.14
15.	Allowed return of security deposit at Ocean Beach Apartments, 156 Ocean Shore Lane, Soquel, California	625.00
Total Attachment No. 1:		189,711.06

# **APPENDIX "C"**

**SAMPLE ATTACHMENT 2  
(APPRAISALS TO BE MADE BY PROBATE REFEREE)**

ESTATE OF (Name): _____ JOHN DOE	CASE NUMBER: 189701
--	------------------------

**INVENTORY AND APPRAISAL  
ATTACHMENT NO.: 2**

(In decedents' estates, attachments must conform to Probate Code section 8850(c) regarding community and separate property.)

Page: 1 of: 12 total pages.  
(Add pages as required.)

<u>Item No.</u>	<u>Description</u>	<u>Appraised value</u>
1. (Editor's Note: Be sure to state	the Decedent's or Conservatee's interest in the property i.e. 100%, 50% community property, 1/3 interest, etc.)	\$

**REAL PROPERTY INTERESTS**

**VACANT LAND:**

1. An unimproved 5 acre parcel of real property situated in the County of San Bernardino, near the town of Phelan, CA 92371, and described as follows: Lot 4, Parcel Map 7488. Subject to an unrecorded contract for purchase, wherein the conservatee is the buyer and Linda View Co. is the seller. APN: 9983-293-30
2. Real property situated in the County of Santa Barbara, described as follows: a 50% interest in the oil & mineral rights in and to Lot 14 of the Harris Re-subdivision of Rancho Guadalupe. (Reserved in deed recorded April 4, 20xx, in Book A 1234, at page 456 of Official Records of said county) APN: 844-123-02

**AGRICULTURAL**

3. A 25% interest in that property situated in the County of Riverside, near the town of Thousand Palms, CA92276, and described as follows: Portions of Farm lots 23, 24 and 25, beginning at a point at the southwesterly corner of Section 6, Township 4 South, Range 6 West, San Bernardino Base & Meridian, thence North 1, 320 feet, thence East 2,640 feet, thence South 1, 320 feet, thence West 2,640 feet to the point of beginning, consisting of 80 acres, more or less. APN: 768-303-21

**SINGLE FAMILY  
RESIDENTIAL**

4. Residential real property located at 168 Acacia Street, Brisbane, CA 94005, described as follows: Lot 18, Block E, Tract No. 318, Brisbane Valley Homestead #1, as shown on the map on file in Book 2 of Maps, at page 64, Official Records of San Mateo County, California, APN: 007-631-270

ESTATE OF (Name): _____ JOHN DOE	CASE NUMBER: 189701
--	------------------------

**INVENTORY AND APPRAISAL  
ATTACHMENT NO.: 2**

(In decedents' estates, attachments must conform to Probate Code section 8850(c) regarding community and separate property.)

Page: 2 of: 12 total pages.  
(Add pages as required.)

<u>Item No.</u>	<u>Description</u>	<u>Appraised value</u>
1. CONDOMINIUM:		\$
	5. A residential condominium unit located at 839 Main Street, Apt #203, San Mateo, CA 94403. Legal Unit 23, Bayshore Condominiums (see "Exhibit A" attached for complete legal description). APN: 105-862-030	
	(Editor's Note: A condominium consists of at least 2 parcels, Parcel 1 is the fee ownership in the unit itself; Parcel 2 is an undivided interest in all land, as tenants-in-common with all other unit owners. Often there are additional parcels, eg. an exclusive easement for a patio or balcony area; an exclusive easement for a specific garage space and/or storage cubicle, etc.)	
LEASEHOLD ESTATE:		
	6. A leasehold estate in real property improved with a single residence located at 725 Flying Dolphin Drive, Foster City, CA 94404, described as Lot 841, Tract No. 71-216, Foster City Neighborhood No. 2, Unit No. 3, as filed on December 16, 20xx in Book 61 of Maps at pages 94-97, San Mateo County APN: 094-972-620	
	7. An undivided 1/2 interest in a 40 year leasehold in improved real property (condominium) at 100 Baldwin Drive, Apt #1028, San Mateo, CA 94401. See Exhibit B for the complete legal description. San Mateo County APN: 109-950-540	





ESTATE OF (Name): _____ JOHN DOE	CASE NUMBER:  189701
--	----------------------------

**INVENTORY AND APPRAISAL  
ATTACHMENT NO.:   2**

(In decedents' estates, attachments must conform to Probate Code section 8850(c) regarding community and separate property.)

Page:   5   of:   12   total pages.  
(Add pages as required.)

<u>Item No.</u>	<u>Description</u>	<u>Appraised value</u>
1. TIME SHARE INTEREST:		\$

15. PARCEL ONE: An undivided 0.0204 percent in and to the real property in the City of Lake Tahoe, County of El Dorado, State of California and commonly known as 709 East Mountain Ridge Road, and more particularly described as Parcel B, as shown on the Official Map of View Hotel and Townhouses, Unit #2, filed in the Office of the County Recorder of said county on November 10, 20xx in Book E. Map No 94.

PARCEL TWO: The exclusive right to use and occupy a "Regency Unit Type" for seven (7) days and nights during the "Prime Season" each "Use Year", pursuant to the terms, conditions and procedures set forth in the Declaration and then the operative "Rules and Regulations" together with the non-exclusive right to use the "Common Area", and "Club Area" during such seven (7) days and nights (as the quoted terms are defined in the Declaration).

APN: 500-748-751

(Editor's Note: A deeded time share interest has a legal description very similar to that of a condominium. If the legal description is lengthy and complex, it should only be summarized here with an Exhibit attached with the full legal description. The street address and assessor's parcel number should always be listed here).

ESTATE OF (Name): _____ JOHN DOE	CASE NUMBER:  189701
--	----------------------------

**INVENTORY AND APPRAISAL  
ATTACHMENT NO.:   2**

(In decedents' estates, attachments must conform to Probate Code section 8850(c) regarding community and separate property.)

Page:   6   of:   12   total pages.  
(Add pages as required.)

<u>Item No.</u>	<u>Description</u>	<u>Appraised value</u>
1.	BUSINESS INTERESTS	\$
	CLOSELY HELD CORPORATION:	
	16. Ten shares of R. H. Jones Freezing Company of Visalia, California, an unlisted closely held California corporation.	
	LIMITED PARTNERSHIPS:	
	17. 10 Units Offshore Swindle Partners V Development Fund.	
	18. 5000 Units Overseas Exploration Partners Fund.	
	19. 3.75% interest in Fidelity Energy Income Partners 20xx-A.	
	20. 10/2100th interest in Hollywood Properties XIX	
	GENERAL PARTNERSHIPS:	
	21. 45% General Partnership interest in Echo Hill Partnership, a Nevada general partnership.	
	SOLE PROPRIETORSHIPS	
	22. Assets of that certain Sole Proprietorship known as "Johnny's Corner Grocery Market" located at 152 North 5 Street, Stockton, CA 95209.	
	TANGIBLE PERSONAL PROPERTY	
	MISCELLANEOUS/FURNITURE & FURNISHINGS:	
	23. Household furniture and furnishings at 168 Acacia Street, Brisbane, CA 94005.	
	24. 1965 Steinway grand piano, Model M, Serial No 36382, specifically bequeathed to George Smith.	
	25. Tools and equipment located at 4579 Bourbon Street, Oak Glen, CA 92399.	

ESTATE OF (Name): _____ JOHN DOE	CASE NUMBER:  189701
--	----------------------------

**INVENTORY AND APPRAISAL**  
**ATTACHMENT NO.:   2**

(In decedents' estates, attachments must conform to Probate Code section 8850(c) regarding community and separate property.)

Page:   7   of:   12   total pages.  
(Add pages as required.)

<u>Item No.</u>	<u>Description</u>	<u>Appraised value</u>
1. JEWELRY/COINS/ART:		\$
26.	Lady's gold ring with two large white stones.	
27.	1861 "S" \$20.00 gold piece (U.S.) in uncirculated condition.	
28.	Original oil painting "Sierra Lake" by Elmer Wachel (1925).	

**MOBILE HOMES:**

29. 1984 Viking Mobile Home, 24' x 58', Sunstream Model, Serial No. S9382VK and S9383VK located in the "Fairmont Mobile Estates" park at 3900 E. First Street, Space 39, Fresno, CA 93709.

**MOTOR VEHICLES/BOATS:**

30. 20xx Mercedes 300 SE 4 door Sedan, VIN WDBGA32DN711F448, approximately 57,500 miles, in good condition.
31. 20xx Glasspar, tri-hull, 15-1/2 foot vessel, Serial No. XXGLS7654, model number 0104 1968TH, with Evertude 50 HP outboard motor, Serial No. EV33332, model XYZ68.

**LIVESTOCK & BREEDING ANIMALS:**

32. "King of All", five year old, quarter horse gelding.

**PROMISSORY NOTES**

**PROMISSORY NOTES:**

33. Unsecured promissory note payable to conservatee, executed by John Swinger, dated July 1, 20xx, in the original amount of \$8,000.00, bearing interest at 10% per annum, payable at \$80.00 or more per month. Interest paid to May 20xx.

Balance due at date of appointment: \$6,921.52  
(or date of death in a probate case)  
Accrued interest from May 1, 20xx.

ESTATE OF (Name): _____ JOHN DOE	CASE NUMBER:  189701
--	----------------------------

**INVENTORY AND APPRAISAL  
ATTACHMENT NO.:   2**

(In decedents' estates, attachments must conform to Probate Code section 8850(c) regarding community and separate property.)

Page:   8   of:   12   total pages.  
(Add pages as required.)

<u>Item No.</u>	<u>Description</u>	<u>Appraised value</u>
1. PROMISSORY NOTES: (continued)		\$
34.	Promissory note payable to conservatee, executed by John Smith and Jim Jones, dated June 10, 20xx in the original amount of \$15,000.00, bearing interest of 10% and payable quarterly at \$375.00, interest only. Note is secured by a deed of trust on vacant land, known as Lot 14, Tract 1414, City of Vista, recorded on June 20, 20xx by document number 91-837293, San Diego County Records.  Balance due at date of appointment: \$15,000.00 Accrued interest from March 20, 20xx	
35.	Promissory note payable to conservatee, executed by John Smith and Jim Jones, dated July 1, 20xx in the original amount of \$98,000.00, bearing interest at 8% per annum payable at \$824.05 or more per month, secured by first deed of trust on a single family residence at 171 Skyline Drive, Oceanside, CA 92045, recorded July 18, 20xx by document number 77-643871, San Diego County Records.  Balance due at date of appointment: \$83,594.41 Accrued interest from April 18, 20xx	

**SECURITIES**

**PORTFOLIO ACCOUNTS  
BROKERAGE FIRMS:**

Editor's Note:

- a) Show the brokerage firm name and account number, then proceed to list all securities in the brokerage account as separate items as shown below.
- b) Always include the CUSIP numbers for positive identification, consisting of a 9 digit string of numbers and letters.
- c) Cash or money market funds within the account should be shown on Attachment 1.

**COMMON AND**

**PREFERRED STOCKS:**

36. 858 shares Pacific Gas and Electric Company, common stock (NYSE) CUSIP 69331C108
37. 550 shares Chevron Corp., common stock (NYSE) CUSIP 166751107

ESTATE OF (Name): _____ JOHN DOE	CASE NUMBER:  189701
--	----------------------------

**INVENTORY AND APPRAISAL  
ATTACHMENT NO.:   2**

(In decedents' estates, attachments must conform to Probate Code section 8850(c) regarding community and separate property.)

Page:   9   of:   12   total pages.  
(Add pages as required.)

<u>Item No.</u>	<u>Description</u>	<u>Appraised value</u>
1. COMMON AND PREFERRED STOCKS: (continued)	38. 300 shares Transpacific Company now known as Empire Realty Company. CUSIP 4344666L9	\$
	39. 329 shares Lucent Technologies, Inc. common stock (NYSE), CUSIP 549463107.	
	40. 1,000 shares Southern California Gas Company, 6% preferred stock, CUSIP 842434300.	
	41. 350 shares World Travel, Inc., \$3.50 preferred stock, series A. CUSIP 5462227M7.	
MUTUAL FUNDS:	42. 7029 shares US Government Securities Series CL-1 (Franklin Custodian Funds, Inc.) CUSIP 353496607.	
	43. 932,847 shares Prudential Pacific Growth Fund Inc., Class B, CUSIP 743941205.	
	44. 392,672 shares Putnam Fund for Growth & Income, Class B. CUSIP 746761204.	
	45. 415 shares Kemper California Tax-Free Income Fund A. CUSIP 488424201.	
STOCK OPTIONS:	46. Stock options for 2,000 shares of Gilead Sciences, Inc., CUSIP 375558102.	
	(Editor's Note: It will be necessary to attach a statement showing the vesting schedule of the outstanding and vested options, and the exercise prices thereof.)	
CORPORATE, STATE AND MUNICIPAL BONDS:	47. \$10,000 Consumer power Company, Second Issue of 20xx, 5.8%, due August 1, 20xx.	
	48. \$50,000 Illinois Railroad Co. 20-year First Mortgage bonds, 6%, due January 31, 20xx, interest payable quarterly on February 1, May 1, August 1 and November 1, NYSE coupons attached CUSIP 447173104.	

ESTATE OF (Name): _____ JOHN DOE	CASE NUMBER:  189701
--	----------------------------

**INVENTORY AND APPRAISAL  
ATTACHMENT NO.:   2**

(In decedents' estates, attachments must conform to Probate Code section 8850(c) regarding community and separate property.)

Page:   10   of:   12   total pages.  
(Add pages as required.)

<u>Item No.</u>	<u>Description</u>	<u>Appraised value</u>
1. CORPORATE, STATE AND MUNICIPAL BONDS (cont.):		\$
49.	\$10,000 California State Public Works Municipal Bond, 5.375%, issued 11/22/20xx, due 12/01/20xx. CUSIP 13068GNG7.	
50.	\$25,000 Los Angeles Wastewater Systems Municipal Bond, 5.2%, issued 11/22/20xx, due 11/21/20xx. CUSIP 544652WH9.	
UNITED STATES TREASURY NOTES AND BONDS:		
51.	10 units US government zero coupon bonds, \$1,000.00 per unit, due November 15, 20xx. CUSIP 912961RL6.	
52.	\$275,000 US Treasury Bonds, 4-1/2%, due November 11, 20xx. CUSIP 9127245P9.	
53.	\$75,000 Treasury Bill, 5.08%, due 10/09/20xx. CUSIP 9127946U2.	
GINNIE MAE (GNMA), FANNIE MAE (FNMA) AND FREDDY MAC (FHLMC) SECURITIES:		
54.	\$40,000 Government National Mortgage Association (GNMA) 8.5%, due January 15, 20xx, \$10,003.45 remaining principal balance, Pool #2709, CUSIP 362028AJ4.	
UNITED STATES SAVINGS BONDS:		
55.	Four, \$100 US Series E Bonds, issued April 20xx.	
56.	Seven \$500 US Series EE Bonds, issued August 20xx.	
57.	Three \$500 US Series EE Bonds, issued February 20xx.	

ESTATE OF (Name): _____ JOHN DOE	CASE NUMBER:  189701
--	----------------------------

**INVENTORY AND APPRAISAL  
ATTACHMENT NO.:   2**

(In decedents' estates, attachments must conform to Probate Code section 8850(c) regarding community and separate property.)

Page:   11   of:   12   total pages.  
(Add pages as required.)

<u>Item No.</u>	<u>Description</u>	<u>Appraised value</u>
1.	OTHER INTERESTS	\$

**INHERITANCES & DISTRIBUTIONS FROM TRUSTS:**

- 58. Right to receive distribution from Estate of Esther Smith, Deceased, Orange County Superior Court Case No. A-115687.
- 59. An Undivided 832/2796th beneficial interest in that certain trust dated January 25, 20xx, wherein Northern City National Bank of Duluth, Iowa is the Trustee, a National Banking Associate under the laws of the USA.

- 60. Right to receive income distribution from Wilson Family Trust.

**INSURANCE POLICY:**

- 61. Prudential Life Insurance Policy No. U986754. Insured: Joseph Jones, the conservatee's brother. Policy Owner: John Doe.
- 62. Proceeds of Annuity Policy No. 34589. Equitable Life Insurance Company.

**PATENTS & COPYRIGHTS:**

- 63. United States patent No. 1234567 issued February 24, 20xx covering device known as "Filterall", a water purification system.
- 64. United States Copyright on the words and music of the song "Your ears are stuffed with beans". published in 20xx by Cornball Publishing Company, San Francisco, California.

ESTATE OF (Name): _____ JOHN DOE	CASE NUMBER:  189701
--	----------------------------

**INVENTORY AND APPRAISAL  
ATTACHMENT NO.:   2**

(In decedents' estates, attachments must conform to Probate Code section 8850(c) regarding community and separate property.)

Page:   12   of:   12   total pages.  
(Add pages as required.)

<u>Item No.</u>	<u>Description</u>	<u>Appraised value</u>
1. JUDGEMENTS AND ONGOING LITIGATION:		\$
66.	\$45,000 Judgement entered January 27, 20xx against Frank Lockheed, Riverside County Superior Court, Case No. 77849.	
67.	John Doe v. PQR Manufacturing Company, Santa Barbara County Superior Court, Case No. 393 292.	
PERSONAL INJURY ACTIONS:		
68.	John Doe v. Farm Machinery Corp., Riverside County Superior Court, Case No. 55505.	

# **APPENDIX "D"**

**ATTACHMENT 1 vs. ATTACHMENT 2**

## ATTACHMENT 1 VS. ATTACHMENT 2

### Probate Code Sec. 8901. Appraisal by Personal Representative.

The personal representative shall appraise the following property, excluding items whose fair market value is, in the opinion of the personal representative, an amount different from the face value of the property.

(a) Money and other cash items. As used in this subdivision, a "cash item" is a check, draft, money order, or similar instrument issued **on or before** the date of the decedent's death that can be immediately converted to cash.

(b) The following checks issued after the date of the decedent's death:

(1) Checks for wages earned before death.

(2) Refund checks, including tax and utility refunds, and Medicare, medical insurance, and other health care reimbursements and payments.

(c) Accounts (as defined in Section 21) in financial institutions.

(d) Cash deposits and money market mutual funds, as defined in subdivision (b) of Section 9730, whether in a financial institution or otherwise, include a brokerage cash account. All other mutual funds, stocks, bonds, and other securities shall be appraised pursuant to Sections 8902 to 8909, inclusive.

(e) Proceeds of life and accident insurance policies and retirement plans and annuities payable on death in lump sum amounts. **Leg.H.** 1990 ch. 79 §14, operative July 1, 1991, 1994 ch. 806.

### Probate Code Sec. 8902. Appraisal by Probate Referee.

Except as otherwise provided by statute:

(a) The personal representative shall deliver the inventory to the probate referee designated by the court, together with necessary supporting data to enable the probate referee to make an appraisal of /the property in the inventory to be appraised by the probate referee.

(b) The probate referee shall appraise all property other than that appraised by the personal representative.

**Leg.H.** 1990 ch. 79 §14, operative July 1, 1991.

A. MONEY AND CURRENCY:	
<i>To be appraised by Representative:</i>	<i>To be appraised by Probate Referee:</i>
1. U.S. coin and currency in circulation and worth no more than face value.	1. Coins and currency with a value other than face, including gold coin, foreign coin and currency, commemorative coins or medals, coin collections, and unusual or collector's items, such as old currency, bank notes, etc.
B. CASH ITEMS:	
<i>To be appraised by Representative:</i>	<i>To be appraised by Probate Referee:</i>
1. Checks dated <i>before</i> decedent's death, including, but not limited to certified, cashier's, travelers checks, etc.	1. Checks and drafts dated <i>after</i> decedent's death.
2. Cash dividends declared and payable to shareholder as of a date on or before decedent's death.	2. Cash dividends declared but payable to shareholder <i>after</i> decedent's death.
3. Bond coupons matured and redeemable in cash at face value <i>before</i> decedent's death.	3. Bond coupons which mature <i>after</i> decedent's death.
4. Money orders dated <i>before</i> decedent's death.	4. Promissory notes and loans, secure and unsecured.
5. Government warrants (checks) or similar instruments dated <i>before</i> decedent's death.	5. Accounts receivable of all types.
6. Drafts dated <i>before</i> decedent's death.	6. Contractual rights to receive money.
7. Wage checks for salary earned before death.	7. Bankers acceptance notes and bank capital notes.

8. Refund checks of all types including tax, medicare, hospital and medical reimbursement, utilities.	8. Bonds, stocks, and securities of all types, listed or unlisted, including Treasury notes, bills and bonds, whether or not they qualify for payment of federal estate taxes.
9. Social Security and Veterans lump sum death benefits.	9. Any item not in U.S. dollars.
	10. Tax anticipation or registered warrants and notes.
	11. Payments from escrow not closed before decedent's death.
	12. Revolving funds on deposit with a cooperative or marketing organization.
	13. Stamps and stamp collections.
	14. Cash, cash items and any other assets which would be appraised by the Representative except for the fact that the item is an asset of a partnership, joint venture, trust or other entity, or is an asset of another decedent's estate.
	15. A cash distribution from another decedent's estate <i>after</i> decedent's death.
	16. Any item with a fair market value different from the ostensible value or specified amount.
<p><b>C. BANK ACCOUNTS AND AMOUNTS ON DEPOSIT WITH FINANCIAL INSTITUTIONS</b>  As defined by the code, "financial institutions" means a state or national bank, state or federal savings and loan association or credit union, or like organization. P.C.§40. As defined by the code, "account", when used to mean a contract of deposit between a depositor and a financial institution, includes a checking account, savings account, certificate of deposit, share account, mutual capital certificate, and other like arrangements. P.C. §21.</p>	
<u>To be appraised by Representative:</u>	<u>To be appraised by Probate Referee:</u>
1. Bank accounts, and amounts on deposit in the name of the decedent, or in a fictitious name of the decedent, including checking accounts, savings accounts, certificates of deposit, share accounts, mutual capital certificates, Christmas Club accounts, etc..	1. Any amount not in U.S. dollars or in foreign financial institutions.
2. Totten Trusts and Payable on Death (POD) accounts.	2. Amounts on deposit other than with a "financial institution," as defined, such as U.S. Treasury certificates of indebtedness, certificates of deposit for state and municipal land, certificates of deposit issued for stock, certificates of beneficial interest. Also, CD's valued at more or less than face value.
<p><b>D. PROCEEDS OF LIFE AND ACCIDENT INSURANCE POLICIES AND RETIREMENT PLANS PAYABLE UPON DEATH IN LUMP SUM AMOUNTS</b></p>	
<u>To be appraised by Representative:</u>	<u>To be appraised by Probate Referee:</u>
1. Proceeds of life and accident insurance, retirement plans and annuities payable upon death in lump sum amounts, even if not paid in a lump sum.	1. Proceeds not payable in lump sum.
	2. Proceeds payable on the life of someone other than the decedent.

# **APPENDIX "E"**

**BLANK SAMPLE APPRAISAL REPORT OF  
CALIFORNIA PROBATE REFEREE  
(USED IN NON-PROBATE MATTERS, SUCH AS TRUSTS AND PARTITION  
ACTIONS)**

<b>NAME AND ADDRESS OF ATTORNEY OR APPLICANT</b>  <b>TEL. NO:</b>  <b>FAX NO:</b>  <b>ATTORNEY FOR:</b>	
<b>APPRAISAL REPORT OF CALIFORNIA PROBATE REFEREE</b>	
<b>IN THE MATTER OF:</b>  <input type="checkbox"/> DECEDENT <input type="checkbox"/> DISSOLUTION <input type="checkbox"/> OTHER	<b>DATE OF DEATH:</b>  <b>DESIGNATED DATE:</b>
<b>LIST OF ASSETS AND APPRAISEMENT</b> <input type="checkbox"/> FINAL <input type="checkbox"/> PARTIAL NO:	

**APPRAISALS**

1. Real Property (Schedule 1)	\$
2. Stocks, Bonds, Notes (Schedule 2)	\$
3. Personal Property, Trusts and Miscellaneous (Schedule 3)	\$
<b>TOTAL APPRAISAL BY REFEREE (Schedules 1, 2 &amp; 3)</b>	\$

**STATEMENT OF APPLICANT**

Assets listed in Schedules 1, 2 and 3 are a correct description of the assets requested to be appraised as of the date of death and/or the designated date. I request an appraisal of the assets listed on the:

- Date of Death
- Designated Date
- Both Dates

DATE: \_\_\_\_\_ (Signature of Applicant)

The total number of pages attached are: \_\_\_\_\_ (Type or print name of Applicant)

**DECLARATION OF CALIFORNIA PROBATE REFEREE**

I have truly, honestly, and impartially appraised to the best of my ability each item set forth in the Statement of Applicant in compliance with Probate Code Section 400 et. seq., and Business and Professions Code 11302(b). A true account of my fees and expenses actually and necessarily incurred pursuant to applicant's request is:

Appraisal Fee: \$  
Expenses: \$ \_\_\_\_\_  
**TOTAL: \$**

I declare under penalty of perjury that the foregoing is true and correct and that this declaration was executed on:

DATE: \_\_\_\_\_ at (place) \_\_\_\_\_

\_\_\_\_\_  
(Type or print name of Referee)

\_\_\_\_\_  
(Signature of Referee)





<b>IN THE MATTER OF:</b>	
--------------------------	--

**SCHEDULE 3 - PERSONAL PROPERTY AND MISCELLANEOUS PROPERTY  
(INCLUDING CLOSELY HELD BUSINESSES AND PARTNERSHIPS)**

ITEM NUMBER	DESCRIPTION	VALUE AT DATE OF DEATH	VALUE AT DESIGNATED DATE
<b>TOTALS</b>			

# **APPENDIX "F"**

**SAMPLE INVENTORY AND APPRAISAL FORMS WITH  
CORRECTIONS**





ESTATE OF (Name):  <input type="checkbox"/> DECEDENT <input type="checkbox"/> CONSERVATEE <input type="checkbox"/> MINOR	CASE NUMBER:
--	--------------

### DECLARATION OF PROBATE REFEREE

9. I have truly, honestly, and impartially appraised to the best of my ability each item set forth in Attachment 2.  
 10. A true account of my commission and expenses actually and necessarily incurred pursuant to my appointment is:

Statutory commission:    \$ <1.00>

Expenses (specify):        \$

**TOTAL: \$ <1.00>**

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Date:

_____ (TYPE OR PRINT NAME)		_____ (SIGNATURE OF REFEREE)
-------------------------------	---	---------------------------------

### INSTRUCTIONS

(See Probate Code sections 2610-2616, 8801, 8804, 8852, 8905, 8960, 8961, and 8963 for additional instructions.)

- See Probate Code section 8850 for items to be included in the inventory.
- If the minor or conservatee is or has been during the guardianship or conservatorship confined in a state hospital under the jurisdiction of the State Department of Mental Health or the State Department of Developmental Services, mail a copy to the director of the appropriate department in Sacramento. (Prob. Code, § 2611.)
- The representative, guardian, conservator, or small estate claimant shall list on Attachment 1 and appraise as of the date of death of the decedent or the date of appointment of the guardian or conservator, at fair market value, moneys, currency, cash items, bank accounts and amounts on deposit with each financial institution (as defined in Probate Code section 40), and the proceeds of life and accident insurance policies and retirement plans payable upon death in lump sum amounts to the estate, except items whose fair market value is, in the opinion of the representative, an amount different from the ostensible value or specified amount.
- The representative, guardian, conservator, or small estate claimant shall list in Attachment 2 all other assets of the estate which shall be appraised by the referee.
- If joint tenancy and other assets are listed for appraisal purposes only and not as part of the probate estate, they must be separately listed on additional attachments and their value excluded from the total valuation of Attachments 1 and 2.
- Each attachment should conform to the format approved by the Judicial Council. (See *Inventory and Appraisal Attachment* (form DE-161/GC-041) and Cal. Rules of Court, rules 2.100—2.119.)

ESTATE OF (Name): _____	CASE NUMBER: _____
----------------------------	-----------------------

**INVENTORY AND APPRAISAL  
ATTACHMENT NO.: 2**

(In decedents' estates, attachments must conform to Probate Code section 8850(c) regarding community and separate property.)

Page: 1 of: 1 total pages.  
(Add pages as required.)

<u>Item No.</u>	<u>Description</u>	<u>Appraised value</u>
1.	Description Item 4 was previously described: 400 Shares of XYZ Corp., common stock	\$
	Item 4 correctly described as: 300 Shares of XYZ Corp., common stock	
	Previous appraised value:	\$4,000.00
	Correct appraised value:	\$3,000.00
	Change in appraised value:	\$<1,000.00>





ESTATE OF (Name): _____	CASE NUMBER: _____
----------------------------	-----------------------

**INVENTORY AND APPRAISAL  
ATTACHMENT NO.: 2**

*(In decedents' estates, attachments must conform to Probate Code section 8850(c) regarding community and separate property.)*

Page: 1 of: 1 total pages.  
*(Add pages as required.)*

<u>Item No.</u>	<u>Description</u>	<u>Appraised value</u>
1.	Incorrect valuation of Item #5, being decedent's household furniture and furnishings	\$
	Previous appraised value:	\$2,000.00
	Correct appraised value:	\$ 750.00
	Change in appraised value:	\$<1,250.00>

# **APPENDIX "G"**

**APPLICATION AND ORDER APPOINTING PROBATE REFEREE**



**- NOTES -**

**- NOTES -**