

**IN THE CHANCERY COURT FOR LEWIS COUNTY
AT HOHENWALD, TENNESSEE**

IN RE:)
)
 SENTINEL TRUST COMPANY) **NO. 4781**
)
)

**ACTING COMMISSIONER-IN-POSSESSION’S AND SENTINEL TRUST RECEIVER’S
REPLY TO OBJECTION BY KENNETH L. MAYER REGARDING MOTION
SEEKING APPROVAL OF THE SCHEDULE OF CLAIM DETERMINATIONS**

On February 16, 2006, Kenneth L. Mayer filed an Objection to the Commissioner-in-Possession’s and Receiver’s January 31, 2006 Motion Seeking Approval of the Schedule of Claim Determinations and Approval of the Methodology Proposed to Calculate Distributions on Accepted Claims (“Motion”). See Mayer’s February 16, 2006 filing attached as **Exhibit 1**. Mr. Mayer is a claimant on three different matters: 1) the Tyler Health Care - Park Place defaulted bond issue, 2) the City of Pearsall - Harvest Communities defaulted bond issue and 3) the Miller County Vault Check grouping of claims. Mr. Mayer does not dispute the amount approved for each of his three claims -- indeed, he seems to agree with the approved amounts set forth in the Schedule of Claim Determinations. Mr. Mayer also does not object to the classification given to his claims. What Mr. Mayer objects to is that he is not being paid the full “approved amounts” of his claims through a “proposed” interim distribution that was set forth in the Commissioner-in-Possession’s and Receiver’s Motion.


Respectfully, Mr. Mayer misconstrues aspects of the Commissioner-in-Possession’s and Receiver’s Motion and, otherwise, presents no argument why the Schedule of Claim Determinations or the method of calculating distributions should not be approved.

First, the interim distribution set forth in the Motion was repeatedly characterized as an example of what interim distribution could be made given \$3.7 million of distributable assets and as an example of the proposed methodology used in computing distributions. As stated in the Motion, additional distributions are anticipated. Therefore, Mr. Mayer's complaint that he would not be paid the full amount of his claims through payment of an interim distribution does not take into account further anticipated payments on his claims. The payments on Mr. Mayer's claims will likely not be at 100¢/\$1.00 because Sentinel Trust is in receivership, and the shortfall in the Pooled Fiduciary Account may never be fully met. But, Mr. Mayer is being treated on par with the other claimants regarding the Tyler Health Care - Park Place, City of Pearsall - Harvest Communities and Miller County Vault Check matters.

Second, and perhaps more importantly, by focusing on the amount that is set forth as a proposal for an interim distribution and complaining that he should be paid in full at this time, Mr. Mayer misses the nature of the relief sought by the instant Motion. Simply put, the Motion requests approval by the Court of 1) the Schedule of Claim Determinations (i.e., the denial or acceptance of the claim, the approved amount of the claim and the classification of the claim) and 2) the methodology of calculating a proposed interim distribution. Mr. Mayer's Objection does not challenge or otherwise address either of these two matters.

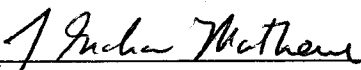
Accordingly, the acting Commissioner-in-Possession and Receiver request that the Court overrule Mr. Mayer's Objection.

Respectfully submitted,



Janet M. Kleinfelter (by G Matherne
Attorney General's Office
425 5th Avenue North
P.O. Box 20207
Nashville, TN 37243
(615) 741-7403
of possession)

Counsel for Acting Commissioner Greg Gonzales



J. Graham Matherne, BPR #11294
Wyatt, Tarrant & Combs, LLP
2525 West End Avenue, Suite 1500
Nashville, TN 37203-1423
(615) 244-0020

*Counsel for Receivership Management, Inc.,
Receiver of Sentinel Trust Company*

NOTICE OF HEARING OF MOTION

THE COMMISSIONER-IN-POSSESSION'S AND RECEIVER'S MOTION SEEKING APPROVAL OF THE SCHEDULE OF CLAIM DETERMINATIONS AND APPROVAL OF THE METHODOLOGY PROPOSED TO CALCULATE DISTRIBUTIONS ON ACCEPTED CLAIMS IS SET TO BE HEARD ON WEDNESDAY, THE 12TH DAY OF APRIL, 2006, AT 1:00 P.M. AT THE LEWIS COUNTY COURTHOUSE IN HOHENWALD, LEWIS COUNTY, TENNESSEE.

CERTIFICATE OF SERVICE

This is to certify that on March 24th, 2006 a copy of the foregoing Reply has been sent by First Class U.S. Mail, postage paid, and also by facsimile as noted, to:

James S. Chase
John A. Decker
Hunton & Williams LLP
900 South Gay Street, Suite 2000
P.O. Box 951
Knoxville, TN 37901

Carrol D. Kilgore
Attorney at Law
95 White Bridge Road
Suite 509, Cavalier Building
Nashville, TN 37205-1427
also via fax (615-356-8138)

Donald Schwendimann
12 East Fourth Avenue
P.O. Box 366
Hohenwald, TN 38462
also via fax (931-796-5692)

Larry Stewart
Stokes, Bartholomew, Evans & Petree
424 Church Street, Suite 2800
Nashville, TN 37219


David D. Peluso
P.O. Box 250
Hohenwald, TN 38462-0250

James S. Hereford, Jr.
310 W. College Street
P.O. Box 802
Fayetteville, TN 37334-0802

William B. Hubbard
Weed, Hubbard, Berry & Doughty
SunTrust Bank Bldg., Suite 1420
201 Fourth Avenue North
Nashville, TN 37219

Diana M. Thimmig
Roetzel & Andress
1375 East Ninth Street
One Cleveland Center, Ninth Floor
Cleveland, OH 44114

Kenneth L. Mayer
308 W. Pine Street
Lead Hill, AR 72644



J. Graham Matherne

CLAIM DETERMINATION 2-13-2006

Dear Commissioner - In regard to the claims enclosed I am disappointed in the amount that is recommended for interim payment.

I Claim 172041 bond Tyler Hlth Fac amount approved 379.96 should be paid and not the 76.58 interim distribution recommends

II Claim 17188 bond City of Pearsall the amount approved 477.68 should be paid not the 194.16 the interim distribution recommends.

III Claim 172574 bond Miller County 1997 vault check amount approved 825.00 should be paid not the 313.43 interim distribution recommends.

This was for interest payments that I never received and I sent my ledger sheet to Jeanne B. Bryant the receiver for these showing that exact amount of interest not paid that year.

I sure hope that I get paid the approved amount on all three of these.

Thank you.

Sincerely yours
Kenneth Mayer

EXHIBIT

1

IN RE: SENTINEL TRUST COMPANY IN RECEIVERSHIP
NOTICE TO ALL SENTINEL TRUST RECEIVERSHIP CLAIMANTS
OF CLAIM DETERMINATIONS

FILED _____
AT 9:54 O'CLOCK A M.

FEB 16 2006

KENNETH L MAYER
308 W PINE ST
LEAD HILL, AR 72644

JANET WILLIAMS, CLERK & MASTER
BY Selena Wyk

PURSUANT TO TENNESSEE CODE ANN. 45-2-1504, NOTICE IS HEREBY GIVEN THAT THE COMMISSIONER OF THE DEPARTMENT OF FINANCIAL INSTITUTIONS, AS THE COMMISSIONER-IN-POSSESSION OF SENTINEL TRUST COMPANY, HAS COMPLETED THE DETERMINATIONS OF CLAIMS MADE AGAINST SENTINEL TRUST COMPANY.

YOUR CLAIM HAS BEEN DETERMINED AS OUTLINED BELOW:

CLAIM#: 172576
BOND ISSUE: MILLER COUNTY 1997 (VAULT CHECK)
EXPLANATION:
AMOUNT APPROVED: \$ 825.00
AMOUNT RECOMMENDED FOR INTERIM DISTRIBUTION: \$ 313.43

PLEASE NOTE THAT THE AMOUNT RECOMMENDED IS NOT THE AMOUNT THAT YOU SHOULD ANTICIPATE BEING PAID BECAUSE OF ADJUSTMENTS TO AVAILABLE FUNDS AS A RESULT OF INTEREST EARNINGS OR RESOLUTIONS OF OBJECTIONS LODGED AGAINST THE CLAIM DETERMINATIONS.

THIS INFORMATION IS CONTAINED IN A SCHEDULE OF CLAIM DETERMINATIONS THAT WILL BE FILED WITH THE CHANCERY COURT OF LEWIS COUNTY, TENNESSEE ON JANUARY 31, 2006. THAT SCHEDULE WILL BE FILED AS AN EXHIBIT TO A NOTICE AND MOTION THAT SEEKS APPROVAL OF THE SCHEDULE OF CLAIM DETERMINATIONS AND THE METHODOLOGY UTILIZED IN CALCULATING DISTRIBUTIONS ON ACCEPTED CLAIMS.

YOU MAY VIEW THE SCHEDULE OF CLAIM DETERMINATIONS AND OTHER COURT FILINGS RELATED TO SENTINEL TRUST ON THE TENNESSEE DEPARTMENT OF FINANCIAL INSTITUTIONS WEBSITE AT <http://www.tennessee.gov/tdfi/> AND FOLLOW THE LINK "Sentinel Trust Company."

ANY OBJECTION YOU MAY HAVE TO THIS DETERMINATION, INCLUDING OBJECTIONS TO DENIAL OF A CLAIM, APPROVED AMOUNT OF A CLAIM, CLASSIFICATION OF A CLAIM AND/OR METHODOLOGY OF COMPUTING DISTRIBUTION UPON ACCEPTED CLAIMS, WILL NEED TO BE FILED IN WRITING WITHIN 20 DAYS AFTER JANUARY 31, 2006 (FEBRUARY 20, 2006) WITH THE CHANCERY COURT OF LEWIS COUNTY, TENNESSEE. YOUR OBJECTIONS SHOULD BE ADDRESSED TO:

SENTINEL TRUST CO. CLAIM OBJECTIONS
CLERK AND MASTER OF LEWIS COUNTY, TENNESSEE
LEWIS COUNTY COURTHOUSE, ROOM 208
110 PARK AVENUE NORTH
HOHENWALD, TENNESSEE 38462

cc: JEANNE B. BRYANT, RECEIVER
RECEIVERSHIP MANAGEMENT, INC.
215 CENTERVIEW DR., STE. 133
BRENTWOOD, TN 37027

ONCE ALL OBJECTIONS HAVE BEEN RESOLVED, A PROCESS EXPECTED TO TAKE SEVERAL MONTHS, THE COMMISSIONER-IN-POSSESSION AND RECEIVER WILL MOVE THE COURT TO AUTHORIZE AN INTERIM DISTRIBUTION. ALL QUESTIONS SHOULD BE DIRECTED TO JEANNE BARNES BRYANT AT (615) 370-0051.

Jeanne Barnes Bryant
Receiver-Sentinel Trust Company in Receivership
Dated: 1-27-06

**IN RE: SENTINEL TRUST COMPANY IN RECEIVERSHIP
NOTICE TO ALL SENTINEL TRUST RECEIVERSHIP CLAIMANTS
OF CLAIM DETERMINATIONS**

**KENNETH L MAYER
308 W PINE STREET
LEAD HILL, AR 72644-9560**

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YOUR CLAIM HAS BEEN DETERMINED AS OUTLINED BELOW:

**CLAIM#: 172188
BOND ISSUE: CITY OF PEARSALL
EXPLANATION:
AMOUNT APPROVED: \$ 477.68
AMOUNT RECOMMENDED FOR INTERIM DISTRIBUTION: \$ 194.16**

PLEASE NOTE THAT THE AMOUNT RECOMMENDED IS NOT THE AMOUNT THAT YOU SHOULD ANTICIPATE BEING PAID BECAUSE OF ADJUSTMENTS TO AVAILABLE FUNDS AS A RESULT OF INTEREST EARNINGS OR RESOLUTIONS OF OBJECTIONS LODGED AGAINST THE CLAIM DETERMINATIONS.

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HOHENWALD, TENNESSEE 38462

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Dated: 1-27-06

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OF CLAIM DETERMINATIONS**

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YOUR CLAIM HAS BEEN DETERMINED AS OUTLINED BELOW:

**CLAIM#: 172041
BOND ISSUE: TYLER HLTH FAC.
EXPLANATION:
AMOUNT APPROVED: \$ 379.96
AMOUNT RECOMMENDED FOR INTERIM DISTRIBUTION: \$ 76.58**

PLEASE NOTE THAT THE AMOUNT RECOMMENDED IS NOT THE AMOUNT THAT YOU SHOULD ANTICIPATE BEING PAID BECAUSE OF ADJUSTMENTS TO AVAILABLE FUNDS AS A RESULT OF INTEREST EARNINGS OR RESOLUTIONS OF OBJECTIONS LODGED AGAINST THE CLAIM DETERMINATIONS.

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