

IN THE CHANCERY COURT OF LEWIS COUNTY, TENNESSEE
AT HOHENWALD

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

**OBJECTION TO MOTIONS SEEKING APPROVAL OF RECEIVER, OUTSIDE
COUNSEL, AND THIRD PARTY FEES**

Comes now Sentinel Trust Company, by and through Danny N. Bates, its principal stockholder and director, and the other members of the Board of Directors of Sentinel Trust Company, objecting to pending motion for approval of receiver, outside counsel and third party contractor fees for March, 2006 (filed June 2, 2006).

1. Sentinel's sources of revenues were extinguished by the give-away of its ongoing trust business in 2004 by Kevin P. Lavender, then Commissioner-in-Possession, to his former employer SunTrust Bank, who had seized Sentinel on account of its supposed insolvency. Virtually all funds reported to have been received during the receivership have been collected from the liquidation of assets belonging principally to the defaulted bond issues being administered by Sentinel in its capacity as trustee under indenture.
2. Trust funds should not be included as Sentinel's property and made available for the payment of receivership fees and expenses. Pursuant to the "Tennessee Uniform Trust Code," Public Acts, 2004, Chapter 537, Section 46, *Trust property is not subject to the personal obligations of the trustee, even if the trustee becomes insolvent or bankrupt.* Nevertheless, according to various motions filed and entered with the Court since May 18, 2004, the Commissioner-in-Possession and his appointed receiver have retained about

\$4 million for their fees and expenses from the approximately \$20 million in cash collected from the disposal of trust property.

3. Sentinel believes that all of the collections of the liquidation of trust assets comprise trust property and should not be used for expenses of the Commissioner-in-Possession or his appointed receiver.
4. The Commissioner-in-Possession appointed "Jeanne Barnes Bryant/Receivership Management, Inc." as of May 18, 2004 as receiver of Sentinel Trust Company but by amendment dated July 14, 2005, clarified that the sole receiver therein appointed was Receivership Management, Inc. Since this Motion (like those which have preceded it) requests approval for double fees: (a) the sum of \$6,118.00 for Jeanne Barnes Bryant, and (b) the additional sum of \$6,217.47 for Receivership Management, Inc, Sentinel objects to the double payment of fees to the receiver and to the use of trust funds to pay any such fees or other expenses.
5. Accordingly, Sentinel objects to the approval of payment of receiver's fees and expenses and further suggests, inasmuch as the receiver was appointed, not by the Court, but by the Commissioner-in-Possession, that the receiver refund all fees and expenses heretofore paid from trust funds and seek reasonable compensation from the appointing entity for its fees and expenses.

WHEREFORE, these parties OBJECT to the grant of such motions.

Respectfully submitted,

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CERTIFICATE OF SERVICE

I, the undersigned, do hereby certify that I have **faxed and mailed** copies of the foregoing by depositing said copies in the U.S. Mails, postage prepaid, this 15th day of June, 2006, to:

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