

IN THE CHANCERY COURT OF LEWIS COUNTY, TENNESSEE
AT HOHENWALD

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

**OBJECTION TO MOTION FOR APPROVAL OF RECEIVER,
OUTSIDE COUNSEL AND THIRD PARTY CONTRACTORS 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, and object to the Motion for Approval of Receiver, Outside Counsel and Third Party Contractors Fees that is set for hearing on December 19, 2005.

1. When Kevin P. Lavender, then serving as the Commissioner of Financial Institutions, seized Sentinel Trust Company on May 18, 2004, Sentinel Trust Company had approximately \$138,000.00 in its corporate bank account and approximately \$200,000.00 in accounts receivable. (See Exhibit A to Wade McCullough Affidavit filed with the Lewis County Chancery Court on or about June 18, 2004.)
2. In December, 2004, the Receiver reported that the fiduciary assets and trust business of Sentinel Trust Company had been given away to other banking institutions, principal among which was the former employer of Mr. Lavender, and that the operations of Sentinel Trust Company had ceased, eliminating all sources of revenue.
3. Inasmuch as Sentinel Trust Company had liquid assets of approximately \$338,000.00 at the time of seizure, according to McCullough's Affidavit, and its sources of revenues had been extinguished, it does not appear

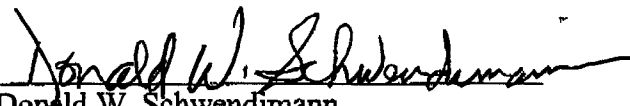
plausible that Sentinel Trust Company could have resources to pay the requested fees, especially in view of the fact that the Court had previously authorized the Receiver to collect payments of approximately \$500,000.00 in the last six months of 2004, alone, and that the Court has approved payments to the Receiver of more than \$1.7 million during the current year.

- 4. In fact, it would appear that the only liquid assets in the hands of the Receiver are and have been for some time fiduciary assets which should not be dissipated by the Receiver.

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

Respectfully submitted,

Schwendimann & Associates

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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 12th day of December, 2005, to:

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I, the undersigned, do hereby certify that I have **mailed** copies of the foregoing by depositing said copies in the U.S. Mails, postage prepaid, this 12th day of December, 2005, to:

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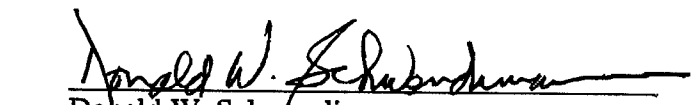
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