

**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.

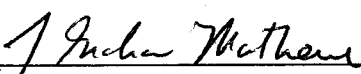
Accordingly, the acting Commissioner-in-Possession and Receiver request that the Court overrule Mr. Mayer's Objection.

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.

