

IN THE CHANCERY COURT OF LEWIS COUNTY
AT HOHENWALD, TENNESSEE

IN RE: SENTINEL TRUST COMPANY)
)
)
)

Case No. 4781

**ORDER OVERRULING OBJECTION BY LAURENCE PILGERAM
REGARDING MOTION SEEKING APPROVAL OF THE SCHEDULE
OF CLAIM DETERMINATIONS**

On January 31, 2006, the Commissioner-in-Possession and the Receiver filed a Notice of Filing of Schedule of Claim Determinations and Motion Seeking Approval of the Schedule of Claim Determinations and Approval of the Methodology Proposed to Calculate Distributions On Accepted Claims ("Motion Seeking Approval"). On March 9, 2006, Laurence Pilgeram ("Pilgeram") filed an Objection to the Motion Seeking Approval. On March 27, 2006, the Acting Commissioner and Receiver filed their Reply to Pilgeram's Objection to the Motion Seeking Approval. On or about April 7, 2006, Pilgeram submitted additional papers challenging the treatment of his claim. This matter came before the Court for hearing on April 12, 2006.

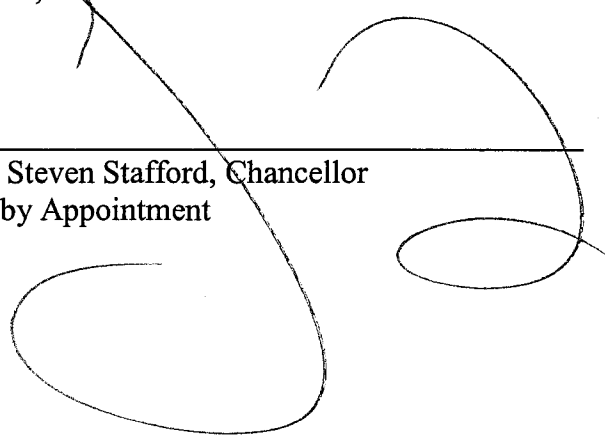
The Court has considered the Motion Seeking Approval, the Objection, the Reply, additional filings, the record in this action and argument of counsel presented. Pilgeram filed his Objection twenty (20) days past the February 20, 2006 statutory deadline. The Objection itself complains that his claim has been arbitrarily denied by the Commissioner-in-Possession and Receiver. But, such is not the case because Pilgeram's claim relates to a defaulted bond issue which does not have any funds available to it for payment to bondholders such as Pilgeram.

FILED April 12, 2006
at 2:58 o'clock p. M.
JANET WILLIAMS, Clerk & Master
BY Janet Williams

Accordingly, for these reasons, the Court overrules Pilgeram's Objection to the Motion Seeking Approval.

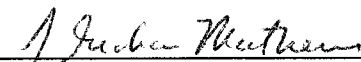
In conjunction with the entry of this Order, the Court will enter a separate order directly addressing the Commissioner-in-Possession's and Receiver's Motion Seeking Approval of the Schedule of Claim Determinations. That separate order will be certified as final, pursuant to Rule 54.02 Tenn.R.Civ.P. in order to provide certainty as to the Schedule of Claim Determinations and the distribution calculation methodology. Thus, and for the same reason and to make this Order parallel to the Court's separate order, the Court finds that there is no reason or just cause for delay and directs that this Order be entered by the Clerk and Master as a final appealable order on the matters addressed herein. Rule 54.02 Tenn.R.Civ.P.

It is so ORDERED, this the 12~~th~~ day of April, 2006.



Hon. J. Steven Stafford, Chancellor
Sitting by Appointment

Submitted for Approval



J. Graham Matherne, #11294
WYATT, TARRANT & COMBS, LLP
2525 West End Avenue, Suite 1500
Nashville, Tennessee 37203-1423
(615) 244-0020

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

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

Counsel for Acting Commissioner Greg Gonzales

CERTIFICATE OF SERVICE

This is to certify that on April 12th, 2006 a copy of the foregoing Order 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

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

Laurence Pilgeram
P.O. Box 1583
Goleta Station
Santa Barbara, CA 93116



J. Graham Matherne