

IN THE CHANCERY COURT OF LEWIS COUNTY
AT HOHENWALD, TENNESSEE

IN RE: SENTINEL TRUST COMPANY)
) Case No. 4781
)

IN THE CHANCERY COURT FOR THE STATE OF TENNESSEE
21ST JUDICIAL DISTRICT, LEWIS COUNTY

KEVIN P. LAVENDER, et al)
)
 Plaintiffs,)
)
v.)
)
DANNY N. BATES, et al)
)
 Defendants.)
)

No. 4980

April 12, 2006

Lewis County Chancery Court
Lewis County Courthouse
Hohenwald, Tennessee 38462

COPY

The above-entitled matter came on for hearing
at 1:00 p.m., before:

The Honorable J. STEVEN STAFFORD
Chancellor

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EXHIBIT
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APPEARANCES:

On behalf of Jeanne Barnes Bryant and Receivership Management, Inc., Receiver of Sentinel Trust:

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On behalf of the Attorney General's Office:

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On behalf of Mr. Bates:

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On behalf of Reliance Healthcare Management:

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1 MR. MATHERNE: Your Honor, the next motion we
2 would present to the Court is the motion for approval of
3 fees and expenses of the Receiver and outside counsel and
4 third party contractors. This is a motion tailored in
5 form to those that the Court has seen before. And it sets
6 forth -- it has attached under seal as allowed by previous
7 court order the detail supporting all of the expenditures
8 by the Receiver in regards to the matters claimed approval
9 for.

10 Your Honor, we feel that these have been
11 reviewed by the Department of Financial Institutions,
12 found to be necessary and reasonable. And we would ask
13 that the Court approve them as such.

14 CHANCELLOR STAFFORD: No objection has been
15 filed?

16 MR. MATHERNE: Not to my knowledge, Your
17 Honor.

18 CHANCELLOR STAFFORD: All right, anyone have
19 anything to say?

20 (No response)

21 Okay. You have an order?

22 MR. MATHERNE: Yes, Your Honor.

23 CHANCELLOR STAFFORD: Thank you, sir.

24 MR. MATHERNE: Your Honor, the next motion we
25 would tender to the Court is the motion seeking approval

1 of the sale of the Hohenwald building. Your Honor, the
2 building is an asset of Sentinel Trust. And as such we
3 must come before the Court to seek approval of its
4 disposition under Section 45-215-04, Subsection A.

5 Your Honor, we have set forth in our motion the
6 amount of time that the building has been on the market,
7 the efforts to market that building which were long and
8 unsuccessful. But there is always -- but the offer being
9 presented has been one that's been interest expressed for
10 some amount of time as set forth in our motion.

11 The property appraisal that we have tendered to
12 the Court in support of this motion has it appraised at
13 \$430,000. We have an offer to present to the court for
14 approval of \$450,000. This would also involve, Your
15 Honor, the sale of the contents, the furniture, and the
16 equipment of the computer system.

17 Your Honor, we have verified that with regards
18 to the computer system, that upon the initiation of the
19 Receivership, the entire system was backed up on tapes.
20 We are in the process of getting duplicates of those
21 tapes. So we feel that that aspect of it upon
22 representation made to the Receiver is secure.

23 We also -- the sale also involves the contents
24 of the building to the extent that it is not shown to this
25 Court that any of the furnishings or contents of the

