

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION**

In re:) Chapter 11
)
SENTINEL MANAGEMENT GROUP, INC.,) Case No. 07 B 14987
)
Debtor.) Hon. John H. Squires

**SUPPLEMENTAL AFFIDAVIT OF FORD R. PHILLIPS
PURSUANT TO FEDERAL RULE OF BANKRUPTCY PROCEDURE 2014**

Ford R. Phillips certifies under penalty of perjury as follows:

1. I am a Managing Director of Macquarie Capital (USA) Inc. (“Macquarie”),¹ and am one of the professionals that Frederick J. Grede, not individually but solely as chapter 11 trustee (the “Trustee”) for the chapter 11 bankruptcy estate of Sentinel Management Group, Inc. (the “Debtor”), retained under the provisions of section 327(a) and 328(a) of title 11 of the United States Code (the “Bankruptcy Code”) in connection with the Debtor’s bankruptcy case.

2. On October 4, 2007, I submitted an affidavit (the “Phillips Affidavit”) in support of the Trustee’s Application to Employ and Retain Macquarie Securities (USA) Inc. as Investment Advisor (the “Application”) ². On October 9, 2007, this Court entered an order approving the Trustee’s retention of Macquarie.

3. I submit this supplemental affidavit (the “Supplemental Affidavit”), pursuant to section 327(a) of the Bankruptcy Code and Rule 2014 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”) and to comply with sections 328 and 504 of the Bankruptcy Code, and Rules 2014(a), 2016(b) and 5002 of the Bankruptcy Rules.

¹ Terms not otherwise defined herein shall have the meaning ascribed thereto in the Application.

² As of January 31, 2008, Macquarie’s name changed to Macquarie Capital (USA) Inc.

Services Being Rendered

4. Macquarie acts as the Trustee's investment advisor for all matters relating to the Debtor's bankruptcy case.

Statement of Connections and Supplemental Disclosure

5. Macquarie, insofar as I have been able to ascertain, does not hold or represent any interest adverse to that of the Debtor or its creditors in the matters upon which the Trustee has retained Macquarie, and I believe the firm to be a "disinterested person" within the meaning of section 101(14) of the Bankruptcy Code.

6. Except as otherwise set forth in the Phillips Affidavit or herein, Macquarie, insofar as I have been able to ascertain, has no connection with the Debtor, the Debtor's significant creditors, other known significant parties-in-interest in these chapter 11 cases, or to the attorneys of the Debtor or any official committee appointed in these cases.

7. Except as described in the Phillips Affidavit or herein, Macquarie, insofar as I have been able to ascertain, does not have an interest materially adverse to the interest of the estate or of any class of creditors or equity security holders, by reason of any direct or indirect relationship to, connection with, or interest in, the Debtor.

8. Based on the conflicts clearance process identified in the Phillips Affidavit, the following is an additional Potential Party in Interest:

(a) An affiliate of Macquarie, Macquarie Futures USA Inc., has entered into an asset purchase agreement to acquire the business and assets of Shatkin Arbor, Inc. Shatkin Arbor, Inc. is not a creditor of the Debtor, but Henry Shatkin (a former principal of Shatkin Arbor, Inc.), Marlene Shatkin and Judith Shatkin Knight are creditors of the Debtor. Macquarie has not acquired the claims of any of these parties and does not in any way represent their interests in relation to the Debtor's bankruptcy proceedings. Henry Shatkin is now an employee of a holding company of Macquarie Futures USA, Inc. Macquarie Futures USA Inc. and the division

of Macquarie Capital (USA) Inc. which provides the investment advisory services in the Debtor's bankruptcy proceedings are separated by an informational barrier. Staff members are physically separated by this information barrier and have no access to the offices or computer systems of staff on the other side of the barrier. Corporate policy requires that information generated by or contained within one information area may not be communicated to an area across an information barrier except to staff in functions above the informational barrier.

This does not constitute a conflict with Macquarie's representation of the Trustee, nor will it likely create a conflict in the future. Macquarie will not, while employed by the Trustee, represent any entity in a matter adverse to the Trustee or the Debtor's estate.

9. On the basis of the Phillips Affidavit, as supplemented hereby, I believe Macquarie continues to be a "disinterested person" within the meaning of section 101(14) of the Bankruptcy Code.

10. Macquarie, insofar as I have been able to ascertain, does not share or has not agreed to share any compensation or reimbursement received in connection with this matter with another person, nor share any compensation or reimbursement received by another person under sections 503(3)(b)(2) or 503(b)(4) of the Bankruptcy Code.

11. Pursuant to 28 U.S.C. § 1746, I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct, and that this Affidavit was executed on September 12, 2008, at 2:45pm.

/s/ Ford R. Phillips
FORD R. PHILLIPS

Sworn to before me this 12 day
of September, 2008

/s/ Kathy A. Vaughn
Notary Public