

**UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION**

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

THIRDFOURTH AMENDED CHAPTER 11 PLAN OF LIQUIDATION

DLA PIPER US LLP
Mark A. Berkoff
Marc Fenton
203 North LaSalle Street, Suite 1900
Chicago, Illinois 60601
(312) 368-7090

JENNER & BLOCK LLP
Catherine L. Steege
Vincent E. Lazar
330 N. Wabash Avenue
Chicago, Illinois 60611
(312) 222-9350

-and-

Attorneys for Frederick J. Grede,
Chapter 11 Trustee

QUINN EMANUEL URQUHART OLIVER
& HEDGES, LLP
Susheel Kirpalani
Benjamin I. Finestone
51 Madison Avenue, 22nd Floor
New York, New York 10010
(212) 849-7000

Attorneys for the Official Committee of
Unsecured Creditors of Sentinel Management Group, Inc.

Dated: Chicago, Illinois
~~November 20,~~
December 11, 2008

“Excess Cash”	shall mean the Debtor’s Cash balances, if any, as of the Effective Date, in excess of the Reserves set forth in Article VII of the Plan.
“Federal Funds Rate”	shall mean the rate of interest at which depository institutions lend balances at the Federal Reserve to other depository institutions overnight.
“Federal Judgment Rate”	shall mean the rate of interest provided for in 28 U.S.C. § 1961, as such rate was in effect on the Petition Date. 1961.
“File,” “Filed,” or “Filing”	shall mean file, filed, or filing with the Bankruptcy Court, as the context requires.
“Final Order”	shall mean an order or judgment of the Bankruptcy Court, or other court of competent jurisdiction, as entered on the docket of such court, the operation or effect of which has not been stayed, reversed, vacated, modified or amended, and as to which order or judgment (or any revision, modification, or amendment thereof) the time to appeal, petition for certiorari, or seek review or rehearing has expired and as to which no appeal, petition for certiorari, or petition for review or rehearing was filed or, if filed, remains pending; <u>provided, however,</u> that the possibility that a motion may be Filed pursuant to Bankruptcy Rules 9023 or 9024 or Rules 59 or 60(b) of the Federal Rules of Civil Procedure shall not mean that an order or judgment is not a Final Order.
“General Bar Date”	shall mean March 14, 2008.
“General Unsecured Claim”	shall have the meaning set forth in Section 4.5 of the Plan.
“Holder”	shall mean an Entity holding a Claim or Equity Interest.
“Impaired”	shall have the meaning, when used with reference to a Claim or Equity Interest, contained in Section 1124 of the Bankruptcy Code.
“Initial Distribution”	shall have the meaning set forth in Section 7.6 of the Plan.
“Initial Distribution Date”	shall mean the Effective Date or as soon thereafter

together with the right to opt out of any class, whether or not certified, but excluding contract claims against third parties that are specific to an individual Customer and not shared by other Customers generally. Non-Estate Claims include, without limitation, Causes of Action against: (i) all current and former officers, directors, or employees of Sentinel; (ii) all Entities that entered into transactions with Sentinel; and (iii) all Entities that provided services to Sentinel, including BONY, including, without limitation, Sentinel's attorneys, accountants, auditors, and financial advisors.

“Other Priority Claim”

shall mean a Claim entitled to priority pursuant to Section 507(a) of the Bankruptcy Code (other than Administrative Claims and Priority Tax Claims).

“PBGC”

shall mean the Pension Benefit Guaranty Corporation, a wholly-owned United States government corporation and an agency of the United States that administers the defined benefit pension plan termination insurance program under Title IV of ERISA.

“Pension Plan”

shall mean the Sentinel Management Group, Inc. Defined Benefit Pension Plan, a tax-qualified defined benefit pension plan covered by Title IV of ERISA.

“Percentage Recovery”

shall mean the recovery on account of a Claim expressed as a percentage calculated by dividing (x) (i) distributions received under the Plan not including any distributions received on account of Tranche-P interests plus (ii) any other amounts distributed by the Debtor on account of a Class 3 Customer Claim including the Citadel Sale Distributions ~~plus Interest~~ commencing on the date of such distributions, by (y) the Claim amount as calculated pursuant to Section 4.4 of the Plan.

“Person”

shall mean a person as defined in Section 101(41) of the Bankruptcy Code.

“Petition Date”

shall mean August 17, 2007, the date upon which the Debtor Filed its voluntary petition for relief

shall include a reserve for the amount that any Citadel-Beneficiary Customer Claim which voted against the Plan and/or lodged objections thereto, would be entitled to receive had the full amount of their Claim been Allowed without regard to and disregarding the Plan provisions which provide that until all Holders of Allowed Class 3 Customer Claims that are NonCitadel-Beneficiary Customers shall have received a Percentage Recovery on account of such Claims equivalent to the applicable Citadel-Beneficiary Customer, Citadel-Beneficiary Customers shall not be entitled to a distribution; provided, however, that for purposes of calculating the claim amount for purposes of such reserve, the claim amount may be reduced by the Holder's asserted share or interest in any of the Property Of The Estate Reserves.

(c) Resolution of Property of the Estate Issues.

- (i) In the event the Court determines that the property in any of the Property Of The Estate Reserves is not property of the estate, Sections 4.4 and 4.5 of the Plan shall be deemed modified to provide that Customer Property shall be distributed to the rightful owners of such property or to the Estate, as determined by the Court.
- (ii) In the event the Court determines that the Citadel Sale Distributions did not constitute distributions of property of the estate, the Claims of Citadel-Beneficiary Customers shall, to the extent such Claims become Allowed Claims, be entitled to *pro rata* distributions with all other Holders of Allowed Class 3 or Class 4 Claims with respect to all Property other than Customer Property, without regard to and disregarding the Plan provisions which provide that until all Holders of Allowed Class 3 Customer Claims that are NonCitadel-Beneficiary Customers shall have received a Percentage Recovery on account of such Claims equivalent to the applicable Citadel-Beneficiary Customer, such Citadel-Beneficiary Customer shall not be entitled to a distribution. In the event the Court determines that the Citadel Sale Distributions were distributions of property of the estate, the Claims of Citadel-Beneficiary Customers shall be entitled to the treatment and distributions set forth in Sections 4.4 and 4.5 of the Plan, without modification.

(d) Interest Reserve

- (i) With respect to any Citadel-Beneficiary Customer as to which an adversary proceeding has been or is commenced seeking to recover Citadel Sale Distributions from such Citadel-Beneficiary Customer, the Liquidation Trustee may reserve and withhold from any distributions payable to such Citadel-Beneficiary Customer interest calculated from the date of the commencement of such adversary proceeding, using the Federal Judgment Rate. In the event a Final Order is entered avoiding the transfer of the Citadel Sale Distribution

to such Citadel-Beneficiary Customer and pro-judgment interest is awarded by the Bankruptcy Court, the withheld interest shall be released from reserve and distributed to creditors in accordance with the provisions of this Plan. In the event a Final Order is entered providing that the transfer of the Citadel Sale Distribution to such Citadel-Beneficiary Customer may not be avoided, the withheld interest shall be delivered promptly to such Citadel-Beneficiary Customer.

ARTICLE VIII

EFFECTIVENESS OF THE PLAN

8.1 **Confirmation of the Plan.** The Plan can be confirmed under Section 1129(a) of the Bankruptcy Code, or in a non-consensual manner under Section 1129(b) of the Bankruptcy Code.

8.2 **Conditions Precedent to Confirmation of the Plan.**

(a.) The Confirmation Order shall be reasonably acceptable in form and substance to the Plan Proponents; and

(b.) The Confirmation Date of the Plan shall have occurred on or before January 31, 2009.

8.3 **Conditions Precedent to Effectiveness of the Plan.** The Plan shall not become effective unless and until each of the following conditions has been satisfied or waived:

(a.) The Bankruptcy Court shall have entered the Confirmation Order in form and substance satisfactory to the Plan Proponents and such Confirmation Order shall not be stayed;

(b.) The Trust Agreement shall have been approved and executed;

(c.) The Liquidation Trustee shall have been appointed in accordance with the Plan and the Trust Agreement;

(d.) The Liquidation Trust Committee shall have been formed in accordance with the Trust Agreement;

(e.) All statutory fees then due and payable to the United States Trustee shall have been paid in full;

(f.) All documents to be executed, delivered, or Filed pursuant to the Plan, shall have been executed, delivered, or Filed, as the case may be; and