

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

In re:) Chapter 11
) Case No. 09-32672
LIFE FUND 5.1, LLC,)
)
) Hon. A. Benjamin Goldgar
Debtor.)

In re:) Chapter 11
) Case No. 09-32674
LIFE FUND 5.2, LLC,)
)
) Hon. A. Benjamin Goldgar
Debtor.)

In re:) Chapter 11
) Case No. 09-32676
HOUSTON TANGLEWOOD)
PARTNERS, LLC,)
) Hon. A. Benjamin Goldgar
)
Debtor.)

In re:) Chapter 11
) Case No. 09-32677
A&O RESOURCE MANAGEMENT LP,)
)
) Hon. A. Benjamin Goldgar
Debtor.)

In re:) Chapter 11
) Case No. 09-32678
A&O LIFE FUND LLC,)
)
) Hon. A. Benjamin Goldgar
Debtor.)

In re:) Chapter 11
) Case No. 09-32679
A&O BONDED LIFE ASSETS, LLC,)
)
) Hon. A. Benjamin Goldgar
Debtor.)

In re:)	Chapter 11
)	Case No. 09-32681
A&O BONDED LIFE SETTLEMENTS,)	
LLC,)	Hon. A. Benjamin Goldgar
)	
Debtor.)	

DECLARATION OF DISINTERESTEDNESS OF PATRICK M. COLLINS

I, PATRICK M. COLLINS, pursuant to 28 U.S.C. § 1746, hereby declare that the following is true to the best of my knowledge, information, and belief:

1. I am a Partner at the law firm of Perkins Coie LLP (“Perkins Coie” or the “Firm”), which maintains offices for the practice of law at, among other places, 131 South Dearborn Street, Suite 1700, Chicago, Illinois 60603. I am admitted, practicing, and a member in good standing of the bar of the State of Illinois and the United States District Court for the Northern District of Illinois.

2. I submit this Declaration in support of the applications of the United States Trustee seeking Court approval of my appointment as chapter 11 trustee ("Trustee") of the estates of: Life Fund 5.1, LLC; Life Fund 5.2, LLC; Houston Tanglewood Partners, LLC; A&O Resource Management LP; A&O Life Fund LLC; A&O Bonded Life Assets, LLC; and A&O Bonded Life Settlements, LLC (collectively, the “Debtors”). I am in all respects competent to make this Affidavit.

3. Except as otherwise indicated herein, I have personal knowledge of the matters set forth herein.¹

¹ Certain of the disclosures herein relate to matters within the knowledge of other attorneys at Perkins Coie and are based on information provided to me by them.

4. I make the following disclosures: (a) to establish that I am qualified to act as Trustee in these chapter 11 cases and do not have any relationship with the Office of the United States Trustee, the Bankruptcy Judge presiding over these chapter 11 cases, or any other person who would disqualify me from being appointed as Trustee in these chapter 11 cases; (b) to establish that I am a "disinterested person" as that term is defined in section 101(14) of the Bankruptcy Code; and (c) to set forth all my connections – and to the extent relevant to the determination of my status as a disinterested person, those of Perkins Coie – with the Debtors, parties-in-interest in these chapter 11 cases (identified in more detail below), the United States Trustee (Region 11), and persons employed in the Office of the United States Trustee (Region 11).²

5. Prior to joining Perkins Coie, I was an Assistant United States Attorney for twelve years in Chicago, Illinois, the last four of which were as the deputy chief of the public corruption section. During my tenure with the United States Attorney's Office, I led a number of high-profile, complex investigations, including the eight-year, multi-agency Operation Safe Road investigation, which culminated in the six-month trial and conviction of former Illinois Governor George Ryan. In total, I have tried 20 federal cases to verdict.

6. Since joining Perkins Coie in April, 2007, I have been selected for several significant public engagements, including as lead trial counsel for the Indiana Attorney General's office in a civil racketeering case and investigative counsel for two public agencies involving allegations of

² The connections disclosed herein are to the best of my knowledge at the time of this Declaration. Perkins Coie's and my inquiries into connections with parties-in-interest in these chapter 11 cases are ongoing. If Perkins Coie or I discover any additional connections, Perkins Coie or I will promptly file and serve supplemental disclosures as to any such additional connections.

fraud and misconduct. I also have led teams conducting corporate fraud-related investigations for *Fortune* 500 companies, and have represented individuals and companies in sensitive probes before various United States Attorneys' Offices, the Securities and Exchange Commission, and the United States Commodity Futures Trading Commission. In May, 2009, I was appointed by current Illinois Governor Patrick Quinn to chair the Illinois Reform Commission, which was tasked with making recommendations for reform in Illinois government. My resume is attached hereto as Exhibit A and provides additional detail regarding my career.

7. To assist me in the performance of my duties as Trustee, I intend to retain Perkins Coie as my principal counsel. I may also engage additional counsel, consultants, and subject matter experts, and will work with Perkins Coie and such other counsel, consultants, and subject matter experts to allocate responsibility for various tasks to avoid duplication of effort and to move my investigation and administration of these cases forward as quickly, harmoniously, and efficiently as possible.

8. With respect to my "disinterestedness" under section 101(14) of the Bankruptcy Code, I provide the following information:

- (a) I am not, and have not been during the pendency of these chapter 11 cases, a creditor, equity security holder, or insider of the Debtors;
- (b) I am not, and have not been, a director, officer, or employee of any of the Debtors;
- (c) I am not, and have not been, an investment banker for any outstanding security of any of the Debtors;
- (d) I am not, and have not been, an investment banker for a security of any of the Debtors, or an attorney for any such investment banker in connection with the offer, sale, or issuance of a security for any of the Debtors; and
- (e) I am not related to and do not have any connections with any Bankruptcy Judge of the United States Bankruptcy Court for the Northern District of Illinois, the United States Trustee (Region 11), or any person employed by

the United States Trustee (Region 11), other than my former employment with the United States Attorney's Office.

9. In connection with my proposed appointment as Trustee in these chapter 11 cases, I have asked Perkins Coie to compile a list of persons and entities (the "Identified Parties") relevant to this Declaration to ascertain my and Perkins Coie's connections to such parties. The list of Identified Parties is attached hereto as Exhibit B. Perkins Coie compiled the list from several sources, including the listings of entities identified and described in pleadings filed in these chapter 11 cases and information provided by the Debtors' attorneys.

10. Based upon a review of the Identified Parties listed in Exhibit B, I respectfully represent that to the best of my knowledge I do not have any connections with any of the Identified Parties. I do not have any interest materially adverse to the interests of the estates of any of the Debtors, or any of the Interested Parties, by reason of any direct or indirect relationship to, connection with, or interest in, any of the Debtors, or for any other reason.

11. To the best of my knowledge, no investigation I supervised while an Assistant United States Attorney involved activities involving matters that I, as Trustee, would investigate in these chapter 11 cases. In addition, no investigation that I supervised while an Assistant United States Attorney involved the Debtors, their affiliates, and/or their officers or directors.

12. In conducting inquiries into Perkins Coie's, its partners', attorneys', and counsels' connections with the Identified Partners, Perkins Coie used a set of procedures to ensure full compliance with the requirements of the Bankruptcy Code, the Bankruptcy Rules, and any local rules of the Bankruptcy Court regarding the retention of professionals under the Bankruptcy Code. Pursuant to these procedures, Perkins Coie entered the names of the Identified Parties into a computer database containing the names of all clients and conflict information concerning clients of Perkins Coie. In addition, Perkins Coie sent a general inquiry by electronic mail to all

attorneys and staff, among other things, to: (a) verify that such individuals were not representing and have not represented the Debtors; (b) determine whether any such individuals hold any ownership interests in or claims against the Debtors; and (c) determine whether any such individuals have any connections with or relationship to any Bankruptcy Judge in the Northern District of Illinois, the United States Trustee (Region 11), or any person employed by the United States Trustee (Region 11).

13. Based upon the results of Perkins Coie's searches regarding the Identified Parties which were communicated to me, to the best of my knowledge and except as set forth below, the partners, counsel, and associates of Perkins Coie: (a) do not have any connection with the Debtors or their affiliates, their creditors, the United States Trustee or any person employed in the office of the United States Trustee, or any other significant party-in-interest, or their respective attorneys and accountants; (b) are "disinterested persons," as that term is defined in section 101(14) of the Bankruptcy Code; and (c) do not hold or represent any interest adverse to the Debtors' estates.

14. Perkins Coie may have represented, may currently represent and in the future may represent certain of the Debtors' creditors and other parties-in-interest in matters unrelated to the Debtors, the Debtors' chapter 11 cases, or such entities' claims against or interests in the Debtors. Perkins Coie does not represent any individuals or entities in any matters adverse or related to the Debtors or these chapter 11 cases.

15. In connection with the foregoing, I make the following disclosures relating to those parties identified on Exhibit B hereto. Perkins Coie represents or has represented the following insurance companies having connections with the Debtors' business: (a) an affiliate of Lincoln Financial Group; (b) the parent company of Genworth Life and Annuity Insurance

Company; (c) Phoenix Life Insurance Company; (d) American General; (e) Massachusetts Mutual Life Insurance Company; and (f) MetLife. Perkins Coie does not represent the above entities in any matters adverse or related to the Debtors and Perkins Coie's representation of the above entities will not affect my ability to serve as Trustee of the Debtors' estates.

16. As of the date of this Declaration, I am not aware of the existence of any claims, or potential claims, against any of the individuals or entities disclosed above. Accordingly, Perkins Coie has not tried to obtain, and does not at this time intend to try to obtain, conflict waivers from any of the Debtors' creditors or other interested parties that Perkins Coie currently represents on matters unrelated to the Debtors or their chapter 11 cases. Nevertheless, some of Perkins Coie's existing clients who might hold claims adverse to the Debtors' estates may have already executed prospective conflict waivers in their respective engagement letters with Perkins Coie.

17. As a matter of disclosure policy, I and Perkins Coie will periodically review Perkins Coie's past and present relationships with entities materially participating in the Debtors' cases and I or Perkins Coie will file a supplemental disclosure declaration, if warranted.

18. To the best of my knowledge, neither Perkins Coie nor any attorney at the Firm is or was, within two years before the date hereof, a director, officer, member, manager or employee of the Debtors.

19. To the best of my knowledge, Perkins Coie does not have an interest materially adverse to the interests of the Debtors' estates, any class of creditors, or any equity security holders, by reason of any direct or indirect relationship to, connection with or interest in the Debtors, or for any other reason.

20. To the best of my knowledge, no attorney at Perkins Coie is related to any United States Bankruptcy Judge in the United States Bankruptcy Court for Northern District of Illinois or the United States Trustee (Region 11) or any employee in the office thereof.

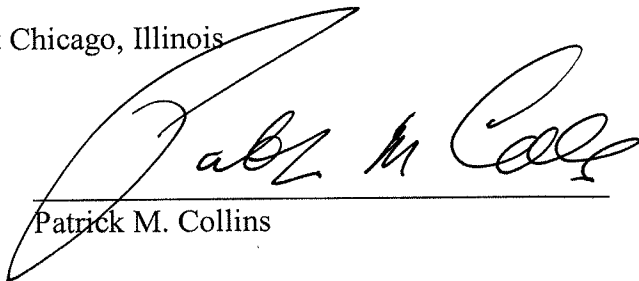
21. As required by section 504 of the Bankruptcy Code, neither Perkins Coie nor I have agreed to share any compensation or reimbursement received in connection with these chapter 11 cases with another person except pursuant to Perkins Coie's partnership agreement.

22. Any request for payment from the Debtors' estates for compensation and reimbursement of expenses incurred in the performance of my services as Trustee will be subject to approval of the Bankruptcy Court, and will be made in accordance with the applicable provisions of the Bankruptcy Code, the Bankruptcy Rules, and the Local Rules of this Bankruptcy Court.

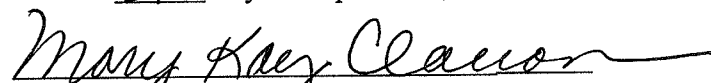
23. In light of the foregoing, I and Perkins Coie are "disinterested persons" within the meaning of section 101(14) of the Bankruptcy Code.

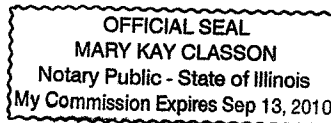
I declare that the foregoing is true and correct to the best of my knowledge, information and belief.

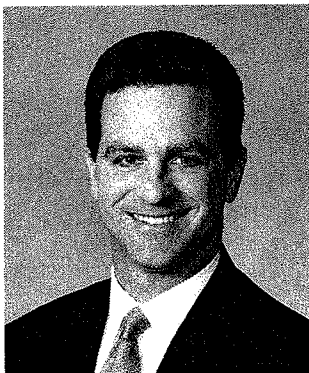
Executed this 21st day of September, 2009, at Chicago, Illinois


Patrick M. Collins

SWORN TO AND SUBSCRIBED before me this 21 day of September, 2009.


Notary Public
My commission Expires 9-13-2010





Patrick M. Collins | Partner

Patrick Collins, a partner in the firm's Litigation practice and decorated former federal prosecutor, is a highly accomplished investigator and trial attorney who specializes in representing companies and individuals in complex civil and criminal matters throughout the United States. Considered one of the highest profile attorneys in Chicago, Patrick has tried over 20 federal cases to verdict, and prevailed in each of them.

Since joining the firm in April 2007, Patrick has established and aggressively grown the Chicago Office's Investigations and White Collar practice. Patrick has led teams conducting internal investigations for Fortune 500 companies and public entities, and has represented individuals and companies in sensitive probes before various U.S. Attorneys' Offices, the SEC and the CFTC. He also has advised clients on other significant legal matters, including matters involving the Foreign Corrupt Practices Act.

During his two years with Perkins Coie, Patrick has been selected for numerous high-profile public engagements, including lead trial counsel for the Indiana Attorney General's Office in a ground-breaking civil RICO case, and outside counsel for Wayne County Airport Authority's investigation of its Disadvantaged Business Enterprise program. Patrick also was appointed by Illinois Governor Patrick Quinn to chair the Illinois Reform Commission, which was tasked with making recommendations for ethical reform for Illinois government. After publicly releasing its final report on April 28, 2009, the Commission's work was widely lauded.

Prior to joining the firm, Patrick was an Assistant U.S. Attorney for 12 years in Chicago, the last four of which were as a supervisor in the corruption unit for U.S. Attorney Patrick Fitzgerald. During his tenure, he spearheaded several, high-profile, highly successful complex investigations. Most notably, Patrick led the eight-year Operation Safe Road investigation, which culminated in the six-month trial and conviction of former Illinois Governor George Ryan. The Ryan case, in which Ryan's defense team was led by Dan Webb, garnered nationwide interest.

Patrick regularly speaks to in-house counsel and corporate audiences on a variety of white collar topics, including conducting internal investigations and responding to sensitive inquiries by government agencies. Patrick also regularly appears on television and is a frequent op-ed contributor on local and national legal topics.

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EDUCATION

- The University of Chicago Law School, J.D., 1991
- University of Notre Dame, B.A., Economics, magna cum laude, Phi Beta Kappa, 1986

BAR ADMISSIONS

- Illinois

REPRESENTATIVE MATTERS

- Serves as lead trial counsel for the Indiana Attorney General's Office in a ground-breaking racketeering case
- Led internal investigation for the Wayne County Authority Airport regarding its Disadvantaged Business Enterprise program
- Obtained dismissal of a federal fraud complaint against a business executive
- Represented individuals and entities before U.S. Attorneys' Offices, the SEC and the CFTC
- Conducted sensitive, high-profile representations for four Fortune 500 companies

PROFESSIONAL RECOGNITION

- Listed in *The Best Lawyers in America*, 2010
- Federal Bureau of Investigation Director's Award for Performance in an Outstanding Criminal Investigation, Hired Truck Scandal, 2008
- Listed as an Illinois 2008 Super Lawyer as published by *Law & Politics*
- *Chicago Lawyer*, "Ex-Prosecutor Begins to Build a Book of Business," 2007
- *Operation Safe Road*
 - Attorney General's Award for Superior Performance by Litigative Team, 2006
 - Chicago Crime Commission, "Stars of Distinction Award," 2006
 - Director's Award for Superior Performance as an AUSA, 2003
 - Chief Postal Inspector's Award, 2003
- *The American Lawyer*, "Fed Hots - Eleven AUSAs Worth Tracking," 2003
- *Crain's Chicago Business*, "40 Under 40," 2003

PROFESSIONAL LEADERSHIP

- The University of Chicago Law School, Volunteer Trial Advocacy Instructor, 1997 - 1999

COMMUNITY INVOLVEMENT

- Horizons for Youth, Founder, Former President, Co-Chair Leadership Council, Longtime Volunteer, 1991 - present
- Constitutional Rights Foundation, Board Member, 2007 - present
- Legal Aid Bureau of Metropolitan Family Services, Board Member, 2007 - present
- Better Government Association, Board Member, 2008 - present
- Illinois Reform Commission, Chair, 2009 - present

RELATED EMPLOYMENT

- U.S. Attorney's Office, Chicago, IL, Assistant United States Attorney, 1995 - 2007; Deputy Chief, Public Corruption Section, 2004 - 2007

- Sachnoff & Weaver, Ltd., Chicago, IL, Associate, 1991 - 1995
- The Collins Law Firm, Chicago, IL, Partner, 1995
- The First Boston Corporation, New York, NY, and Chicago, IL, Financial Analyst, 1986 - 1988

SELECTED PUBLICATIONS

July 2009 **"Off to the RICO Races? Implications of the Supreme Court's Decision in Boyle"**

Co-Author, Article
White Collar Crime Report

April 2009 **"Someone's Listening: How Wiretaps Can Transform High-Profile White Collar Investigations"**

Author, Article
White Collar Crime Report
Patrick Collins authored this article discussing the possible implications of using a wiretap in high-profile cases; a practice that aggressive prosecutors are likely to use with greater frequency.

August 2008 **"Government and Politics: Corruption Trial was Déjà Vu"**

Article
ABA WCC Bulletin

November 2007 **"Nationwide Student Loan Investigation Continues to Expand"**

Co-Author, Article
Partners Lee Stein and Patrick Collins, and Associate Steven Monde authored this article that summarizes the current status of the nationwide student loan investigation for the *Journal of Payment Systems Law*.

November 2007 **"Ryan's judge, jury deserve thanks, not condemnation"**

Article
Chicago Tribune

July 2007 **"Libby commutation undermines sentencing process"**

Article
Chicago Tribune

April 2007 **"Prosecutors owe loyalty to the public"**

Article
Chicago Tribune

PAST EVENTS

07.30.2009 **Hot Topics and Recent Developments in**

**Public Corruption Investigations &
Government Ethics**

Speaking Engagement
American Bar Association Annual Meeting / Chicago, IL

06.16.2009 **Internal Investigations 2009: How to Protect
Your Clients or Company**

Speaking Engagement
Practicing Law Institute / Chicago, IL

05.21.2009 **Conducting Public Business: Ethical
Obligations and Deterring Corruption**

Speaking Engagement
DuPage County State's Attorney's Office Ethics Training
Conference 2009 / Wheaton, IL

04.2009 **Is Illinois Really Ready For Reform?**

Speaking Engagement
The City Club of Chicago / Chicago, IL

04.2009 **White Collar Financial Fraud, Views from
Prosecution and Defense**

Speaking Engagement
FEI/ACC / Detroit, MI

03.2009 **The Journey to Illinois Ethics Reform - The
Role Each of Us Can Play**

Speaking Engagement
Union League Club / Chicago, IL

02.2009 **Will ethics reform change government in
Illinois?**

Speaking Engagement
Leadership Greater Chicago / Chicago, IL

02.2009 **Illinois Reform Commission**

Speaking Engagement
Union League Club / Chicago, IL

02.2009 **Twenty Ideas to Stop Corruption: A Panel
Towards Action**

Speaking Engagement
Chicago, IL

11.2008 **State and Local Public Corruption in Illinois:
Two Case Studies**

Speaking Engagement
Illinois CPA Society's Annual Fraud Conference / Chicago, IL

10.2008 **Preparing for and Responding to
Government Investigations: Practical
Guidance for Corporate Counsel and
Compliance Officers**

Speaking Engagement

Association of Corporate Counsel Chicago / Chicago, IL

- 07.2008 **Public Corruption - "The Role of the Prosecutor"**
Speaking Engagement
DuPage County State's Attorneys Office
- 06.2008 **Examining the Legal Issues Surrounding Patronage**
Speaking Engagement
Better Government Association & ABA Criminal Justice Section / Chicago, IL
- 05.2008 **How to Deal With Government Lawyers, and How Not to Make Things Worse for You and Your Client While Doing so**
Speaking Engagement
Phoenix, AZ
- 04.2008 **White Collar Crime/Corporate Governance Conference**
Speaking Engagement
University Club / Chicago, IL
- 06.2007 **Internal Investigation 2007: Legal, Ethical and Strategic Issues**
Practicing Law Institute / Chicago, IL
- 06.2007 **Staying on Track When Worlds Collide: Practical Advice for Corporations Conducting Internal Investigations and Responding to Government Inquiries**
American Bar Association / Chicago, IL
- 04.2007 **Internal Investigation and Ethics Symposium**
Illinois State Police / Springfield, IL
- 03.2007 **White Collar Crime Committee National Institute Panel**
American Bar Association / San Diego, CA

Printed September 18, 2009

EXHIBIT B

IDENTIFIED PARTIES

1. Life Fund 5.1, LLC
2. Life Fund 5.2, LLC
3. A&O Bonded Life Assets, LLC
4. A&O Bonded Settlements, LLC
5. A&O Life Fund, LLC
6. Houston Tanglewood Partners, LLC
7. A&O Resource Management Ltd.
8. Shephard Capital Management
9. Russell Mackert
10. Provident Capital of Costa Rica
11. Brent Oncale
12. Adley Abdulwahab
13. Chris Allmendinger
14. Physician's Trust LLC
15. Blue Diamond Capital Group, LLC
16. A&O Life Funds Management, LLC
17. A&O Life Funds LP
18. Life Fund 5.1 Management, LLC
19. A&O Bonded Life Assets Management, LLC
20. Life Fund 5.2 Management, LLC
21. A&O Bonded Life Settlements, LLC
22. A&O Life Fund Management
23. Lincoln Financial Group
24. Turn Key Hedge Funds, Inc.
25. Provident Capital Indemnity, Ltd.
26. Prestige Title, Inc.
27. JW Cole Financial, Inc.
28. Hibernia Bank
29. Countrywide Financial
30. Genworth Life and Annuity Insurance Company
31. Transamerica
32. Pacific Life Insurance Company
33. AIG American General
34. ING Security Life
35. West Coast Life Insurance Company
36. Principal Financial Group
37. Lincoln Benefit Life Company
38. Phoenix Life Insurance Company
39. National Life Insurance Co.
40. Sun Life Financial
41. Pacific Life

42. ING ReliaStar Life
43. American General
44. Lincoln Financial
45. John Hancock
46. Prudential Financial
47. Massachusetts Mutual Life Insurance Company
48. Metlife
49. AVIVA
50. John Hancock Life Insurance Company