

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

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

NOTICE OF MOTION

PLEASE TAKE NOTICE that on **Wednesday, December 16, 2009 at 1:30 p.m.** or as soon thereafter as counsel may be heard, we will appear before the Honorable A. Benjamin Goldgar, or any other judge sitting in his stead, in Courtroom 613 of the Dirksen Federal Building, 219 S. Dearborn St., Chicago, Illinois, and present *Trustee's Motion for Authority to Use Funds to Pay U.S. Trustee Quarterly Fees*, at which time and place you may appear as you see fit.

Dated: December 9, 2009

PATRICK M. COLLINS, not individually, but solely in his capacity as chapter 11 Trustee of the Debtors' estates

By: /s/ Brian A. Audette
PERKINS COIE LLP
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Counsel to the Trustee

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

In re:) Chapter 11
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LIFE FUND 5.1, LLC, et. al.,) Case No. 09-32672
) (Jointly Administered)
)
Debtors.) Hon. A. Benjamin Goldgar

**TRUSTEE'S MOTION FOR AUTHORITY TO USE
FUNDS TO PAY U.S. TRUSTEE QUARTERLY FEES**

Patrick M. Collins, not individually, but solely in his capacity as chapter 11 trustee (the "Trustee") of the bankruptcy estates of Life Fund 5.1, LLC (Case No. 09-32672), Life Fund 5.2, LLC (Case No. 09-32674), A&O Life Fund, LLC (Case No. 09-32678), Houston Tanglewood Partners, LLC (Case No. 09-32676), A&O Resource Management, Ltd. (Case No. 09-32677), A&O Bonded Life Assets, LLC (Case No. 09-32679), and A&O Bonded Life Settlements, LLC (Case No. 09-32681) (collectively, the "Debtors"), requests the entry of an order authorizing the Trustee to use funds to pay U.S. Trustee fees on behalf of the Debtors' estates and, in support thereof, states as follows:

1. On September 2, 2009, the Debtors filed voluntary petitions for relief under chapter 11 of the Bankruptcy Code.
2. On September 16, 2009, the Court entered an Order Directing Joint Administration of Related Chapter 11 Cases, which directed joint administration of the Debtors' cases under Case No. 09-32672.
3. On September 16, 2009, the Court entered an Order Granting U.S. Trustee's Motion to Appoint a Chapter 11 Trustee.
4. On September 21, 2009, the Office of the United States Trustee appointed the Trustee as chapter 11 trustee of the Debtors' estates

5. On October 28, 2009, the Court entered an Order Authorizing Trustee to Borrow Against Cash Value of Insurance Policy to Pay Certain Premium Obligations (the "Borrowing Order") [Docket Entry #162]. In connection therewith, the Trustee borrowed \$75,000 (the "Borrowed Funds") against the cash value of life policy number 00060081812, which policy is with Transamerica and which has a face amount of \$21,500,000. Although the Borrowing Order authorized the Trustee to satisfy certain insurance premium obligations, it also provided that "[t]he Trustee shall not use any surplus of the Borrowed Funds remaining after satisfying the foregoing Premium Obligations absent further Court order." Borrowing Order at ¶ 4. Other than the Borrowed Funds remaining after certain payments made on account of insurance premium obligations, the Debtors' estates do not have any cash in them.

6. The Debtors' estates each owe the minimum U.S. Trustee fees for the third quarter of 2009, which total \$2,275 (or \$325.00 per Debtor) (the "U.S. Trustee Fees").¹ The Trustee's only source of funds to pay the U.S. Trustee Fees is the Borrowed Funds. However, as described above, the Borrowing Order prohibits the Trustee from utilizing any of the Borrowed Funds except to satisfy certain "Premium Obligations." Thus, although the Trustee does not believe he is generally required to seek the Court's authority to pay U.S. Trustee Fees, he does so out of an abundance of caution due to the restrictions placed upon him by the Borrowing Order.

7. Accordingly, the Trustee requests that the Court authorize his use of sufficient Borrowed Funds to satisfy the U.S. Trustee Fees (and any future U.S. Trustee Fees), notwithstanding the limitations imposed upon the Trustee by the Borrowing Order.

¹ Contemporaneously herewith, the Trustee has filed U.S. Trustee Quarterly Fee Statements on behalf of each of the Debtors' estates.

WHEREFORE, the Trustee respectfully requests that the Court enter an order authorizing the Trustee to pay the U.S. Trustee Fees from the Borrowed Funds and granting the Trustee such other and further relief the Court deems just and proper.

Dated: December 9, 2009

Respectfully submitted,

PATRICK M. COLLINS, not individually,
but solely in his capacity as chapter 11
Trustee of the Debtors' estates

By: /s/ Brian A. Audette

PERKINS COIE LLP

David M. Neff (ARDC #6190202)

Brian A. Audette (ARDC #6277056)

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Counsel to the Trustee

CERTIFICATE OF SERVICE

Brian Audette, an attorney, certifies that on December 9, 2009 he caused a copy of the *Notice of Motion* and *Trustee's Motion for Authority to Use Funds to Pay U.S. Trustee Quarterly Fees* to be served on the parties listed on the attached Service List as so indicated.

/s/ Brian Audette _____

SERVICE LIST

	Delivery Method		Delivery Method
<p>Sandra Rasnak Richard Friedman Office of the U.S. Trustee 219 S. Dearborn St., Room 873 Chicago, IL 60604-1702 sandra.rasnak@usdoj.gov richard.c.friedman@usdoj.gov</p>	<p>Email and U.S. Mail</p>	<p>Brian M. Graham Bryan Minier SMITHAMUNDSEN LLC 150 N. Michigan Ave., Suite 3300 Chicago, IL 60601 bgraham@salawus.com bminier@salawus.com</p>	<p>Email and Court's ECF notice</p>
<p>David T. B. Audley Carly Jones Chapman & Cutler 111 W. Monroe Street, Suite 1600 Chicago, IL 60603 audley@chapman.com cmjones@chapman.com</p>	<p>Email and Court's ECF notice</p>	<p>Michael L. Gesas Thomas P. Yardley Miriam R. Stein Kevin H. Morse Arnstein & Lehr LLP 120 S. Riverside Plaza, Suite 1200 Chicago, IL 60606 mlgesas@arnstein.com mrstein@arnstein.com tpyardley@arnstein.com khmorse@arnstein.com</p>	<p>Email and Court's ECF notice</p>
<p>Deborah J. Fritsche Lori A. Hood Johnson, Trent, West & Taylor, LLP 919 Milam, Suite 1700 Houston, TX 77002 dfritsche@johnsontrent.com lhood@johnsontrent.com</p>	<p>Email and Court's ECF notice</p>	<p>Tony L. Visage Deana F. Tillotson Bracewell & Giuliani LLP 711 Louisiana St., Suite 2300 Houston, TX 77002-2770 tony.visage@bglip.com deana.tillotson@bglip.com</p>	<p>Email and U.S. Mail</p>
<p>Arlene N. Gelman Michael M. Eidelman Vedder Price P.C. 222 N. LaSalle St., Suite 2600 Chicago, IL 60601 agelman@vedderprice.com meidelman@vedderprice.com</p>	<p>Email and Court's ECF notice</p>	<p>David S. Gragg Langley & Banack, Inc. Trinity Plaza II, 9th Floor 745 E. Mulberry San Antonio, TX 78212-3166 dgragg@langleybanack.com</p>	<p>Email and U.S. Mail</p>
<p>Zala Forizs Forizs & Dogali, P.A. 4301 Anchor Plaza Pkwy., Ste 300 Tampa, FL 33634 zforizs@forizs-dogali.com</p>	<p>Email and U.S. Mail</p>	<p>Janet Douvas Chafin Jackson Walker LLP 1401 McKinney, Suite 1900 Houston, TX 77010 jchafin@jw.com</p>	<p>Email and U.S. Mail</p>

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The following served via U.S. Mail

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

**ORDER AUTHORIZING THE TRUSTEE TO
USE FUNDS TO PAY U.S. TRUSTEE FEES**

THIS MATTER COMING TO BE HEARD upon the Trustee's Motion for Entry of an Order Authorizing Him to Use Funds to Pay U.S. Trustee Quarterly Fees (the "Motion");¹ the Court having found that notice of the Motion was proper and sufficient under the circumstances; the Court having jurisdiction over this core proceeding; and the Court otherwise being fully advised in the premises, IT IS HEREBY ORDERED that:

1. The Motion is GRANTED.
2. The Trustee is authorized to pay the U.S. Trustee Quarterly Fees for the third quarter of 2009 on behalf of the Debtors' estates from the funds the Trustee obtained pursuant to that certain Order Authorizing Trustee to Borrow Against Cash Value of Insurance Policy to Pay Certain Premium Obligations (the "Borrowing Order") [Docket Entry #162].
3. The Trustee is further authorized to pay future U.S. Trustee Quarterly Fees on behalf of the Debtors' estates from the funds the Trustee obtained pursuant to the Borrowing Order or any other funds obtained by the Trustee.

Dated: December ____, 2009

ENTER:

United States Bankruptcy Judge

¹ Capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Motion.