

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

In re:

LIFE FUND 5.1, LLC, et al.,

Debtors.

Chapter 11

Case No. 09-32672
(Jointly Administered)

Hon. A. Benjamin Goldgar

**EMERGENCY MOTION OF THE CHAPTER 11 TRUSTEE AND THE
TEXAS STATE SECURITIES BOARD
FOR ORDER RELATED TO SECTION 28 DISCLOSURES**

Patrick M. Collins, not individually, but solely in his capacity as chapter 11 trustee of the above-captioned Debtors' estates ("Trustee"), and the Texas State Securities Board ("TSSB" and together with the Trustee, the "Parties") seek a protective order related to disclosures the Trustee has requested the TSSB to make or which the TSSB seeks permission to make, in view of the TSSB's obligations under Section 28 of the Texas Securities Act, and in support thereof, the Parties state as follows:

1. The Parties seek an order authorizing the TSSB to produce at the TSSB's discretion to the Trustee certain confidential materials (including bank records and spreadsheet summaries of transactions) obtained or generated in the course of its investigation of potential violations of the Texas Securities Act (the "Act") by the Debtors and affiliated individuals and entities (the "A&O Group").

2. Under Sec. 28.A of the Act, the Commissioner is authorized to conduct investigations as deemed necessary to prevent or detect a violation of the Act or of a TSSB rule or order. Pursuant to this authority, the Enforcement Division of the TSSB has conducted an

investigation of the A&O Group and in connection therewith has acquired substantial information concerning the activities of the Debtors.

3. Pursuant to section 28 of the Act, the TSSB may only disclose information it has gathered pursuant to a court order. Although Texas law requires the TSSB to protect the confidentiality of such materials and to disclose them only upon the entry of a court order, the Parties believe that, under the unique facts and circumstances present in these cases, a Court order is necessary and appropriate to (a) permit production of such confidential information to the Trustee (for him to also treat as confidential) and (b) protect the TSSB from further requests for evidence or testimony. Provided the disclosure of the information described herein is used for the exclusive purpose of litigating matters in these bankruptcy proceedings (or the related securities enforcement), the Parties believe that the Trustee's need for this information is sufficient cause for the Court to authorize the TSSB to disclose, at the TSSB's discretion, the fruits of its investigation with the Trustee for his use as confidential materials.

4. The Trustee is informed and believes that the information collected, organized, and/or evaluated by the TSSB will help facilitate the efficient and orderly evaluation of the Debtors' assets, the administration of the Debtors' estates, and the investigation into claims the Trustee may have against various individuals or entities. The Trustee further believes that the TSSB's information is necessary to assist him with analyzing and evaluating the numerous insurance policies that are assets of the Debtors' estates. The Trustee submits that it is critical to obtain the TSSB's information as soon as possible because many of the Debtors' insurance policies may be in default and subject to termination. As a result, the Trustee submits that this is an emergency and the Court should grant the relief requested herein. A copy of the Certification of Patrick M. Collins Concerning Emergency Motion is attached hereto as Exhibit A.

5. The Trustee has served notice of this Motion upon: (a) the Office of the United States Trustee; (b) the Debtors' counsel; and (c) all parties that have appeared and/or requested notice in the Debtors' cases. The Trustee has not served this Motion upon the Debtors' consolidated list of 30 largest unsecured creditors because such service would be impracticable under the circumstances and constitute an unnecessary expense. Therefore, given the relief requested herein, and notice to the parties who have otherwise appeared and participated in these cases, the Trustee requests that the Court approve limited notice of this Motion.

WHEREFORE, the Parties respectfully request the entry of an order (a) authorizing the TSSB to produce, in its discretion, its work product and related supporting documentation (collectively, "Information") to the Trustee for use in these bankruptcy proceedings or the related securities proceedings, provided that the Trustee treat such Information as confidential, and (b) granting the Parties such other and further relief the Court deems just and proper.

Dated: September 24, 2009

Respectfully submitted:

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

By: /s/ David M. Neff

David M. Neff (ARDC #6190202)

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Proposed Counsel to the Trustee

- and-

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EXHIBIT A

**IN THE UNITED STATES BANKRUPTCY COURT
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**CERTIFICATION OF PATRICK M. COLLINS
CONCERNING EMERGENCY MOTION**

I hereby certify that I have carefully examined this matter and that there is a true necessity for an emergency.

The reason that this matter must be heard as an Emergency Matter is set forth in more detail in the **EMERGENCY MOTION OF THE CHAPTER 11 TRUSTEE AND THE TEXAS STATE SECURITIES BOARD FOR ORDER RELATED TO SECTION 28 DISCLOSURES** (the "Motion"). In summary, through its investigation of the Debtors, their affiliates, and other related individuals and entities, I am told that the Texas State Securities Board (the "TSSB") has procured valuable and confidential information that I believe will assist with my efficient and orderly evaluation of the Debtors' assets, the administration of the Debtors' estates, and the investigation into claims I might have, as Trustee, against various individuals or entities. I further believe that the TSSB's information is necessary to assist me with analyzing and evaluating the numerous insurance policies that are assets of the Debtors' estates. I submit that it is critical to obtain the TSSB's information as soon as possible because many of the Debtors' insurance policies may be in default and subject to termination. Thus, I believe I must immediately obtain the TSSB's confidential information.

/s/ Patrick M. Collins

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

CERTIFICATE OF SERVICE

David M. Neff, an attorney, certifies that on September 24, 2009 he caused a copy of the *Notice of Motion and Emergency Motion of the Chapter 11 Trustee and the Texas State Securities Board for Order Related to Section 28 Disclosures* to be served by electronic mail before 4:30 pm Central Time to the parties listed below, and by the Court's ECF System to those parties registered to receive electronic service.

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/s/ David M. Neff

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**ORDER GRANTING EMERGENCY MOTION OF THE CHAPTER 11 TRUSTEE
AND THE TEXAS STATE SECURITIES BOARD
FOR ORDER RELATED TO SECTION 28 DISCLOSURES**

This cause coming before the Court upon the Emergency Motion of the Chapter 11 Trustee and the Texas State Securities Board for Order Related to Section 28 Disclosures (the "Emergency Motion");¹ the Court having found that the relief requested in the Emergency Motion is in the best interests of the Debtors' estates, the Debtors' investors, the Debtors' creditors, and other parties in interest; the Court having found that notice of the Emergency Motion was sufficient under the circumstances; and the Court having been otherwise fully advised in the premises,

IT IS HEREBY ORDERED THAT:

1. The Texas State Securities Board (the "TSSB") is authorized under Section 28 of the Texas State Securities Act to produce to the Trustee, at the TSSB's discretion, certain confidential materials (including bank records and schedules of transactions) obtained or generated by the TSSB through the course of its investigation of the A&O Group.

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

2. This Court shall retain jurisdiction over all matters arising from or related to the interpretation and implementation of this Order.

ENTER:

Honorable A. Benjamin Goldgar

Order submitted by:

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Chicago, IL 60603

Proposed counsel to the Trustee