

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

CASE NAME: A&O Life Fund, LLC

CASE NO. 09-32678

SUMMARY OF CASH RECEIPTS AND CASH DISBURSEMENTS<sup>1</sup>

For Month Ending December 31, 2009

BEGINNING BALANCE IN ALL ACCOUNTS \$ 23,888.80

RECEIPTS:

- |    |                          |               |
|----|--------------------------|---------------|
| 1. | Receipts from operations | \$ 0          |
| 2. | Other Receipts           | \$ 51,111.02* |

DISBURSEMENTS:

- |    |  |             |
|----|--|-------------|
| 3. | Net payroll:   |             |
|    | a. Officers  | \$ 0        |
|    | b. Others  | \$ 0        |
| 4. | Taxes  |             |
|    | a. Federal Income Taxes                              | \$ 0        |
|    | b. FICA withholdings                                 | \$ 0        |
|    | c. Employee's withholdings                           | \$ 0        |
|    | d. Employer's FICA                                   | \$ 0        |
|    | e. Federal Unemployment Taxes                        | \$ 0        |
|    | f. State Income Tax                                  | \$ 0        |
|    | g. State Employee withholdings                       | \$ 0        |
|    | h. All other state taxes                             | \$ 0        |
| 5. | Necessary expenses:                                  |             |
|    | a. Rent or mortgage payments(s)                      | \$ 0        |
|    | b. Utilities   | \$ 0        |
|    | c. Insurance   | \$ 0        |
|    | d. Merchandise bought for manufacture or sale        | \$ 0        |
|    | e. Other necessary expenses (specify)                |             |
|    | Bank Fee for checks                                  | \$ 17.00    |
|    | Insurance premium payment (see disbursement listing) | \$ 5,564.03 |
|    | U.S. Trustee Quarterly Fees                          | \$ 2,275.00 |
|    | FDIC fee   | \$ .52      |

<sup>1</sup> The Trustee has maintained a single bank account for the seven jointly administered and affiliated debtors: Life Fund 5.1, LLC; Life Fund 5.2, LLC; Houston Tanglewood Partners, LLC; A&O Resource Management, Ltd.; A&O Life Fund, LLC; A&O Bonded Life Assets, LLC; and A&O Bonded Life Settlements, LLC (collectively, the "Debtors"). The receipts/disbursements identified in this report cannot be attributable to any one of the Debtors' estates; thus, the Trustee has prepared an identical report for each of the Debtors' estates.

\*The \$51,111.02 check received from Aviva Life & Annuity is subject to an open dispute with the insurance carrier.

TOTAL DISBURSEMENTS	\$ 7,856.55
NET RECEIPTS (DISBURSEMENTS) FOR THE CURRENT PERIOD	\$ 43,254.47
ENDING BALANCE IN <u>Bank of America, Trustee account</u> (Name of Bank)	\$ 67,143.27*
ENDING BALANCE IN ALL ACCOUNTS	\$ 67,143.27*

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

CASE NAME: A&O Life Fund, LLC

CASE NO. 09-32678

RECEIPTS LISTING

For Month Ending December 31, 2009

Bank: Bank of America (TX1-492-08-16)

Location: 901 Main Street, 8th Floor, Dallas, TX 75202-3714

Account Name: Patrick M. Collins, Trustee for Life Fund 5.1 LLC, et al. (Jointly Adm.)

Account No.: xxx xxx 2450

DATE RECEIVED	DESCRIPTION	AMOUNT
12/22/09	Check from Aviva Life & Annuity Company	\$ 51,111.02

TOTAL: \$ 51,111.02

Receipts may be identified by major categories. It is not necessary to list each transaction separately by name of customer or invoice number. You must, however, create a separate list for each bank account to which receipts were deposited during the month.

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

CASE NAME: A&O Life Fund, LLC

CASE NO. 09-32678

DISBURSEMENT LISTING

FOR MONTH ENDING December 31, 2009

Bank: Bank of America (TX1-492-08-16)

Location: 901 Main Street, 8th Floor, Dallas, TX 75202-3714

Account Name: Patrick M. Collins, Trustee for Life Fund 5.1 LLC, et al. (Jointly Adm.)

Account No.: xxx xxx 2450

<u>DATE DISBURSED</u>	<u>CHECK NO.</u>	<u>DESCRIPTION</u>	<u>AMOUNT</u>
12/02/09	n/a	Bank fee for printed checks	\$ 17.00
12/07/09	1001	Insurance premium payment to The Lincoln National Life Insurance Co. for Vasquez policy	\$ 5,564.03
12/18/09	1002	U.S. Trustee fees for Q3 for debtor Life Fund 5.1 LLC	\$ 325.00
12/18/09	1003	U.S. Trustee fees for Q3 for debtor Life Fund 5.2 LLC	\$ 325.00
12/18/09	1004	U.S. Trustee fees for Q3 for debtor Houston Tanglewood Partners LLC	\$ 325.00
12/18/09	1005	U.S. Trustee fees for Q3 for debtor A&O Resource Management Ltd.	\$ 325.00
12/18/09	1006	U.S. Trustee fees for Q3 for debtor A&O Life Fund LLC	\$ 325.00
12/18/09	1007	U.S. Trustee fees for Q3 for debtor A&O Bonded Life Assets LLC	\$ 325.00
12/18/09	1008	U.S. Trustee fees for Q3 for debtor A&O Bonded Life Settlements LLC	\$ 325.00
12/31/09	n/a	FDIC assessment	\$ .52
TOTAL:			<u>\$7,856.55</u>

You must create a separate list for each bank account from which disbursements were made during the month.

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

CASE NAME: A&O Life Fund, LLC

CASE NO. 09-32678

FOR MONTH ENDING December 31, 2009

STATEMENT OF INVENTORY

Beginning inventory	\$ <u>0</u>
Add: purchases	\$ <u>0</u>
Less: goods sold (cost basis)	\$ <u>0</u>
Ending inventory	\$ <u>0</u>

PAYROLL INFORMATION STATEMENT

Gross payroll for this period	\$ <u>0</u>
Payroll taxes due but unpaid	\$ <u>0</u>

STATUS OF PAYMENTS TO SECURED CREDITORS AND LESSORS

<u>Number of Creditor/ Lessor</u>	<u>Date regular payment is due</u>	<u>Amount of Regular Payment</u>	<u>Number of Payments Delinquent*</u>	<u>Amount of Payments Delinquent*</u>
None				

---

\* Include only post-petition payments.

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

CASE NAME: A&O Life Fund, LLC

CASE NO. 09-32678

FOR MONTH ENDING December 31, 2009

STATEMENT OF AGED RECEIVABLES

ACCOUNTS RECEIVABLE:

Beginning of month balance	\$ <u>0</u>
Add: sales on account	\$ <u>0</u>
Less: collections	\$ <u>0</u>
End of month balance	\$ <u>0</u>

<u>0-30</u>	<u>31-60</u>	<u>61-90</u>	<u>Over 90</u>	<u>End of Month</u>
<u>Days</u>	<u>Days</u>	<u>Days</u>	<u>Days</u>	<u>TOTAL</u>
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

STATEMENT OF ACCOUNTS PAYABLE (POST-PETITION)

Beginning of month balance	\$ <u>0</u>
Add: credit extended	\$ <u>0</u>
Less: payments of account	\$ <u>0</u>
End of month balance	\$ <u>0</u>

<u>0-30</u>	<u>31-60</u>	<u>61-90</u>	<u>Over 90</u>	<u>End of Month</u>
<u>Days</u>	<u>Days</u>	<u>Days</u>	<u>Days</u>	<u>TOTAL</u>
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

ITEMIZE ALL POST-PETITION PAYABLES OVER 30 DAYS OLD ON A SEPARATE SCHEDULE AND FILE WITH THIS REPORT

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

CASE NAME: A&O Life Fund, LLC

CASE NO. 09-32678

FOR MONTH ENDING December 31, 2009

TAX QUESTIONNAIRE

Debtors in possession and trustees are required to pay all taxes incurred after the filing of their Chapter 11 petition on an as due basis. Please indicate whether the following post petition taxes or withholdings have been paid currently.

- |    |                              |         |        |
|----|------------------------------|---------|--------|
| 1. | Federal Income Taxes         | Yes ( ) | No (X) |
| 2. | FICA withholdings            | Yes ( ) | No (X) |
| 3. | Employee's withholdings      | Yes ( ) | No (X) |
| 4. | Employer's FICA              | Yes ( ) | No (X) |
| 5. | Federal Unemployment Taxes   | Yes ( ) | No (X) |
| 6. | State Income Tax             | Yes ( ) | No (X) |
| 7. | State Employee with holdings | Yes ( ) | No (X) |
| 8. | All other state taxes        | Yes ( ) | No (X) |

If any of the above have not been paid, state below the tax not paid, the amounts past due and the date of last payment.

*No taxes are owed*

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

**DECLARATION UNDER PENALTY OF PERJURY**

I, Brian A. Audette, acting as the duly authorized agent for the Debtor in Possession (Trustee) declare under penalty of perjury under the laws of the United States that I have read and I certify that the figures, statements, disbursement itemizations, and account balances as listed in this Monthly Report of the Debtor are true and correct as of the date of this report to the best of my knowledge, information and belief.

/s/ Brian A. Audette  
For the Debtor in Possession (Trustee)

Printed Name: Brian A. Audette

Title: Counsel to Patrick M. Collins, Trustee for  
the Debtor's Estate