

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

<hr/>	)	Chapter 11
	)	
LIFE FUND 5.1, LLC, <i>et al.</i> , <sup>1</sup>	)	Case No. 09 B 32672
	)	
Debtors.	)	Jointly Administered

**STATEMENT OF CHAPTER 11 TRUSTEE JEFF MARWIL REGARDING  
MOTION TO DISMISS CHAPTER 11 CASES OR TRANSFER VENUE**

Jeff Marwil, not individually, but solely in his capacity as chapter 11 trustee (the “Trustee”) to the bankruptcy estates of the above-captioned debtors (collectively, the “Debtors”), in response to the Order of this Court dated March 15, 2010 [Docket No. 342], makes the following statement regarding the motion [Docket No. 12] (the “Motion”) to dismiss or transfer the above captioned chapter 11 cases (the “Chapter 11 Cases”).

1. The Trustee does not support dismissal of the Chapter 11 Cases or transfer of the Chapter 11 Cases to Texas.

2. The most effective use of the limited assets of the Debtors’ estates is to continue the prosecution and administration of the Chapter 11 Cases before this Court and not to burden the Debtors’ estates with the expense and delay associated with transferring such cases to a Bankruptcy Court in Texas. The Chapter 11 Cases have been pending before this Court for more than six months. During that time the Court, the Office of the United States Trustee, and other professionals and parties in interest located in Illinois have become educated about the Debtors and the Chapter 11 Cases. Transfer of the Chapter 11 Cases will force the Debtors’ estates to incur additional expense and undue delay due to, among other things: (a) the time, expense and

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<sup>1</sup> The Debtors in the cases are: (1) Life Fund 5.1, LLC; (2) Life Fund 5.2, LLC; (3) A&O Life Fund, LLC; (4) A&O Resource Management, LLC; (5) A&O Bonded Life Settlement, LLC; (6) A&O Bonded Life Assets, LLC; and (7) Houston Tanglewood Partners, LLC.

logistics of actually transferring the Chapter 11 Cases to Texas; and (b) the time necessary to educate the Texas Bankruptcy Court, the United States Trustees located in Texas, and local Texas professionals regarding these cases and events that previously have transpired therein. These costs and delays may jeopardize ongoing litigation and materially reduce distributions to creditors and investors of the Debtors, neither of which is in the best interests of creditors or investors in the Debtors or other stakeholders of the Debtors' estates.

3. Even without its history in the Chapter 11 Cases and its resulting familiarity with the Debtors and their historical operations, the Illinois Bankruptcy Court would be a suitable location for the Chapter 11 Cases. The Debtors' assets consist chiefly of insurance products that have no physical location and legal claims that can be prosecuted in the Illinois Bankruptcy Court under applicable law (whether the laws of the State of Texas, the State of Illinois, or any other jurisdiction). If necessary, the Trustee and his attorneys can obtain authority to issue subpoenas to compel the production of evidence from and participation of witnesses located outside of Illinois (as they may be required to do in order to compel participation by parties located in Illinois). It is more efficient for the Trustee and his counsel (the parties that will spend more time in Bankruptcy Court on these matters than any other) to walk down the street to the Illinois courthouse than it would be for them to travel to Texas for routine and other hearings. The Debtors' books and records have been delivered to Chicago. Finally, the Trustee will continue to use the existing web page and email address dedicated to the Chapter 11 Cases to communicate with investors and creditors of the Debtors, who are located throughout the country.

4. The Trustee sees no established basis for dismissing the Chapter 11 Cases.

5. The Trustee was aware of the Motion prior to the date of his election, but did not consider the Motion in detail or analyze its merits prior to March 8, 2010 (the date on which the Court confirmed his election and ordered his appointment). After reviewing the Motion and the pleadings filed in response thereto, and for the reasons set forth above, the Trustee joins and adopts the objection [Docket No. 298] to the Motion filed by Patrick Collins, predecessor chapter 11 trustee to the Debtors, and requests that this Court enter an order denying the Motion.

Dated: March 16, 2010  
Chicago, Illinois

**JEFF MARWIL**, not individually, but  
solely in his capacity as Trustee

*/s/ Jeremy T. Stillings*

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One of his attorneys

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