

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

In re:) Chapter 11
)
LIFE FUND 5.1, LLC, *et al.*,¹) Case No. 09 B 32672
)
Debtors.) Jointly Administered

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

TO: SEE ATTACHED SERVICE LIST

PLEASE TAKE NOTICE that on **March 16, 2010**, the undersigned filed the attached **Statement of Chapter 11 Trustee Jeff Marwil Regarding Motion to Dismiss Chapter 11 Cases or Transfer Venue** with the United States Bankruptcy Court, Northern District of Illinois, Eastern Division, a copy of which is enclosed herewith and hereby served upon you.

Dated: March 16, 2010

Respectfully Submitted,

JEFF MARWIL, not individually, but solely in his capacity as Chapter 11 Trustee

By: /s/ Jeremy T. Stillings
Jeremy T. Stillings (ARDC# 06279868)
PROSKAUER ROSE LLP
70 West Madison, Suite 3800
Chicago, Illinois 60602-4342
(312) 962-3529
(312) 962-3551 (Fax)
Proposed Counsel to the Trustee

¹ 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.

CERTIFICATE OF SERVICE

I, Jeremy T. Stillings, an attorney, hereby certify that on March 16, 2010, I caused copies of the foregoing Notice of Filing and enclosed **Statement of Chapter 11 Trustee Jeff Marwil Regarding Motion to Dismiss Chapter 11 Cases or Transfer Venue** to be served upon those parties on the attached service list via first class, United States Mail or the Court's Electronic Case Filing system.

Dated: March 16, 2010

By: /s/ Jeremy T. Stillings

ASHLEY MCKEAND
GIBBS & BRUNS LLP
1100 LOUISIANA, SUITE 5300
HOUSTON TX 77002

BLALOCK, WALTERS, HELD & JOHNSON, P.A.
ATT:MARY FABRE LEVINE, ESQ.
ATTY FOR JOHN G. FRANK
802 11TH STREET WEST
BRADENTON FL 34205

BRACEWELL & GIULIANI LLP
ATTN: DEAN TILLOSTSON & TONY VISAGE
711 LOUISIANA STREET
SUITE 2300
HOUSTON TX 77002

FORIZS & DOGALI, P.A.
ATTN: ZALA FORIZS
4301 ANCHOR PLAZA PKWY, STE 300
TAMPA FL 33634

GERSTNER & GERSTNER
ATT: J.GERSTNER & M. GERSTNER
ATTY FOR NANCY J. GROPP
53 W. JACKSON BLVD., SUITE 1538
CHICAGO IL 60604

HAL F. MORRIS
ASSISTANT ATTORNEY GENERAL
TEXAS ATTY GENERAL'S OFFICE
PO BOX 12548, MC-008
AUSTIN TX 78711-2548

IDEAL SETTLEMENTS CORP
ATTN: ROBERT TAUROSA, AGENT
OR OTHER OFFICER OR MNG AGENT
3401 SHORELINE DRIVE
ALLENWOOD NJ 08720

JACKSON WALKER LLP
JANET DOUVAS CHAFIN
1401 MCKINNEY, SUITE 1900
HOUSTON TX 77010

LANGLEY & BANACK INC
DAVID S GRAGG
TRINITY PLAZA II, 9TH FLOOR
745 E MULBERRY
SAN ANTONIO TX 78212-3166

NANCY J. GROPP
5837 ELECTRIC AVENUE
BERKELEY IL 60163-1522

OFFICE OF THE US TRUSTEE
RICHARD C FRIEDMAN & SANDRA RASNAK
219 S DEARBORN, ROOM 873
CHICAGO IL 60604-1702

PATRICIA A. NAVIN
32 MILL ROAD
HAMPTON NH 03842

PHELAN HALLINAN & SCHMIEG, LLP
ATT: JUDITH T. ROMANO, ESQ.
ATTY FOR INDU R. SHAH
1617 JOHN F. KENNEDY BOULEVARD, STE 1400
PHILADELPHIA PA 19103

PROVIDENT CAPITAL INDEMNITY LTD
MINOR VARGAS CALVO AND
DESARROLLOS COMERCIALES RONIM,SA
OFICINAS EJECUTIVAS SAN RAFAEL
SAN RAFAEL-HEREDIA, COSTA RICA

PROVIDENT CAPITAL INDEMNITY LTD
C/O TEXAS SECRETARY OF STATE
AS AGENT FOR SERVICE
PO BOX 12887
AUSTIN TX 78711-2887

RUSSELL E. MACKERT
5555 WEST LOOP SOUTH
SUITE 605
HOUSTON TX 77401

THOMPSON & KNIGHT LLP
ATTN: J BRANNON & K RICHTER
1722 ROUTH ST, SUITE 1500
DALLAS TX 75201

US SECURITIES & EXCHANGE COMM
ATTN: TOBY GALLOWAY
FORT WORTH REGIONAL OFFICE
801 CHERRY ST, 19TH FLOOR
FORT WORTH TX 76102

WALDRON & SCHNEIDER, LLP
ATTN: MARC H. SCHNEIDER
ATTORNEY TO TROY BROUSSARD & IVO DABELIC
UNIVERSITY PARK 15150 MIDDLEBROOK DRIVE
HOUSTON TX 77058

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

In re:)	Chapter 11
)	
LIFE FUND 5.1, LLC, <i>et al.</i> , ¹)	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

¹ 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

One of his attorneys

Jeremy T. Stillings (ARDC# 06279868)
PROSKAUER ROSE LLP
70 West Madison, Suite 3800
Chicago, Illinois 60602-4342
(312) 962-3529
(312) 962-3551 (Fax)
Proposed Counsel to the Trustee