

**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

**SECOND SUPPLEMENTAL DECLARATION OF MARC E. ROSENTHAL
PURSUANT TO SECTIONS 329 AND 504 OF THE BANKRUPTCY CODE
AND BANKRUPTCY RULES 2014 AND 2016**

I, Marc E. Rosenthal, being duly sworn according to law, depose and state that:

1. I am a partner of the firm of Proskauer Rose LLP (“Proskauer”), which maintains an office for the practice of law at Three First National Plaza, 70 West Madison, Suite 3800, Chicago, Illinois 60602. I am an attorney duly licensed in and am a member in good standing of the bar for the State of Illinois and am admitted to practice before the United States District Court for the Northern District of Illinois. On March 11, 2010, I submitted a declaration in support of the entry of an order authorizing the retention of Proskauer as lead counsel for Jeff Marwil, not individually, but solely in his capacity as chapter 11 trustee (the “Trustee”) to the estates of the above-captioned debtors and debtors in possession (collectively, the “Debtors”) in the above-captioned chapter 11 cases (the “Chapter 11 Cases”), pursuant to section 327(a) of title 11 of the United States Code (11 U.S.C. §§ 101-1532, the “Bankruptcy Code”), and to comply with sections 328 and 504 of the Bankruptcy Code and rules 2014(a) and 5002 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”). I hereby supplement that declaration as follows:

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.

Supplemental Declaration of Connections

2. Neither the firm of Proskauer, any partner or associate thereof, nor I, insofar as I have been able to ascertain, represents any interest adverse to that of the Debtors' estates in the matters upon which the Trustee seeks to engage Proskauer, and I believe the firm to be a "disinterested person" within the meaning of section 101(14) of the Bankruptcy Code.

3. Except as otherwise set forth herein, neither the firm of Proskauer, any partner or associate thereof, nor I, insofar as I have been able to ascertain, has any connection with the potential parties in interest, except that the firm, its partners and associates and I: (a) may appear, may have appeared and may in the future appear in cases or proceedings under the Bankruptcy Code or otherwise not related to the Debtors where one or more of the aforesaid parties may have been or may be involved; and (b) may represent, may have represented or may in the future represent certain creditors and Potential Parties in Interest of the Debtors in matters not related to the Debtors.

4. Relationships between Proskauer (on the one hand) and the Debtors and/or their creditors or affiliates (on the other hand) may presently exist, may have existed in past years and may exist in the future. Any such contacts or relationships do not relate to the Debtors' bankruptcy cases and thus do not create any conflicts with respect to Proskauer's representation of the Trustee. Proskauer is a large law firm with nearly 700 attorneys in twelve offices; as such, the firm's conflict clearance procedures are understandably complex.

5. The firm has conducted, and continues to conduct, research into its relationships with the Debtors and various potential parties in interest. The results of this continued research has led to this supplemental declaration. If additional information arises, Proskauer will further pursue its investigation.

6. The Trustee retained Melville Capital in the Chapter 11 Cases on November 30, 2009. Proskauer has discovered that it represents Melville Capital and certain of its principals in connection with matters wholly unrelated to the Debtors, the Trustee, and these cases.² This representation of Melville Capital and certain of its principals does not constitute a conflict with Proskauer's representation of the Trustee. Proskauer's investigation into this relationship continues. With respect to any creditor or other party in interest that Proskauer represents in matters not related to the Debtors, in the event that the Debtors assert claims or causes of action against such entities, conflict counsel will be employed and Proskauer lawyers working for such clients will not work on the this matter.

7. The aforementioned matters are subject to the same restrictions Proskauer places on all such representations in the context of a chapter 11 debtor or trustee representation. Without obtaining appropriate waivers, if necessary, Proskauer will not represent the Trustee in an adversary proceeding against any client. In addition, Proskauer will not represent any client on any matter involving the Debtors while engaged as the Trustee's counsel in the Chapter 11 Cases.

8. While Proskauer has undertaken, and continues to undertake, efforts to identify connections with the Debtors and other parties in interest, it is possible that connections with some parties in interest have not yet been identified. Should Proskauer, through its continuing efforts, learn of any new connections of the nature discussed herein, Proskauer will so advise the Court.

² Proskauer's representation of Melville Capital and certain of its principals accounts for significantly less than 1% of firm's revenues for the past (5) five years.

9. Proskauer will not, while employed by the Trustee, represent any other entity having an adverse interest in the matters upon which the Trustee seeks to engage Proskauer during the pendency of the Chapter 11 Cases.

Pursuant to 28 U.S.C. § 1746, I declare under penalty of perjury that the foregoing is true and correct.

Executed on May 12, 2010

By: /s/ Marc E. Rosenthal
Marc E. Rosenthal