

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

In re: ) Chapter 11  
)  
LIFE FUND, 5.1, LLC, et. al. ) Case No. 09-32672  
) (Jointly Administered)  
)  
Debtor. ) Hon. A. Benjamin Goldgar

**NOTICE OF MOTION**

PLEASE TAKE NOTICE that on **Wednesday, October 7, 2009 at 9:30 a.m.** or as soon thereafter as counsel may be heard, we will appear before the Honorable A. Benjamin Goldgar, or any other judge sitting in his stead, in Courtroom 613 of the Dirksen Federal Building, 219 S. Dearborn St., Chicago, Illinois, and present *Trustee's Motion for Entry of an Order Authorizing His Employment and Retention of The Garden City Group, Inc. as Claims and Noticing Agent*, at which time and place you may appear as you see fit.

Dated: September 30, 2009

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

By: /s/ Brian A. Audette

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

In re: ) Chapter 11  
)  
LIFE FUND 5.1 LLC, et. al., ) Case No. 09-32672  
) (Jointly Administered)  
)  
Debtors. ) Hon. A. Benjamin Goldgar

**TRUSTEE'S MOTION FOR ENTRY OF AN ORDER  
AUTHORIZING HIS EMPLOYMENT AND RETENTION OF  
THE GARDEN CITY GROUP, INC. AS CLAIMS AND NOTICING AGENT**

Patrick M. Collins, not individually, but solely in his capacity as chapter 11 trustee (the "Trustee") of the bankruptcy estates of Life Fund 5.1, LLC (Case No. 09-32672), Life Fund 5.2, LLC (Case No. 09-32674), A&O Life Fund, LLC (Case No. 09-32678), Houston Tanglewood Partners, LLC (Case No. 09-32676), A&O Resource Management, LP (Case No. 09-32677), A&O Bonded Life Assets, LLC (Case No. 09-32679), and A&O Bonded Life Settlement, LLC (Case No. 09-32681) (collectively, the "Debtors"), submits this motion (the "Motion") for the entry of an order authorizing the Trustee to employ and retain The Garden City Group, Inc. ("GCG") as the Trustee's claims and noticing agent and, in support thereof, states as follows:

**JURISDICTION**

1. This Court exercises jurisdiction over this Motion pursuant to 28 U.S.C. §§ 157 and 1334. This matter is a core proceeding within the meaning of 28 U.S.C. § 157(b)(2). Venue of these bankruptcy cases and this Motion in this District is proper under 28 U.S.C. §§ 1408 and 1409.

2. The statutory bases for the relief sought herein are 28 U.S.C. § 156(c) and Rule 1007-2 of the Local Rules of the United States Bankruptcy Court for the Northern District of Illinois (the "Local Rules").

### **BACKGROUND**

3. On September 2, 2009, the Debtors filed voluntary petitions for relief under chapter 11 of the United States Bankruptcy Code.

4. On September 16, 2009, the Court entered an Order Directing Joint Administration of Related Chapter 11 Cases, which directed joint administration of the Debtors' cases under Case No. 09-32672.

5. On September 16, 2009, the Court entered an Order Granting U.S. Trustee's Motion to Appoint a Chapter 11 Trustee.

6. On September 21, 2009, the Office of the United States Trustee appointed the Trustee as chapter 11 trustee of the Debtors' estates.

7. According to information obtained by the Trustee from the Debtors and the Trustee's own preliminary investigation of the Debtors' businesses, the Debtors operated in the "life settlement industry." The Trustee believes that the Debtors used funds obtained from individual investors to acquire life insurance policies, and the approximately 700 – 1000 individual investors likely comprise the majority of the Debtors' creditors.

### **RELIEF REQUESTED**

8. By this Motion, the Trustee seeks the entry of an order, pursuant to 28 U.S.C. § 156(c) and Local Rule 1007-2, authorizing him to employ and retain GCG as claims and noticing agent to: (a) serve as the Court's notice agent to mail certain notices to the Debtors' creditors and other parties-in-interest; (b) provide computerized claims, objection, and balloting database services; (c) provide expertise, consultation, and assistance in claim and ballot processing; and (d) provide expertise and assistance with disseminating information about these cases to the Debtors' creditors and other parties-in-interest (as described in more detail below).

**BASIS FOR RELIEF REQUESTED**

9. Local Rule 1007-2 provides that "[t]he clerk will supervise preparation of claims registers in all cases. If, however, there are more than 500 creditors in a case, the debtor must employ an entity approved by the clerk to assist the clerk in the performance of this function, unless excused by order of the court." Moreover:

Any court may utilize facilities or services, either on or off the court's premises, which pertain to the provision of notices, dockets, calendars, and other administrative information to parties in cases filed under the provisions of title 11, United States Code, where the costs of such facilities or services are paid for out of the assets of the estate and are not charged to the United States. The utilization of such facilities or services shall be subject to such conditions and limitations as the pertinent circuit council may prescribe.

28 U.S.C. § 156(c).

10. The Trustee believes that the Debtors' creditors, potential creditors, and other parties-in-interest to whom certain notices and voting documents must be sent total approximately 700 – 1000 in number. Accordingly, the Trustee is mandated by Local Rule 1007-2 to retain the services of a claims and noticing agent in these cases. Even if he was not mandated by the Local Rules to do so, the Trustee submits that the most effective and efficient manner by which to accomplish the process of receiving, docketing, maintaining, photocopying and transmitting proofs of claim in these cases is for him to engage an independent third party to act as an agent of the Court.

11. Similarly, the Trustee expects that the solicitation of votes on any liquidating plan of reorganization filed by the Trustee will necessitate the forwarding of ballots, disclosure statement, and related solicitation materials to perhaps more than 1000 creditors and parties-in-interest, as well as the accurate recordation and tabulation of the numerous ballots that are returned by such creditors and parties-in-interest.

12. In addition to the foregoing, the Trustee deems it necessary to provide an efficient mechanism by which he can provide information about the status of these cases to the Debtors' creditors. Many of the Debtors' creditors are concerned investors who regularly request information about the status of their investments and the Debtors' businesses. In that regard, the Trustee needs assistance with developing an informative web-site and call center to respond to all creditor inquiries.

13. GCG is a data processing firm that specializes in noticing, claims processing, and other administrative tasks in chapter 11 bankruptcy cases. The Trustee believes that GCG's retention will expedite service of Bankruptcy Rule 2002 notices, streamline the claims administration process, provide an efficient means of communicating with the Debtors' creditors, while permitting the Trustee to focus on the process of efficiently administering the Debtors' estates for the benefit of the Debtors' creditors and other parties-in-interest.

14. The Trustee believes that GCG is well-qualified to provide such services, expertise, consultation, and assistance. As set forth in the Affidavit of Jeffrey S. Stein (the "Stein Affidavit") in support of this Motion, a copy of which is attached hereto as Exhibit A, GCG has assisted and advised numerous chapter 11 debtors in connection with noticing, claims administration and reconciliation, administration of plan votes, and the development of web-sites and call centers to efficiently communicate information to creditors and parties-in-interest. GCG has been and is currently engaged in a number of large chapter 11 cases, including: In re IFC Credit Corp., case no. 09-27094 (JPC); In re Commercial Mortgage & Fin. Co., case no. 08-73242 (MB); In re Printers Row, LLC, case no. 08-17301 (ERW); and In re Auto. Prof'ls, Inc., case no. 07-06720 (CAD), which were filed in the Northern District of Illinois.

15. The Trustee proposes to retain GCG on substantially the terms and conditions set forth in the Bankruptcy Administration Agreement (the "Agreement"), a copy of which is attached to this Motion as Exhibit B. The Trustee believes that GCG's fees set forth in the exhibit to the Agreement are fair and reasonable. In addition, under the Agreement, the Trustee anticipates that GCG will perform some or all of the following services as claims and noticing agent, at the request of the Trustee or the Clerk's Office:

- a. Prepare and serve required notices in these cases, including, without limitation:
  - (i) Notice of the claims bar date;
  - (ii) Notices of objections to claims;
  - (iii) Notices of any hearings on a disclosure statement and confirmation of a liquidating plan of reorganization; and
  - (iv) Such other miscellaneous notices as the Trustee or the Court may deem necessary or appropriate for an orderly administration of these cases;
- b. Within five business days after the service of a particular notice, file with the Clerk's Office a certificate or affidavit of service that includes (i) a copy of the notice served, (ii) an alphabetical list of persons on whom the notice was served, along with their addresses, and (iii) the date and manner of service;
- c. Maintain copies of all proofs of claim and proofs of interest filed in these cases;
- d. Maintain an official claims register in these cases by docketing all proofs of claim and proofs of interest in a claims database that includes the following information for each such claim or interest submitted:
  - (i) The name and address of the claimant or interest holder and any agent thereof;
  - (ii) The date the proof of claim or proof of interest was received by GCG and/or the Court;
  - (iii) The claim number assigned to the proof of claim or proof of interest; and

- (iv) The asserted amount and classification of the claim;
  - e. Implement necessary security measures to ensure the completeness and integrity of the claims register;
  - f. Transmit to the Clerk's Office a copy of the claims register on a weekly basis, unless requested by the Clerk's Office on a more or less frequent basis;
  - g. Maintain an up-to-date mailing list for all individuals and entities that have filed proofs of claim or proofs of interest and make such list available upon request to the Clerk's Office or any party-in-interest;
  - h. Provide access to the public for examination of copies of the proofs of claim or proofs of interest filed in these cases without charge during regular business hours;
  - i. Record all transfers of claims pursuant to Fed. R. Bankr. P. 3001(e) and provide notice of such transfers as required by Rule 3001(e), if directed to do so by the Court;
  - j. Comply with applicable federal, state, municipal and local statutes, ordinances, rules, regulations, orders and other requirements;
  - k. Provide temporary employees to process claims, as necessary;
  - l. Implement a web-site and call center specific to these cases to provide information about these cases to the Debtors' creditors and parties-in-interest, specifically as directed by the Trustee;
  - m. Promptly comply with such further conditions and requirements as the Clerk's Office or the Court may at any time prescribe; and
  - n. Provide such other claims processing, noticing, balloting, and related administrative services as may be requested from time to time by the Trustee.
16. GCG has represented that:
- a. GCG will not consider itself employed by the United States government and shall not seek any compensation from the United States government in its capacity as claims and noticing agent in these cases;
  - b. By accepting employment in these cases, GCG waives any right to receive compensation from the United States government relating to these cases;

- c. In its capacity as claims and noticing agent in these cases, GCG will not be an agent of the United States and will not act on behalf of the United States;
- d. GCG will not misrepresent any fact to the public; and
- e. GCG will not employ any past or present employees of the Debtors in connection with its work as claims and noticing agent in these cases.

17. As an administrative agent and an adjunct to the Court, the Trustee does not believe that GCG is a "professional" whose retention is subject to approval under 11 U.S.C. § 327, or whose compensation is subject to the Court's approval under 11 U.S.C. §§ 330 and 331. Accordingly, the Trustee requests that the fees and expenses of GCG incurred in the performance of the above services be treated as administrative expenses of the Debtors' chapter 11 estates, that the Debtors' estates be jointly and severally liable for the payment of GCG's fees and expenses, and that GCG's fees and expenses be paid by the Trustee in the ordinary course of business. GCG will submit to the Office of the United States Trustee, on a monthly basis, copies of the invoices it submits to the Trustee for services rendered.

18. To the best of the Trustee's knowledge and except as otherwise set forth in the Stein Affidavit, neither GCG nor any employee thereof has any connection with the Debtors, their creditors, or any other party-in-interest herein, they are "disinterested persons" as that term is defined in 11 U.S.C. § 101(14), and they do not hold or represent any interest adverse to the Debtors' estates.

19. For all of the foregoing reasons, the Trustee believes that his retention of GCG as claims and noticing agent is appropriate and in the best interests of the Debtors' estates, the Debtors' creditors, and other parties in interest.



**CERTIFICATE OF SERVICE**

Brian Audette, an attorney, certifies that on September 30, 2009 he caused a copy of the *Notice of Motion and Trustee's Motion for Entry of an Order Authorizing His Employment and Retention of The Garden City Group, Inc. as Claims and Noticing Agent* to be served on the parties listed on the attached service list by U.S. Mail, postage prepaid, and by the Court's ECF System to those entities entitled to electronic service.

/s/ Brian Audette

**SERVICE LIST**

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Chicago, IL 60682

ING Security Life  
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Chicago, IL 60682

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Pacific Life Insurance Company|  
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**EXHIBIT A**

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

In re: ) CHAPTER 11  
          ) Case No. 09 B 32672  
LIFE FUND 5.1, LLC, et al., ) (Jointly Administered)  
          ) )  
          ) Hon. A. Benjamin Goldgar  
Debtors. )

**AFFIDAVIT OF JEFFREY S. STEIN IN SUPPORT OF THE TRUSTEE'S MOTION  
FOR ENTRY OF AN ORDER AUTHORIZING HIS EMPLOYMENT AND RETENTION  
OF THE GARDEN CITY GROUP, INC. AS CLAIMS AND NOTICING AGENT**

Jeffrey S. Stein, being duly sworn, deposes and says:

1. I am a Vice President of The Garden City Group, Inc. ("GCG"), and I am authorized to make and submit this affidavit on behalf of GCG. This affidavit is submitted in support of the motion (the "Motion") of Patrick M. Collins, not individually, but solely in his capacity as Chapter 11 Trustee ("Trustee") of the bankruptcy estates of Life Fund, 5.1, LLC, Life Fund, 5.2, LLC, A&O Life Fund, LLC, Houston Tanglewood Partners, LLC, A&O Resource Management, LLC, A&O Bonded Life Assets, LLC, and A&O Bonded Life Settlement, LLC (collectively, the "Debtors"), for authorization to retain GCG as official claims and noticing agent ("Claims Agent") for the above-captioned Chapter 11 cases (the "Cases"), pursuant to 28 U.S.C. § 156(c) and Local Rule 1007-2 and the Bankruptcy Administration Agreement attached to the Motion as Exhibit B. The statements contained herein are based upon personal knowledge.

2. GCG is one of the country's leading Chapter 11 administrators with expertise in noticing, claims processing, balloting administration and distribution. GCG is well

qualified to provide experienced noticing, claims and balloting services in connection with these Cases. Among the large Chapter 11 cases in which GCG is or was retained as noticing, claims and/or balloting agent to debtors or chapter 11 trustees are: In re IFC Credit Corporation, case no. 09-27094 (JPC), In re Commercial Mortgage & Finance Co., case no. 08-73242 (MB), In re Printers Row, LLC, case no. 08-17301 (ERW) and In re Automotive Professionals, Inc., case no. 07-06720 (CAD) which were filed in the Northern District of Illinois; In re Motors Liquidation Company, case no. 09-50026 (REG), In re Chiyoda America, Inc., case no. 09-15059 (AJG), In re DBSD North America, Inc., case no 09-13061 (REG), In re BearingPoint, Inc., case no. 09-10691 (REG), In re Fortunoff Holdings, LLC, case no. 09-10497 (RDD), In re Star Tribune Holdings Corporation, case no. 09-10244 (RDD), In re Lenox Sales, Inc., case no. 08-14679 (ALG), In re Alper Holdings USA, Inc., case no. 07-12148 (BRL), In re Our Lady of Mercy Medical Center, case no. 07-10609 (REG), In re The New York Racing Association Inc., case no. 06-12618 (JMP) and In re Saltire Industrial, Inc., case no. 04-15389 (BRL), which were filed in the Southern District of New York; In re CommerceConnect Media Holdings, Inc., case no. 09-12765 (BLS), In re Stant Parent Corp., case no. 09-12647 (BLS), In re Lang Holdings, Inc., case no. 09-12543 (KJC), In re RathGibson, Inc., case no. 09-12452 (CSS), In re Proliance International, Inc., case no. 09-12278 (CSS), In re Pumpkin Patch LLC, case no. 09-12200 (BLS), In re MIG, Inc., case no. 09-12118 (KG), In re Building Materials Holding Corporation, case no. 09-12074 (KJC), In re R.H. Donnelley Corporation, case no. 09-11833 (KG), In re White Energy, Inc., case no. 09-11601 (CSS), In re Aventine Renewable Energy Holdings, Inc., case no. 09-11214 (KG), In re Forward Foods, LLC, case no. 09-10545 (KJC), In re Nailite International, Inc., case no. 09-10526 (MFW), In re Foothills Texas, Inc., case no. 09-10452 (CSS), In re Comfort Co., Inc., case no. 08-12305 (MFW), In re VI Acquisition Corp., case no. 08-10623 (KG),

In re DG Liquidation Corp., case no. 08-10601 (CSS), In re KCMVNO, Inc., case no. 08-10600 (BLS), In re Supplements LT Inc., case no. 08-10446 (KJC), In re ProRhythm, Inc., case no. 07-11861 (KJC), In re S-Tran Holdings, Inc., case no. 05-11391 (RB), In re Flintkote Company, case no. 04-11300 (JKF), In re ACandS, Inc., case no. 02-12687 (RJV) and In re Federal-Mogul Global, Inc., case no. 01-10578 (JKF), which were filed in the District of Delaware; In re Agape World, Inc., case no. 09-70660 (DTE), In re Zurich Depository Corp., case no. 07-71352 (JBR), In re Copperfield Investment, LLC, case no. 07-71327 (JBR), In re The Brunswick Hospital Center, Inc., case no. 07-40290 (CEC), In re Photocircuits Corporation, case no. 05-89022 (SB), In re MetroTec Communications, Inc., case no. 05-20953 (DEM), In re Allou Distributors Inc., et al., case no. 03-82321 (ESS) and In re CyberRebate.com, Inc., case no. 01-16534 (CEC), which were filed in the Eastern District of New York; In re TCI 2 Holdings, LLC, case no. 09-13654 (JHW), In re Foxtons, Inc., et al., case no. 07-24496 (MBK) and In re Muralo Company, Inc., case no. 03-26723 (MS), which were filed in the District of New Jersey; In re Oscient Pharmaceuticals Corporation, case no. 09-16576 (HJB), which was filed in the District of Massachusetts; In re Philadelphia Newspapers, LLC, case No. 09-11204 (JKF), which was filed in the Eastern District of Pennsylvania; In re O'Sullivan Industries, Inc., case no. 05-83049 (CRM) and In re Galey & Lord, Inc., et al., case no. 04-43098 (MGD), which were filed in the Northern District of Georgia; In re Sencorp, case no. 09-12869 (JVA) and In re United Producers, Inc., case no. 05-55272 (CMC), which were filed in the Southern District of Ohio; In re The Boyds Collection, Ltd., case no. 05-43793 (DWK), which was filed in the District of Maryland; In re The Oceanaire Texas Restaurant Company, L.P., case no. 09-34262 (BJH) and In re Romacorp, Inc., case no. 05-86818 (BJH), which were filed in the Northern District of Texas; In re Crescent Resources LLC, case no. 09-11507 (CAG), which was filed in the Western District of Texas; In re Mercury Companies,

Inc., case no. 08-23125 (MER), which was filed in the District of Colorado; and In re Hawaiian Airlines, Inc., case no. 03-00817 (RJF), which was filed in the District of Hawaii.

3. The Trustee selected GCG to serve as the Claims Agent for the Debtors' estates, as set forth in more detail in the Motion filed contemporaneously herewith. To the best of my knowledge, neither GCG, nor any of its professional personnel, have any relationship with the Debtors that would impair GCG's ability to serve as Claims Agent. GCG does have relationships with some of the Debtors' creditors, but they are in matters completely unrelated to these Cases, either as vendors or in cases where GCG serves in a neutral capacity as a class action settlement claims administrator. GCG's assistance in the cases where GCG acts as a class action settlement claims administrator has been primarily related to the design and dissemination of legal notice and other administrative functions in class actions. GCG has working relationships with certain of the professionals retained by the Debtors and other parties herein but such relationships are completely unrelated to these Cases. I have been advised that Jennifer Keough, an Executive Vice President at GCG, is an attorney formerly associated with the Trustee's proposed counsel, Perkins Coie LLP ("Perkins"). Ms. Keough was employed by Perkins from January 2001 through June 2003. I have also been advised that while employed at Perkins, Ms. Keough did not work on any matters involving the Debtors. In fact, Ms. Keough was no longer employed by Perkins when these Cases were filed. I have also been advised that Betsy Alaniz, a Deputy General Counsel and Deputy Manager at GCG, is an attorney formerly associated with Perkins. Ms. Alaniz was employed by Perkins from September 1991 through July 2006. I have also been advised that while employed at Perkins, Ms. Alaniz did not work on any matters involving the Debtors. In fact, Ms. Alaniz was no longer employed by Perkins when these Cases were filed. In addition, GCG personnel may have relationships with some of the

Debtors' creditors; however, such relationships are of a personal, financial nature and completely unrelated to these Cases. GCG has and will continue to represent clients in matters unrelated to these Cases and has had and will continue to have relationships in the ordinary course of its business with certain vendors and professionals in connection with matters unrelated to these Cases.

4. Since 1999, GCG has been a wholly owned subsidiary of Crawford & Company. I am advised that Crawford & Company has no material relationship with the Debtors, and while it may have rendered services to certain creditors or have a vendor relationship with some creditors, such relationships were (or are) in no way connected to GCG's representation of the Trustee in these Cases.

5. GCG is a "disinterested person," as that term is defined in section 101(14) of the Bankruptcy Code, in that GCG and its professional personnel:

(a) are not creditors, equity security holders or insiders of the Trustee or the Debtors;

(b) are not and were not, within two years before the date of the filing of these Cases, directors, officers or employees of the Trustee or the Debtors; and

(c) do not have an interest materially adverse to the interests of the Trustee or the Debtors' estates or any class of creditors or equity security holders, by reason of any direct or indirect relationship to, connection with, or interest in, the Trustee or the Debtors.

6. GCG has not been retained to assist any entity or person other than the Trustee on matters relating to, or in connection with, these Cases. If GCG's proposed retention is approved by this Court, GCG will not accept any engagement or perform any service for any entity or person other than the Trustee in these Cases. GCG may, however, provide professional

services to entities or persons that may be creditors or parties in interest in these Cases, which services do not relate to, or have any direct connection with, these Cases or the Trustee or the Debtors.

7. GCG represents, among other things, that:

(a) It will not consider itself employed by the United States government and shall not seek any compensation from the United States government in its capacity as Claims Agent;

(b) By accepting employment in these Cases, GCG waives any right to receive compensation from the United States government;

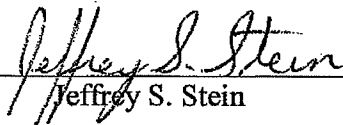
(c) In its capacity as Claims Agent, GCG will not be an agent of the United States and will not act on behalf of the United States; and

(d) GCG will not employ any past or present employees of the Trustee or the Debtors in connection with its work as Claims Agent.


8. Subject to the Court's approval, the Trustee has agreed to compensate GCG for professional services rendered in connection with these Cases pursuant to the Agreement which is attached to the Motion as Exhibit B. Payments are to be based upon the submission to the Trustee by GCG of a billing statement, which includes a detailed listing of services and expenses, at the end of each calendar month.

9. GCG will comply with all requests of the Clerk of the Court and the guidelines promulgated by the Judicial Conference of the United States for the implementation of 28 U.S.C. § 156(c).

*(signature page follows)*

  
\_\_\_\_\_  
Jeffrey S. Stein

Sworn and subscribed to  
before me this 25 day  
of September, 2009

  
\_\_\_\_\_  
Notary Public

SUSAN P. GODDARD  
Notary Public, State of New York  
No. 41-4980006  
Qualified in Nassau County  
Certificate Filed in New York County  
Commission Expires Sept. 23, 2013

**EXHIBIT B**



The Garden City Group, Inc.

## BANKRUPTCY ADMINISTRATION AGREEMENT

This Bankruptcy Administration Agreement, dated as of September 23, 2009, is between The Garden City Group, Inc., a Delaware corporation (the "Company"), and Patrick M. Collins, not individually, but solely in his capacity as chapter 11 Trustee (the "Client") of the bankruptcy estates of Life Fund 5.1, LLC (Case No. 09-32672), Life Fund 5.2, LLC (Case No. 09-32674), A&O Life Fund, LLC (Case No. 09-32678), Houston Tanglewood Partners, LLC (Case No. 09-32676), A&O Resource Management, LLC (Case No. 09-32677), A&O Bonded Life Assets, LLC (Case No. 09-32679), and A&O Bonded Life Settlement, LLC (Case No. 09-32681) (collectively, the "Debtors").

The Client desires to retain the Company to perform certain noticing, claims processing and balloting administration, contact center and website services for the Client in the Debtors' chapter 11 cases filed in the United States Bankruptcy Court for the Northern District of Illinois (the "Bankruptcy Court"), and the Company desires to be so retained, in accordance with the terms and conditions of this Agreement.

In consideration of the mutual covenants herein contained, the parties hereby agree as follows:

1. Services. The Company agrees to provide the services necessary to perform the tasks specified in the pricing schedule that has been supplied to the Client and which is attached hereto as **Exhibit A**. Such services are hereinafter referred to as "Services." The Client agrees and understands that none of the Services constitute legal advice.

2. Payment for Services; Expenses.

2.1 Compensation. As full compensation for the Services to be provided by the Company, the Client agrees to pay the Company its fees as outlined in the pricing schedule attached hereto as **Exhibit A** (subject to Bankruptcy Court approval in the event of an unresolved dispute). Premium rates may apply for Services performed after normal business hours and during weekends and holidays. Billing rates may be adjusted from time to time by the Company in its reasonable discretion, although billing rates generally are changed on an annual basis.

2.2 Expenses. In addition to the compensation set forth in Section 2.1, the Client shall reimburse the Company for all out-of-pocket expenses reasonably incurred by the Company in connection with the performance of the Services (subject to Bankruptcy Court determination in the event of an unresolved dispute). The out-of-pocket expenses will be billed on the expense (non-fee) portion of the Company's invoice to the Client and may include, but are not limited to, postage, banking fees, brokerage fees, costs of messenger and delivery service, travel, filing fees, staff overtime meal expenses and other similar expenses. In some cases, the Company may receive a rebate at the end of a year from a vendor.

2.3 Billing and Payment. Except as provided in Section 2.2, the Company shall bill the Client for their fees and expenses on a monthly basis, and the Client shall pay the Company within

thirty (30) days of its receipt of each such bill in the ordinary course of business (subject to Bankruptcy Court approval in the event of an unresolved dispute). Unless otherwise agreed to in writing, the fees for print notice and media publication (including commissions) as well as certain expenses such as postage must be paid at least three (3) business days in advance of those fees and expenses being incurred. The Company agrees and acknowledges that all fees and expenses due hereunder shall be payable solely from the assets of the Debtors' estates and the Client, his counsel, or any of his agents or employees shall not be personally liable to the Company for any such fees and expenses.

3. Term and Termination.

3.1 Term. The term of this Agreement shall commence on the date hereof and shall continue until performance in full of the Services, unless earlier terminated as set forth herein.

3.2 Termination.

(a) In the event of any material breach of this Agreement by either party hereto, either party may apply to the Bankruptcy Court for an order allowing termination of the Agreement. Grounds for termination include: (i) failure to cure a material breach within thirty (30) days after receipt of the notice by the non-breaching party or (ii) in the case of any breach which requires more than thirty (30) days to effect a cure, failure to commence and continue in good faith efforts to cure such breach, provided that such cure shall be effected no later than ninety (90) days after receipt of such notice of such breach. Waiver of any such default or material breach by either party hereto shall not be construed as limiting any right of termination for a subsequent default or material breach.

(b) The Company shall be entitled to an administrative claim for all fees and expenses outstanding at the time of termination (subject to Bankruptcy Court approval in the event of an unresolved dispute).

4. Independent Contractor. It is understood and agreed that the Company, through itself or any of its agents, shall perform the Services as an independent contractor. Neither the Company nor any of its employees shall be deemed to be an employee of the Client. Neither the Company nor any of its employees shall be entitled to any benefits provided by the Client to his employees, and the Client will make no deductions from any of the payments due to the Company hereunder for state or federal tax purposes. The Company agrees that the Company shall be responsible for any and all taxes and other payments due on payments received hereunder by the Company from the Client. Nothing in this Agreement requires the Client to use the Company for any future work relating to the Services, and, in the event the Client decides to use another party for such future work, the Company agrees to cooperate fully with the Client to ensure a smooth transition to the new party.

5. Accuracy of Client Supplied Information. The Client is responsible for the accuracy of all programs, data and other information he submits to the Company (including all information for schedule and statement preparation) and for the output of such information. The Company may undertake to place that data and information into certain systems and programs, including in connection with the generation of Schedules of Assets and Liabilities ("Schedules") and Statements of Financial Affairs ("Statements"). The Company does not verify information provided by the Client and, with respect to Schedules and Statements preparation, all decisions are at the sole discretion and direction of the Client. All Schedules and Statements filed on behalf of, or by, the Client are reviewed and ultimately approved by the Client, and the Company bears no responsibility for the accuracy or contents therein.

6. Confidential Information.

6.1 Confidentiality. In connection with this Agreement, the Client and the Company (as the case may be, the "Disclosing Party") may disclose to the Company or the Client (as the case may be, the "Receiving Party") certain information (a) that is marked or otherwise identified in writing as confidential or proprietary information of the Disclosing Party ("Confidential Information") prior to or upon receipt by the Receiving Party; or (b) which the Receiving Party reasonably should recognize from the circumstances surrounding the disclosure to be Confidential Information. The Receiving Party (x) shall hold all Confidential Information in confidence and will use such information only for the purposes of fulfilling the Receiving Party's obligations hereunder and for no other purpose, and (y) shall not disclose, provide, disseminate or otherwise make available any Confidential Information to any third party other than for the purposes of fulfilling the Receiving Party's obligations hereunder, in either case without the express prior written permission of the Disclosing Party. Notwithstanding the foregoing, the Receiving Party may disclose Confidential Information pursuant to a validly issued subpoena or order of a court of competent jurisdiction.

6.2 Protection of Intellectual Property. The Client acknowledges that the Company's intellectual property, including, without limitation, the Company's inventions (whether or not patentable), processes, trade secrets and know how are of ultimate importance to the Company. Accordingly, the Client agrees to use his best efforts to protect such intellectual property, and shall not, either during the term of this Agreement or subsequent to its termination, utilize, reveal or disclose any of such intellectual property. The Client understands that the software programs and other materials furnished by the Company pursuant to this Agreement and/or developed during the course of this Agreement by the Company are the sole property of the Company. The term "program" shall include, without limitation, data processing programs, check printing programs, specifications, applications, routines, sub-routines, procedural manuals, and documentation. The Client further agrees that any ideas, concepts, know-how or techniques relating to the claims management software used or developed by the Company during the course of this Agreement shall be the exclusive property of the Company.

6.3 Scope. The foregoing obligations in Sections 6.1 and 6.2 shall not apply to (a) information that is or becomes generally known or available by publication, commercial use or otherwise through no fault of the Receiving Party; (b) information that is known by the Receiving Party prior to the time of disclosure by the Disclosing Party to the Receiving Party; (c) information that is obtained from a third party who, to the Receiving Party's knowledge, has the right to make such disclosure without restriction; (d) any disclosure required by applicable law; or (e) information that is released for publication by the Disclosing Party in writing. The obligations set forth under Sections 6.1 and 6.2 shall survive the termination of this Agreement.

7. Limitation on Damages. The Company shall be without liability to the Client with respect to anything done or omitted to be done, in accordance with the terms of this Agreement or instructions properly received pursuant hereto, if done in good faith and without negligence or willful or wanton misconduct. In no event shall liability to the Client for any claims, losses, costs, fines, penalties or damages, including court costs and reasonable attorneys' fees (collectively, "Losses"), whether direct or indirect, arising out of or in connection with or related to this Agreement, exceed the total amount billed or billable to the Client for the portion of the particular work which gave rise to the Losses. Under no circumstances will the Company be liable to the Client for any special, consequential or incidental damages incurred by the Client relating to this Agreement or the performance of Services hereunder, regardless of whether the Client's claim is for breach of warranty, contract, tort (including negligence), strict liability or otherwise.

8. Indemnification. Client hereby indemnifies and holds (or agrees to hold) harmless the Company and its directors, officers, employees, affiliates and agents against any Losses incurred by the Company arising out of or in connection with or related to (a) any gross negligence or willful misconduct by Client, his employees, agents or representatives, or any misrepresentations made by such persons to

third parties in connection with the Company's acts or omissions in connection with its rendition of the Services; (b) any breach of this Agreement by the Client; or (c) any erroneous instructions or information provided to the Company by the Client for use in providing the Services.

9. Jurisdiction. This Agreement is subject to the approval of the Bankruptcy Court, and such Court shall retain jurisdiction over all matters regarding this Agreement.

10. Force Majeure. Whenever performance by the Company of any of its obligations hereunder is substantially prevented by reason of any act of God, strike, lock-out or other industrial or transportation disturbance, fire, lack of materials, law, regulation or ordinance, war or war conditions, or by reason of any other matter beyond the Company's reasonable control, then such performance shall be excused and this Agreement shall be deemed suspended during the continuation of such prevention and for a reasonable time thereafter.

11. Notice. Any notice or other communication required or permitted hereunder shall be in writing and shall be delivered personally, or sent by registered mail, postage prepaid, or overnight courier. Any such notice shall be deemed given when so delivered personally, or, if mailed, five days after the date of deposit in the United States mail, or, if sent by overnight courier, one business day after delivery to such courier, as follows: if to the Company, to The Garden City Group, Inc., 105 Maxess Road, Melville, New York 11747-3836, Attention: David Isaac, President; and if to the Client, to Perkins Coie LLP, 131 South Dearborn Street, Suite 1700, Chicago, Illinois 60603 Attention: Brian Audette, Esq.

12. Governing Law. This contract will be governed by and construed in accordance with the laws of the State of Illinois (without reference to its conflict of laws provisions).

13. Severability. All clauses and covenants contained in this Agreement are severable and in the event any of them are held to be invalid by any court, such clause or covenant shall be valid and enforced to the maximum extent as to which it may be valid and enforceable, and this Agreement will be interpreted as if such invalid clauses or covenants were not contained herein.

14. Assignment. This Agreement and the rights and obligations of the Company and the Client hereunder shall bind and inure to the benefit of any successors or assigns thereto.

15. General. This Agreement supersedes and replaces any existing agreement entered into by the Company and the Client relating generally to the same subject matter, and may be modified only in a writing signed by the Company and the Client. The paragraph headings in this Agreement are included only for convenience, do not in any manner modify or limit any of the provisions of this Agreement and may not be used in the interpretation of this Agreement. Failure to enforce any provision of this Agreement shall not constitute a waiver of any term hereof. This Agreement contains the entire agreement between the parties with respect to the subject matter hereof. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one in the same instrument. The Client shall file an application with the Bankruptcy Court seeking approval of this Agreement (the "Application"). If an order is entered approving such Application (the "Order"), any discrepancies between this Agreement, the Application and the Order shall be controlled by the Application and Order.

*(signature page follows)*

IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and year set forth above.

**PATRICK M. COLLINS, AS TRUSTEE**

**THE GARDEN CITY GROUP, INC.**

By: *Patrick M. Collins*

By: *Jeffrey S. Stein*

Name: PATRICK COLLINS

Name: Jeffrey S. Stein

Title: TRUSTEE

Title: Vice President

Exhibit A

Pricing Schedule

September 23, 2009

**The Garden City Group, Inc. Pricing for Perkins Coie, LLP**

**Set-Up Creditor File**

Set-up fee .....	Waived
Electronic import of creditor data .....	\$0.02 per creditor name
Assist with production of Schedules and Statements of Financial Affairs .....	Standard hourly rates

**Noticing**

Laser printing (includes folding, insertion, and envelopes).....	\$0.10 per page (volume discounts apply) <sup>1</sup>
Electronic noticing (e-mail) .....	\$100 per 1,000 (volume discounts apply)
Facsimile noticing (domestic facsimile) .....	\$0.10 per page
Personalization/labels .....	\$0.05 each
Legal publication of notice .....	Quote
Processing undeliverables .....	\$0.25 each

**Document Management**

Sort and prep mail.....	Standard hourly rates
Document scanning, bar coding, and claims association.....	\$0.12 per image
Document storage (paper).....	\$1.50 per box
(electronic).....	\$.02 per creditor/image (waived for first 3 months)

**Claims Administration**

Association of claimant name and address to database .....	\$0.15 per claim
Processing of claims, including non-conforming claims; supervisory review; application of message codes .....	Standard hourly rates

**Balloting**

Balloting (including coordination with nominees and Broadridge and processing of master ballots, tabulation, verification and certification of vote) .....	Standard hourly rates
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**GCG's Proprietary Electronic Database/Remote Access**

License fee .....	No Charge
Remote access/Permitted Users .....	\$250 per month for the first 5 users additional \$250 per month up to an additional 5 users

<sup>1</sup> Laser printing in excess of 5,000 pieces or consisting of more than an 8 page document are subject to a volume discount quote at the time of preparation.



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

In re: ) Chapter 11  
)  
LIFE FUND 5.1 LLC, et. al., ) Case No. 09-32672  
) (Jointly Administered)  
)  
Debtors. ) Hon. A. Benjamin Goldgar

**ORDER AUTHORIZING THE TRUSTEE'S EMPLOYMENT AND RETENTION  
OF THE GARDEN CITY GROUP, INC. AS CLAIMS AND NOTICING AGENT**

THIS MATTER COMING TO BE HEARD upon the Trustee's Motion for Entry of an Order Authorizing His Employment and Retention of the Garden City Group, Inc. as Claims and Noticing Agent (the "Motion");<sup>1</sup> the Court having found that the relief requested in the Motion is in the best interests of the Debtors' estates, the Debtors' creditors and other parties-in-interest; the Court having found that due and proper notice of the Motion has been given; and the Court being otherwise fully advised in the premises, IT IS HEREBY ORDERED THAT:

1. Pursuant to 28 U.S.C. § 156(c) and Local Rule 1007-2, the Trustee is authorized to employ and retain The Garden City Group, Inc. ("GCG") as his claims and noticing agent in these chapter 11 cases to perform the services set forth in the Motion and pursuant to the Bankruptcy Administration Agreement attached to the Motion as Exhibit B.
2. GCG shall, on a monthly basis, submit invoices for its services rendered to the Trustee, with a copy to the Office of the United States Trustee.
3. The fees and expenses of GCG incurred in the performance of the services described in the Motion and the Bankruptcy Administration Agreement attached to the Motion as Exhibit B shall be treated as administrative expenses of the Debtors' estates, the Debtors' estates

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<sup>1</sup> Capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Motion.

shall be jointly and severally liable for GCG's fees and expenses, and GCG's fees and expenses may be paid by the Trustee in the ordinary course of business.

4. As a condition to its employment and retention, GCG shall meet with the Clerk of the Court to agree upon such procedures for administration of GCG's services as the Clerk of the Court may request.

5. Except as otherwise may be ordered by the Court pursuant to 11 U.S.C. § 107(b), all papers, dockets or other material filed in these cases with GCG shall be deemed public records open to examination by any entity at reasonable times without charge. GCG may charge a fee for copying requested material, but the fee shall not exceed that charged pursuant to the Bankruptcy Court Fee Schedule issued by the Judicial Conference of the United States in accordance with 28 U.S.C. § 1930(b).

Dated: October \_\_\_\_\_, 2009

ENTER:

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United States Bankruptcy Judge