

**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 Application to Employ and Retain Perkins Coie LLP as His Counsel Effective Nunc Pro Tunc to September 21, 2009*, 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
PERKINS COIE LLP
David M. Neff (ARDC # 6190202)
Brian A. Audette (ARDC # 6277056)
131 S. Dearborn Street, Suite 1700
Chicago, Illinois 60603-5559
Telephone: (312) 324-8400
Facsimile: (312) 324-9400

Proposed Attorneys for the Trustee

**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 APPLICATION TO EMPLOY AND RETAIN
PERKINS COIE LLP AS HIS COUNSEL EFFECTIVE
NUNC PRO TUNC TO SEPTEMBER 21, 2009**

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 application (the "Application") for an order authorizing the Trustee to employ and retain David M. Neff and the partners, associates and paraprofessionals of the law firm of Perkins Coie LLP (collectively "Perkins Coie") as his counsel effective *nunc pro tunc* to September 21, 2009. In support of this Application, the Trustee respectfully represents as follows:

JURISDICTION

1. This Court exercises jurisdiction over this Application 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 Application in this District is proper under 28 U.S.C. §§ 1408 and 1409.

2. The statutory bases for the relief requested herein are sections 327, 328 and 1107(b) of title 11 of the United States Code (the "Bankruptcy Code") and Rule 2014 of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules").

BACKGROUND

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

RELIEF REQUESTED

7. By this Application, the Trustee requests the entry of an order pursuant to sections 327, 328, and 1107(b) of the Bankruptcy Code and Bankruptcy Rule 2014 authorizing him to employ and retain Perkins Coie as his attorneys to perform the legal services that will be required and necessary during these cases, effective *nunc pro tunc* to September 21, 2009.

BASIS FOR RELIEF REQUESTED

8. The Trustee believes it is critical to retain counsel to assist and advise him in connection with his rights, duties, and obligations as the Trustee of the Debtors' estates. The Trustee's immediate retention of counsel is essential to enable the Trustee to quickly and efficiently investigate the Debtors, their assets, their liabilities, and their prospects for reorganization and/or liquidation. Perkins Coie has vast experience and knowledge in the field

of debtors' and creditors' rights and business reorganizations under the Bankruptcy Code. In addition to its extensive business reorganizations practice, Perkins Coie has significant and substantial expertise in the areas of investigations and white collar defense, and financial services litigation and investigation. Moreover, Perkins Coie's attorneys are well-versed in the area of insurance coverage and litigation. Accordingly, the Trustee believes that Perkins Coie is well-suited to advise him and guide him through all aspects of the chapter 11 process and assist with administering the Debtors' estates for the benefit of the Debtors' investors, creditors and other parties in interest.

SERVICES TO BE RENDERED

9. Perkins Coie's services are necessary to enable the Trustee to execute faithfully his duties as chapter 11 Trustee of the Debtors' estates. Subject to further order of Court, Perkins Coie will render various services to the Trustee, including, without limitation, the following:

- (a) advising the Trustee with respect to his powers and duties as chapter 11 Trustee in the continued management and operation of the Debtors' businesses and property;
- (b) attending meetings and negotiating with representatives of the Debtors, investors, creditors and other parties in interest and advising and consulting on the conduct of these cases, including all of the legal and administrative requirements of operating in chapter 11;
- (c) taking all necessary action to protect and preserve the Debtors' assets, including the investigation and prosecution of actions on behalf of the Debtors' estates, the defense of any actions commenced against the Debtors' estates, investigations and negotiations concerning litigation in which the Debtors may be involved, and objections to claims filed against the Debtors' estates;
- (d) preparing motions, applications, answers, orders, reports, papers and other pleadings necessary to administer the Debtors' estates;
- (e) preparing and negotiating on the Trustee's behalf any plan, disclosure statement, and all related agreements and/or documents and taking any necessary action to obtain confirmation of such plan;

- (f) appearing before this Court, appellate courts, and any other courts to protect the interests of the Trustee and the Debtors' estates; and
- (g) performing any and all other necessary legal services in connection with the Debtors' Cases and their administration.

10. It is necessary and essential that the Trustee employ Perkins Coie as his attorneys to render the foregoing professional services. Perkins Coie has indicated a willingness to act on behalf of, and render such services to, the Trustee.

PERKINS COIE'S DISINTERESTEDNESS

11. To the best of the Trustee's knowledge, and except as otherwise set forth herein or in the Declaration of David M. Neff (the "Neff Declaration"), a copy of which is attached hereto as **Exhibit A**, the members, counsel and associates of Perkins Coie: (a) do not have any connection with any of the Debtors, their affiliates, their creditors or any other party in interest, or their respective attorneys and accountants, the United States Trustee for the Northern District of Illinois or any other person employed in the office of the same, or any judge in the Bankruptcy Court for the Northern District of Illinois or any person employed in the offices of the same; (b) are "disinterested persons" as that term is defined in section 101(14) of the Bankruptcy Code; and (c) do not hold or represent any interest adverse to the Debtors' estates.

12. To the best of the Trustee's knowledge and except as set forth in the Neff Declaration:

- (a) neither Perkins Coie nor any attorney at the firm holds or represents an adverse interest to the Debtors' estates;
- (b) neither Perkins Coie nor any attorney at the firm is or was a creditor or an insider of the Debtors;
- (c) neither Perkins Coie nor any attorney at the firm is or was, within two years before the Petition Date, a director, officer, or employee of the Debtors; and

- (d) Perkins Coie does not have an interest materially adverse to the interest of the Debtors' estates or of any class of creditors or equity security holders, by reason of any direct or indirect relationship to, connection with, or interest in the Debtors, or for any other reason.

13. In light of the foregoing, the Trustee believes that Perkins Coie is a "disinterested person" within the meaning of Bankruptcy Code section 101(14). Perkins Coie has informed the Trustee that if any of the foregoing statements and representations change during the course of these cases, Perkins Coie will amend this Application and/or the Neff Declaration, as applicable.

PROFESSIONAL COMPENSATION

14. During the course of these cases, Perkins Coie will invoice the Trustee no less frequently than monthly for services rendered and charges and disbursements incurred. The hourly rates and corresponding rate structure utilized by Perkins Coie in these cases is equivalent to the hourly rates and corresponding rate structure predominantly used by Perkins Coie for restructuring, workout, bankruptcy, insolvency, and comparable matters, whether in court or otherwise, regardless of whether a fee application is required. The rates and rate structure reflect that such restructuring matters typically involve great complexity and severe time pressures.

15. Perkins Coie operates in a complicated, national marketplace for legal services in which rates are driven by multiple factors relating to the individual lawyer, his or her area of specialization, the firm's expertise, performance and reputation, the nature of work involved and other factors. Perkins Coie has no one rate for an individual attorney or paraprofessional that applies to all matters for all clients. Perkins Coie's rates for an individual attorney or paraprofessional may vary as a function of the type of matter, geographic factors, and the nature of certain long-term client relationships.

16. Perkins Coie's hourly rates are set at a level designed to fairly compensate Perkins Coie for the work of its attorneys and paraprofessionals and to cover fixed and routine

overhead expenses. Hourly rates for these cases vary with the experience and seniority of the individuals assigned. These hourly rates are consistent with the rates charged elsewhere. In particular, Perkins Coie's hourly rates for these cases range from \$210.00 to \$695.00 per hour for its partners, \$175.00 to \$430.00 for its associates, and from \$45.00 to \$350.00 for its paralegals.

17. The following attorneys are presently expected to have responsibility for providing services to the Trustee:

Name of Individual	Title	Years Experience	Hourly Rate
David M. Neff	Partner	23	\$620.00
Brian A. Audette	Associate	7	\$430.00
Jonathan Buck	Associate	7	\$430.00

18. In addition, Perkins Coie has been using and will likely continue to use additional professionals and paraprofessionals to provide services to the Trustee.

19. The hourly rates set forth above are Perkins Coie's standard hourly rates for the types of services to be performed herein as of January 1, 2009. In the normal course of business, Perkins Coie revises its regular rates on January 1 of each year and requests that, effective January 1st of each year, the aforementioned rates be revised to the regular rates which will be in effect at that time.

20. It is Perkins Coie's policy to charge its clients in all areas of practice for identifiable, non-overhead expenses incurred in connection with the client's case that would not have been incurred except for representation of that particular client. It is also Perkins Coie's policy to charge its clients only the amount actually incurred by Perkins Coie in connection with such items. Examples of such expenses are overnight mail, messenger delivery, transportation, photocopying (at \$0.10 per page), airfare, meals, lodging, computerized research, witness fees, and other fees related to trials and hearings.

21. No promises have been received by Perkins Coie or by any partner, counsel or associate thereof as to compensation in connection with these cases other than in accordance with the provisions of the Bankruptcy Code. Perkins Coie has no agreement with any other entity to share with such entity any compensation received by Perkins Coie in connection with these cases.

22. Perkins Coie further states that pursuant to Bankruptcy Rule 2016(b) it has not shared, nor agreed to share, (a) any compensation it has received or any compensation that it will receive with another party or person, other than with the partners, of counsel, associates and contract attorneys associated with Perkins Coie, or (b) any compensation another person or party has received or may receive.

23. Perkins Coie intends to apply to the Court for allowance of compensation for professional services rendered and reimbursement of expenses incurred in these cases in accordance with applicable provisions of the Bankruptcy Code, the Federal Rules of Bankruptcy Procedure, the Local Rules and Orders of this Court.

24. The Trustee submits that the engagement and retention of Perkins Coie as his counsel in these cases is necessary and in the best interests of the Trustee, the Debtors' estates, the Debtors' investors, the Debtors' creditors, and other parties in interest and should be approved.

NOTICE

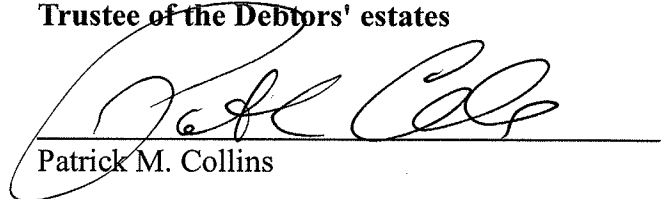
25. Notice of this Application has been given to: (a) the Office of the United States Trustee; (b) the Securities and Exchange Commission; (c) certain state and federal taxing authorities; (d) a consolidated list of the Debtors' 30 largest unsecured creditors (as provided by the Debtors); (e) certain insurance companies that have done business with the Debtors, and (f) any and all parties that have appeared in the cases or otherwise requested notice of pleadings. In light of the nature of the relief requested, the Trustee submits that no further notice is required.

WHEREFORE, the Trustee respectfully requests that the Court enter an order (a) authorizing the Trustee to employ and retain Perkins Coie as his counsel effective *nunc pro tunc* to September 21, 2009, and (b) granting such other and further relief as this Court deems just and proper.

Dated: September 30, 2009

Respectfully submitted,

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



Patrick M. Collins

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 Application to Employ and Retain Perkins Coie LLP as His Counsel Effective Nunc Pro Tunc to September 21, 2009* 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

Aguilar, Jorge and Amelia JTWROS
2310 Engeling Road
Rosenburg, TX 77471

AIG American General
8430 W. Bryn Mawr Ave., 3rd Floor
Chicago, IL 60631

AVIVA
P.O. Box 14590
Des Moines, IA 50306

Bush, Jon M.
8324 N.W. Lakeview Drive
Parkville, MO 64152

Cohn, Barry H.
3010 Powderhorn Point
Richmond, TX 77802

Curtis, Blaine W. & Claudia B.
JTIC
1910 London Plane Road
Salt Lake City, UT 84124

Dabelic, Ivo
326 Gleneagles Drive
Friendswood, TX 77546

Danielowicz, David
1913B Nantuckett
Houston, TX 77057

Elizabeth A. Bryant Living Trust
316 Cedar Valley Road
Delafield, WI 53018

Foulis, Robert F.
773 CR439
Laward, TX 77970

Geiger, Charles C.
265 Claremont Avenue
Elmhurst, IL 60126

Genworth Life and Annuity
Insurance Company
3100 Albert Lankford Drive
Lynchburg, VA 24501

Gerdes, Adolph
8823 Tanager Street
Houston, TX 77036

Gibson, Evelyn L.
2309 Bristol
Bryan, TX 77802

Giger, James J. and Therese M.
1675 Estate Circle
Naperville, IL 60565

Harper, Carrie J. & Joseph M.
JTWRO
12309 Johnson Road
Petersburg, VA 23805

ING ReliaStar Life
8132 Innovation Way
Chicago, IL 60682

ING Security Life
8408 Innovation Way
Chicago, IL 60682

John Hancock Life Insurance Company
197 Clarendon Street
Billing C-6
Boston, MA 02116

Lincoln Benefit Life Company
2940 S. 84th Street
Lincoln, NE 68506

Lincoln Financial Group
100 N. Green Street
Greensboro, NC 27401

Madden, Charles D.
6210 Campbell Road #160
Dallas, TX 75246

Massachusetts Mutual Life Ins. Co.
P.O. Box 371368
Pittsburgh, PA 15250

McCoy Family First Ltd.
Partnership
1701 Jennifer Circle
Corsicana, TX 75110

McKeliom Revocable Marital Trust
17202 North Bridge Ct.
Spring, TX 77379

McNally, Georgette H.
1812 Locklaine
Pasadena, TX 77502

Metlife
P.O. Box 990019
Hartford, CT 06199

Motiff, Jan
723 Chantilly Rue
Green Bay, WI 54301

Mozley, Loretta
405 Windsor Drive
Friendswood, TX 77546

National Life Insurance Co.
P.O. Box 21209
Roanoke, VA 24018

Pacific Life
1299 Farnam Street, 4th Floor
Omaha, NE 68103

Pacific Life Insurance Company
P.O. Box 2030
Omaha, NE 68103

Parsons, Doug
15 Crescent Falls Ct.
Spring, TX 77381

Phoenix Life Insurance Company
P.O. Box 8027
Boston, MA 02266

Principal Financial Group
711 High Street
Des Moines, IA 50392

Prudential Financial
P.O. Box 41594
Philadelphia, PA 19176

Prudential Financial Life Insurance
751 Broad Street
Newark, NJ 07102

Shannon, Edward J., Jr.
1865 Old Willow Road
Northfield, IL 60093

Spalding, John E and Laura H.
910 Travis, Suite 1700
Houston, TX 77002

Transamerica
P.O. Box 30266
Los Angeles, CA 90030

WIEC Properties, LLC
15521 Edgewood Drive
Baxter, MN 56401

Secretary of State Securities Dept.
Chicago Division
69 W. Washington St., Suite 1220
Chicago, IL 60602-3048

Texas State Securities Board—Austin
208 E. 10th Street, 5th Floor
Rusk Building
Austin, TX 78701-2407

Deborah J. Fritsche
Johnson, Spalding, Doyle
West & Trent, LLP
919 Milam, Suite 1700
Houston, TX 77002

Arlene N. Gelman
Michael M. Eidelman
Vedder Price P.C.
222 N. LaSalle St., Suite 2600
Chicago, IL 60601

Edith Stuart Phillips
Office of Texas Attorney General
Bankruptcy & Collections Division
P.O. Box 12548, MC-008
Austin, TX 78711-2548

Pyron, Dina A.
2924 Georgetown
Houston, TX 77005

Sirk, Fay M.
9705 Kingussle Lane
Richmond, TX 23236

Sun Life Financial
One Sun Life Executive Park
SC1242
Wellesley Hills, MA 02481

West Coast Life Insurance Company
2801 Highway 280 S.
Birmingham, AL 35223

Illinois Department of Revenue
Bankruptcy Section
100 W. Randolph, Level 7-425
Chicago, IL 60606

Secretary of State Securities Dept.
Jefferson Terrace, Suite 300A
300 W. Jefferson St.
Springfield, IL 62702-5041

Richard C. Friedman
Sandra Rasnak
Office of the U.S. Trustee
219 S. Dearborn St., Room 873
Chicago, IL 60604-1702

David T. B. Audley
CHAPMAN & CUTLER
111 W. Monroe Street, Suite 1600
Chicago, IL 60603

Tony L. Visage
Deana F. Tillotson
Bracewell & Giuliani LLP
711 Louisiana St., Suite 2300
Houston, TX 77002-2770

Self, Mark
1464 Drake Lane
Lancaster, PA 17601

Smith, Dorothy A.
318 N. Lind
Hillside, IL 60162

Taylor, Tad S.
2625 N. Highway 360
Apt. 621
Grand Prairie, TX 75050

West Coast Life Insurance Co.
343 Sansome Street
San Francisco, CA 94104

Internal Revenue Service
Centralized Insolvency Operations
P.O. Box 21126
Philadelphia, PA 19114-0326

Texas State Securities Board
Houston Division
1919 N. Loop West, Suite 300
Houston, TX 77008-1354

Brian M. Graham
SMITHAMUNDSEN LLC
150 N. Michigan Ave., Suite 3300
Chicago, IL 60601

Michael L. Gesas
Thomas P. Yardley
Miriam R. Stein
Arnstein & Lehr LLP
120 S. Riverside Plaza, Suite 1200
Chicago, IL 60606

Zala Forizs
Forizs & Dogali, P.A.
4301 Anchor Plaza Pkwy., Ste 300
Tampa, FL 33634

EXHIBIT A

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

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

**DECLARATION OF DAVID M. NEFF IN SUPPORT OF TRUSTEE'S
APPLICATION TO EMPLOY AND RETAIN PERKINS COIE LLP AS
HIS COUNSEL EFFECTIVE *NUNC PRO TUNC* TO SEPTEMBER 21, 2009**

I, DAVID M. NEFF, hereby declare that the following is true to the best of my knowledge, information, and belief:

1. I am a Partner at the law firm of Perkins Coie LLP (“Perkins Coie” or the “Firm”), which maintains offices for the practice of law at, among other places, 131 South Dearborn Street, Suite 1700, Chicago, Illinois 60603. I am admitted, practicing, and a member in good standing of the bar of the State of Illinois and the United States District Court for the Northern District of Illinois.

2. I submit this declaration (the “Declaration”) in support of the Trustee's Application to Employ and Retain Perkins Coie LLP as His Counsel Effective *Nunc Pro Tunc* to September 21, 2009 (the “Application”).¹ I am in all respects competent to make this Declaration pursuant to section 327(a) of chapter 11 of title 11 of the United States Code (the “Bankruptcy Code”) and

¹ Unless otherwise defined herein, capitalized terms used herein shall have the meanings ascribed to them in the Application.

Rule 2014(a) of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules"). I am also authorized to make this Declaration on behalf of Perkins Coie.

3. Except as otherwise indicated herein, I have personal knowledge of the matters set forth herein and, if called as a witness, would testify competently thereto.²

Perkins Coie's Disinterestedness

4. In connection with Perkins Coie's proposed representation of the Trustee in these chapter 11 cases, I have asked Perkins Coie to compile a list of persons and entities (the "Identified Parties") relevant to this Declaration to ascertain Perkins Coie's connections to such parties, which include, without limitation, the Debtors and their known affiliates, former principals of the Debtors, insurance companies doing business with the Debtors, and relevant insurance brokers. The list of Identified Parties is attached hereto as Exhibit 1. Perkins Coie compiled the list from several sources, including the listings of entities identified and described in pleadings filed in these chapter 11 cases and information provided to Perkins Coie by the Debtors' attorneys.

5. In conducting inquiries into Perkins Coie's, its partners', attorneys', and counsels' connections with the Identified Partners, Perkins Coie used a set of procedures to ensure full compliance with the requirements of the Bankruptcy Code, the Bankruptcy Rules, and any local rules of the Bankruptcy Court regarding the retention of professionals under the Bankruptcy Code. Pursuant to these procedures, Perkins Coie entered the names of the Identified Parties into a computer database containing the names of all clients and conflict information concerning

² Certain of the disclosures herein relate to matters within the knowledge of other attorneys at Perkins Coie and are based on information provided to me by them.

clients of Perkins Coie. In addition, Perkins Coie sent a general inquiry by electronic mail to all attorneys and staff, among other things, to: (a) verify that such individuals were not representing and have not represented the Debtors; (b) determine whether any such individuals hold any ownership interests in or claims against the Debtors; and (c) determine whether any such individuals have any connections with or relationship to any Bankruptcy Judge in the Northern District of Illinois, the United States Trustee (Region 11), or any person employed by the United States Trustee (Region 11).

6. Based upon the results of Perkins Coie's searches regarding the Identified Parties which were communicated to me, to the best of my knowledge and except as set forth below, the partners, counsel, and associates of Perkins Coie: (a) do not have any connection with the Debtors or their affiliates, their creditors, the United States Trustee or any person employed in the office of the United States Trustee, or any other significant party-in-interest, or their respective attorneys and accountants; (b) are "disinterested persons," as that term is defined in section 101(14) of the Bankruptcy Code; and (c) do not hold or represent any interest adverse to the Debtors' estates.

7. Perkins Coie may have represented, may currently represent and in the future may represent certain of the Debtors' creditors and other parties-in-interest in matters unrelated to the Debtors, the Debtors' chapter 11 cases, or such entities' claims against or interests in the Debtors. Perkins Coie does not represent any individuals or entities in any matters adverse or related to the Debtors or these chapter 11 cases.

8. In connection with the foregoing, I make the following disclosures relating to those parties identified on Exhibit 1 hereto. Perkins Coie represents or has represented the following insurance companies having connections with the Debtors' business: (a) an affiliate of Lincoln

Financial Group; (b) the parent company of Genworth Life and Annuity Insurance Company; (c) Phoenix Life Insurance Company; (d) American General; (e) Massachusetts Mutual Life Insurance Company; and (f) MetLife. Perkins Coie does not represent the above entities in any matters adverse or related to the Debtors and Perkins Coie's representation of the above entities will not affect its ability to serve as the Trustee's counsel.

9. As of the date of this Declaration, I am not aware of the existence of any claims, or potential claims, against any of the individuals or entities disclosed above. Accordingly, Perkins Coie has not tried to obtain, and does not at this time intend to try to obtain, conflict waivers from any of the Debtors' creditors or other interested parties that Perkins Coie currently represents in matters unrelated to the Debtors or their chapter 11 cases. Nevertheless, some of Perkins Coie's existing clients who might hold claims adverse to the Debtors' estates may have already executed prospective conflict waivers in their respective engagement letters with Perkins Coie.

10. As a matter of disclosure policy, Perkins Coie will periodically review Perkins Coie's past and present relationships with entities materially participating in the Debtors' cases and I will file a supplemental disclosure declaration, if warranted.

11. To the best of my knowledge, neither Perkins Coie nor any attorney at the firm is or was, within two years before the Petition Date, a director, officer, member, manager or employee of the Debtors.

12. To the best of my knowledge, Perkins Coie does not have an interest materially adverse to the interests of the Debtors' estates, any class of creditors, or any equity security holders, by reason of any direct or indirect relationship to, connection with or interest in the Debtors, or for any other reason.

13. To the best of my knowledge, no attorney at Perkins Coie is related to any United States Bankruptcy Judge in the United States Bankruptcy Court for Northern District of Illinois or the United States Trustee (Region 11) or any employee in the office thereof.

14. In light of the foregoing, Perkins Coie is a "disinterested person" within the meaning of section 101(14) of the Bankruptcy Code.

Professional Compensation

15. During the course of these Cases, Perkins Coie will invoice the Trustee no less frequently than monthly for services rendered and charges and disbursements incurred. The hourly rates and corresponding rate structure utilized by Perkins Coie in these cases is equivalent to the hourly rates and corresponding rate structure predominantly used by Perkins Coie for restructuring, workout, bankruptcy, insolvency and comparable matters, whether in court or otherwise, regardless of whether a fee application is required. The rates and rate structure reflect that such restructuring matters typically involve great complexity and severe time pressures.

16. Perkins Coie operates in a complicated, national marketplace for legal services in which rates are driven by multiple factors relating to the individual lawyer, his or her area of specialization, the firm's expertise, performance and reputation, the nature of work involved and other factors. Perkins Coie has no one rate for an individual attorney or paraprofessional that applies to all matters for all clients. Perkins Coie's rates for an individual attorney or paraprofessional may vary as a function of the type of matter, geographic factors, and the nature of certain long-term client relationships.

17. Perkins Coie's hourly rates are set at a level designed to fairly compensate Perkins Coie for the work of its attorneys and paraprofessionals and to cover fixed and routine overhead expenses. Hourly rates for these cases vary with the experience and seniority of the

individuals assigned. These hourly rates are consistent with the rates charged elsewhere. In particular, Perkins Coie's hourly rates for these cases range from \$210.00 to \$695.00 per hour for its partners, \$175.00 to \$430.00 for its associates, and from \$45.00 to \$350.00 for paralegals.

18. I expect the following attorneys to have responsibility for providing services to the Trustee:

Name of Individual	Title	Years Experience	Hourly Rate
David M. Neff	Partner	23	\$620.00
Brian A. Audette	Associate	7	\$430.00
Jonathan Buck	Associate	7	\$430.00

19. In addition, Perkins Coie has been using and will likely continue to use additional professionals and paraprofessionals to provide services to the Trustee.

20. The hourly rates set forth above are Perkins Coie's standard hourly rates for the types of services to be performed herein as of January 1, 2009. In the normal course of business, Perkins Coie revises its regular rates on January 1 of each year.

21. It is Perkins Coie's policy to charge its clients in all areas of practice for identifiable, non-overhead expenses incurred in connection with the client's case that would not have been incurred except for representation of that particular client. It is also Perkins Coie's policy to charge its clients only the amount actually incurred by Perkins Coie in connection with such items. Examples of such expenses are overnight mail, messenger delivery, transportation, photocopying (at \$0.10 per page), airfare, meals, lodging, computerized research, witness fees, and other fees related to trials and hearings.

22. No promises have been received by Perkins Coie or by any partner, counsel or associate thereof as to compensation in connection with these cases other than in accordance with the provisions of the Bankruptcy Code. Perkins Coie has no agreement with any other

entity to share with such entity any compensation received by Perkins Coie in connection with these cases.

23. Perkins Coie further states that pursuant to Bankruptcy Rule 2016(b) it has not shared, nor agreed to share, (a) any compensation it has received or any compensation that it will receive with another party or person, other than with the partners, of counsel, associates and contract attorneys associated with Perkins Coie, or (b) any compensation another person or party has received or may receive.

24. Perkins Coie intends to apply to the Bankruptcy Court for allowance of compensation for professional services rendered and reimbursement of expenses incurred in these cases in accordance with applicable provisions of the Bankruptcy Code, the Federal Rules of Bankruptcy Procedure, the Local Rules and Orders of this Court.

I declare that the foregoing is true and correct to the best of my knowledge, information and belief.

DATED: September 30, 2009

/s/ David M. Neff
David M. Neff

EXHIBIT 1

IDENTIFIED PARTIES

1. Life Fund 5.1, LLC
2. Life Fund 5.2, LLC
3. A&O Bonded Life Assets, LLC
4. A&O Bonded Settlements, LLC
5. A&O Life Fund, LLC
6. Houston Tanglewood Partners, LLC
7. A&O Resource Management Ltd.
8. Shephard Capital Management
9. Russell Mackert
10. Provident Capital of Costa Rica
11. Brent Oncale
12. Adley Abdulwahab
13. Chris Allmendinger
14. Physician's Trust LLC
15. Blue Diamond Capital Group, LLC
16. A&O Life Funds Management, LLC
17. A&O Life Funds LP
18. Life Fund 5.1 Management, LLC
19. A&O Bonded Life Assets Management, LLC
20. Life Fund 5.2 Management, LLC
21. A&O Bonded Life Settlements, LLC
22. A&O Life Fund Management
23. Lincoln Financial Group
24. Turn Key Hedge Funds, Inc.
25. Provident Capital Indemnity, Ltd.
26. Prestige Title, Inc.
27. JW Cole Financial, Inc.
28. Hibernia Bank
29. Countrywide Financial
30. Genworth Life and Annuity Insurance Company
31. Transamerica
32. Pacific Life Insurance Company
33. AIG American General
34. ING Security Life
35. West Coast Life Insurance Company
36. Principal Financial Group
37. Lincoln Benefit Life Company
38. Phoenix Life Insurance Company
39. National Life Insurance Co.
40. Sun Life Financial
41. Pacific Life

42. ING ReliaStar Life
43. American General
44. Lincoln Financial
45. John Hancock
46. Prudential Financial
47. Massachusetts Mutual Life Insurance Company
48. Metlife
49. AVIVA
50. John Hancock Life Insurance Company
51. Agostinelli, Ed
52. Allbright, Robert
53. Anderson, Arthur
54. Barnes, George
55. Barney, Charles L.
56. Basham, Ed
57. Bath, Brian
58. Beck, Layne
59. Belonge, Chris
60. Bennett, Wallace
61. Berkman, Jim
62. Bishop, Steven
63. Bock, Norman
64. Boutelle, Clyde
65. Bromseth, Tommie T.
66. Brumm, Robert C.
67. Buesing, Kenneth
68. Burgess, John
69. Burnitz, Bob
70. Cardwell, Dave
71. Carlile, Bob
72. Carlson, Todd
73. Chin, Richard
74. Clarkson, Charles
75. Clements, Paul
76. Colburn, Gary and Deborah
77. Cook, Keith D.
78. Cooper, David
79. Cooper, Rose Beattie
80. Coronado, J.C.
81. Craft, D. Bruce
82. Crosby, Keith
83. Culver, Thomas
84. Davis, Bob
85. Davis, Charles
86. Davis, Donald
87. Davis, John

88. Dimaria, Frank
89. Doern, David
90. Domico, Michael D.
91. Dorfman, Bart
92. Drea, Harold
93. Eddy, Shaun
94. Emmert, Brad
95. Ferraro, David
96. Fischer, Scott Mann
97. Fitch, Frederick D.
98. Fitzwater, Conrad
99. Flach, James
100. Flaherty, Jeff
101. Flaum, Keith A.
102. Frank, Ken
103. Frazier, Chandra
104. Frazier, Lee
105. Fresoli, Michael
106. Fu, Heidi
107. Fullmer, Jim
108. Garcia, Tony
109. Gierczak, Richard
110. Giffin, Roger
111. Gilson, George
112. Glass, Eunicestein
113. Gonzalez, Oscar
114. Gorin, Jane R.
115. Gornto, Rick
116. Gray, Carolyn
117. Gray, Dick
118. Gumphier, Rich
119. Hale, Larry
120. Hall, Michael
121. Haraka, George
122. Harrison, Jason
123. Hebert, Sam
124. Hellekson, Ed/VIA
125. Hintz, Jim
126. Hodson, David
127. Houchins, Gene
128. Houston, Monte/MH Design
129. Hradesky, Jack
130. Humpal, Rodney
131. Hunter, William Michael
132. Innovative Financial
133. Jablonsky, Aaron M.

134. Jeglum, Brian
135. Jenkins, Darnell
136. Joerres, Bertram
137. Johnson, George
138. Jordan, William
139. Jurgatis, Mark
140. Kasdorf, John
141. Kastens, Merlin
142. Kaulfuerst, Julius
143. Key, Craig
144. Killough, Kraig
145. Kreinz, Robert
146. Kumpas, Michael
147. Kurz, Eric/VIA
148. Lang, Chad
149. Lange, Gary
150. Larson, James M.
151. Lawson, James K.
152. Lindwall, Larry
153. Louis, Michael
154. Malla, Natalie
155. Malone, Sherrie
156. Martin, Mike
157. Matlock, Charles
158. Mawhinney, James
159. McDermott, Michael
160. McGinty, Sean
161. Meyer, Jay
162. Meyers, Justin
163. Michale, George
164. Mick, James
165. Moore, Bill
166. Moore, Greg
167. Neilon, David
168. Neveau, Brian
169. Newman, Bart
170. Ochoa, Daniel Fernando
171. Oncale, Monica
172. Osborne, Scott
173. Pascaris, Fred
174. Patterson, Charles
175. Patterson, Joshua
176. Pavek, Douglas
177. Pavek, Jeanne
178. Pennington, Charles
179. Peoples, Ron

180. Peters, Dallas & Brent Currier
181. Peters, Roy
182. Piche, Guy
183. Pickhaver, Jay
184. Provencio, Richard
185. Prudent, George
186. Ratenski, Henry
187. Rea, Robert
188. Reisdorf, Chris
189. Rice, William
190. Rodriguez, Ray
191. Root, Terry
192. Salazar, Ted
193. Scheel, Todd
194. Schomisch, John
195. Schroeder, Richard
196. Schweiner, Marie
197. Shaffer, Craig
198. Shaw, Justin
199. Shea, Mike
200. Simon, Pete
201. Sladeck, Jim
202. Smith, Harry
203. Smithson, William F.
204. Sogard, Gail
205. Sorge, Kenneth
206. Stelter, Dorothy
207. Stowell, Darwin
208. Streb, Thomas
209. Stroud, Perry & Michelle
210. Thorburn, Aaron
211. Thorburn, Reid
212. Trenhaile, Sylvia
213. Trimble, Allen
214. Unterholzner, Frank
215. Upchurch, Mark
216. Vazquez, Giovanni
217. Viking Financial/Matt Sandvig
218. Wahab, Adley/OFFICE
219. Wallace, Brant
220. Wallens, Michael
221. Wallens, Sr., Michael
222. Ward, Dennis
223. Wedepohl, Warren
224. Wendt, Warren
225. Wentworth, David

- 226. White, Dave
- 227. Wilder, Chris
- 228. Williams, Shawn
- 229. Winchcombe, Edward
- 230. Winkleblack, Joe
- 231. Winnett, Travis
- 232. Winnett, Travis R.
- 233. Yost, Thomas
- 234. Yurkis, Kevin
- 235. Zachary, Tiffany
- 236. Zeidler, Gerry
- 237. Zicarelli, Jason
- 238. Zito, Steven

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

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

**ORDER AUTHORIZING THE TRUSTEE TO EMPLOY
AND RETAIN PERKINS COIE LLP AS HIS COUNSEL**

Upon the Application (the "Application")¹ of the Trustee for the entry of an order authorizing the Trustee to employ and retain Perkins Coie LLP as his counsel effective *nunc pro tunc* to September 21, 2009; the Court having reviewed the Application; and the Court having determined that the relief requested in the Application is in the best interests of the Trustee, the Debtors' estates, the Debtors' investors, the Debtors' creditors, and other parties-in-interest; and it appearing that notice of the Application was good and sufficient under the particular circumstances and that no other or further notice need be given; and upon the record herein; and after due deliberation thereon; and good and sufficient cause appearing therefor, it is hereby

FOUND, DETERMINED, ORDERED AND ADJUDGED THAT:

1. The Application is GRANTED.
2. The Trustee is authorized to employ and retain David M. Neff and the law firm of Perkins Coie LLP as his counsel effective *nunc pro tunc* to September 21, 2009.
3. Perkins Coie LLP's professional compensation shall be subject to further order of Court.

Dated: October _____, 2009

United States Bankruptcy Judge

¹ Capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Application.