

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE 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
	)	Hearing Date: June 30, 2010
	)	Hearing Time: 10:00 a.m.

**NOTICE OF HEARING ON MOTION OF THE TRUSTEE FOR ENTRY OF AN
ORDER ESTABLISHING GENERAL BAR DATE FOR FILING PROOFS OF CLAIM**

TO: SEE ATTACHED SERVICE LIST

PLEASE TAKE NOTICE that on **June 30, 2010, at 10:00 a.m.**, the undersigned shall appear before the Honorable A. Benjamin Goldgar, United States Bankruptcy Judge for the United States Bankruptcy Court, Northern District of Illinois, Eastern Division, or any other Judge who may be sitting in his place and stead, in Courtroom 613 of the Dirksen Federal Building, 219 S. Dearborn Street, Chicago, Illinois, 60604, and then and there present for hearing the *Motion of the Trustee for Entry of an Order Establishing General Bar Date for Filing Proofs of Claim*, a copy of which is enclosed herewith and hereby served upon you.

Dated: June 21, 2010

Respectfully Submitted,

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

By: /s/ Jeremy T. Stillings
Jeremy T. Stillings (ARDC# 06279868)
PROSKAUER ROSE LLP
70 West Madison, Suite 3800
Chicago, Illinois 60602-4342
Telephone: (312) 962-3550
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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, Ltd.; (5) A&O Bonded Life Settlements, 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 June 21, 2010, I caused copies of the enclosed *Motion of the Trustee for Entry of an Order Establishing General Bar Date for Filing Proofs of Claim* to be served upon those parties on the attached service list in the manner indicated therein.

Dated June 21, 2010

By: /s/ Jeremy T. Stillings

Served Via Court ECF System	
LANGLEY & BANACK INC. David S. Gragg Trinity Plaza II, 9 th Floor 745 E. Mulberry San Antonio, TX 78212-3166	PERKINS COIE LLP Brian A. Audette David M. Neff 131 S. Dearborn St. Suite 1700 Chicago, IL 60603
OFFICE OF THE US TRUSTEE Richard C. Friedman Sandra Rasnak 219 S. Dearborn St. Room 873 Chicago, IL 60604-1702	ARNSTEIN & LEHR, LLP Michael Gesas Miriam Stein Barry Chatz Kevin Morse 120 South Riverside Plaza Suite 1200 Chicago, IL 60606-3910
CHAPMAN & CUTLER LLP David Audley Carly Jones 111 W. Monroe Suite 1600 Chicago, IL 60603	FUNKHOUSER VEGOSEN LIEBMAN & DUNN, LTD Daniel Graham Neil Rosenbaum 55 W. Monroe St. Suite 2300 Chicago, IL 60603

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<p>HIRSCH & WESTHEIMER, P.C. Michael J. Durrschmidt Bank of America Center 25th Floor 700 Louisiana Houston, TX 77002</p>	<p>JOHNSON, TRENT, WEST & TAYLOR, LLP Lori Hood Deborah Fritsche 919 Milam Suite 170 Houtston, TX 77002</p>
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<p>OFFICE OF THE TEXAS ATTORNEY GENERAL Edith Stuart Phillips Bankruptcy & Collection Division P.O. Box 12548, MC-008 Austin, TX 78711</p>	<p>SHAW GUSSIS FISHMAN Gordon Gouveia 321 N. Clark Suite 800 Chicago, IL 60654</p>
<p>SMITH AMUNDSEN LLC Brian M. Graham Ean L. Kryska Bryan Minier 150 N. Michigan Ave. Suite 3300 Chicago, IL 60601</p>	<p>VEDDER PRICE Michael Eidelman Arlene Gelman 222 N. LaSalle St. Suite 2600 Chicago, IL 60601</p>

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<p>Nancy J. Groppi 5837 Electric Avenue Berkeley, IL 60163-1522</p>	<p>US SECURITIES & EXCHANGE COMM. Toby Galloway Fort Worth Regional Office 801 Cherry St. 19th Floor Fort Worth, TX 76102</p>

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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, <i>et al.</i> , ¹	)	Case No. 09 B 32672
)	
Debtors.	)	Jointly Administered
	)	Hearing Date: June 30, 2010
	)	Hearing Time: 10:00 a.m.

**MOTION OF THE TRUSTEE FOR ENTRY OF AN ORDER
ESTABLISHING GENERAL BAR DATE FOR FILING PROOFS OF CLAIMS**

Jeff Marwil, not individually, but solely in his capacity as chapter 11 trustee (the “Trustee”) to the bankruptcy estates (the “Estates”) of the above-captioned debtors (collectively, the “Debtors”), hereby moves (the “Motion”) this Court for entry of an order, in substantially the form of the proposed order submitted herewith, pursuant to sections 501, 502 and 1111(a) of Title 11 of the United States Code (11 U.S.C. §§ 101, *et. seq.*, the “Bankruptcy Code”) and rules 2002(a)(7), 3003(c)(3) and 5005(a) of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”), establishing **August 31, 2010 at 5:00 p.m. Eastern** as the deadline for filing proofs of prepetition unsecured and secured claims against the Estates (the “General Bar Date”). In further support of the Motion, the Trustee states as follows:

Jurisdiction

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

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.

2. The statutory and rule-based predicates for the relief sought herein are sections 501, 502 and 1111(a) of the Bankruptcy Code and Bankruptcy Rules 2002(a)(7), 3003(c)(3) and 5005(a).

Background

3. On September 2, 2009 (the "Petition Date"), each of the Debtors filed a voluntary petition for relief under chapter 11 of the Bankruptcy Code, commencing the above-captioned chapter 11 cases (the "Chapter 11 Cases"). On September 16, 2009, this Court granted a motion of the office of the United States Trustee (the "UST") requesting appointment of a chapter 11 trustee under section 1104(a) of the Bankruptcy Code. On September 21, 2009, this Court approved the appointment of Patrick Collins as chapter 11 trustee. On March 8, 2010, after Mr. Marwil was elected Trustee by creditors of the Debtors, this Court entered an order certifying Mr. Marwil's election as Trustee.

4. The Chapter 11 Cases have been consolidated for procedural purposes only and are being administered jointly.

Relief Requested

5. The Trustee respectfully requests entry of an order establishing **August 31, 2010 at 5:00 p.m. eastern** as the General Bar Date and approving the form and manner of notice thereof.

6. The Trustee requests that the General Bar Date be the deadline for all persons and entities, including, without limitation, governmental units as defined in section 101(27) of the Bankruptcy Code (each a "Creditor" and, collectively, the "Creditors") holding or wishing to assert a prepetition unsecured or secured, priority or nonpriority claim (as defined in section 101(5) of the Bankruptcy Code) against any Debtor arising or accruing prior to the Petition Date

(each a “Claim” and, collectively, the “Claims”), to file a proof of such Claim in the Chapter 11 Cases.

Basis For Relief

7. Bankruptcy Rule 3003(c)(3) provides that “[t]he court shall fix and for cause shown may extend the time within which proofs of claim or interest may be filed.” Neither this Court’s rules nor the local rules specify a time by which proofs of claim must be filed in chapter 11 cases, except as is provided by section 502(b)(9) of the Bankruptcy Code for governmental units.

8. The minimum time under section 502(b)(9) for governmental units to file a proof of Claim has passed.

9. The circumstances of the Chapter 11 Cases justify establishing August 31, 2010 at 5:00 p.m. eastern time as the General Bar Date. It is essential for the Trustee to ascertain the full nature, extent and scope of valid Claims. This information will allow the Trustee to formulate one or multiple chapter 11 plans of liquidation for the Debtors and the Estates. The Chapter 11 Cases have been pending for approximately ten (10) months and many parties have submitted proofs of claim.

Parties Required To File Proofs Of Claim

10. The Trustee proposes that the General Bar Date apply to all Persons or Entities (each as defined in section 101(41) and 101 (15), respectively, of the Bankruptcy Code) holding Claims against the Debtors. However, the Trustee proposes that, at present, proofs of Claim need not be filed by any Person or Entity holding or wishing to assert Claims against the Debtors of the following types:

- a. Claims on account of which a proof of Claim has already been properly submitted;

- b. Claims previously allowed by, or paid pursuant to, an order of the Court; or
- c. Claims made by any Debtor against any other Debtor.

11. The Debtors shall retain the right to dispute, or assert offsets or defenses against, any Claim as to its nature, amount, liability, classification or otherwise. Nothing set forth herein should preclude the Trustee from objecting to any Claim, whether scheduled or filed, on any grounds.

12. Section 502(b)(9) of the Bankruptcy Code provides that governmental units shall have 180 days after the Petition Date to file proofs of Claim. This time has already passed. Accordingly, the Trustee requests that the proposed General Bar Date apply to governmental units who seek to file proofs of Claim in the Chapter 11 Cases.

13. Pursuant to Bankruptcy Rule 3003(c)(2), any Person or Entity that is required to file a proof of Claim in the Chapter 11 Cases but that fails to do so in a timely manner should be forever barred, estopped and enjoined from: (a) asserting any such unscheduled Claim against any Debtor that such Person or Entity has that (i) exceeds the amount, or (ii) is of a different nature or in a different classification, if any, of that which is set forth in the Debtors' schedules (any such Claim referred to as an "Unscheduled Claim"); and (b) voting upon, or receiving distributions under, any plan in the Chapter 11 Cases with respect to an Unscheduled Claim.

Procedures For Providing Notice Of Bar Date

14. The Trustee must ensure that all interested parties receive appropriate notice of the General Bar Date. To determine the adequacy of the notice given to a creditor, bankruptcy law distinguishes between "known" and "unknown" creditors. *See In re S.N.A. Nut Co.*, 198 B.R. 541 (Bankr. N.D. Ill. 1996); *In re Dartmoor Homes, Inc.*, 175 B.R. 659 (Bankr. N.D. Ill.

1994); *In re Envirodyne Indus., Inc.*, 206 B.R. 468 (Bankr. N.D. Ill. 1997). As the court in *S.N.A. Nut Co.* explained:

When a creditor is unknown to the debtor, publication notice of the claims bar date will satisfy the requirements of due process. . . . However, if a creditor is known to the debtor, notice by publication is not constitutionally reasonable and actual notice of the relevant bar dates must be afforded to the creditor.

S.N.A. Nut Co., 198 B.R. at 543-544. The Supreme Court has characterized a “known” creditor as one whose identity is either known or is “reasonably ascertainable by the debtor.” *Tulsa Prof'l Collection Serv., Inc. v. Pope*, 485 U.S. 478, 490 (1988). An “unknown” creditor is one whose “interests are either conjectural or future or, although they could be discovered upon investigation, do not in due course of business come to knowledge [of the debtor].” *Mullane v. Cent. Hanover Bank & Trust Co.*, 339 U.S. 306, 317 (1950).

15. In defining the efforts required to identify “known” creditors, the court in *Envirodyne Industries* stated:

The debtor is under an obligation to make reasonably diligent efforts to identify creditors and their claims Reasonable diligence varies depending on the context. The requisite search focuses on the debtor’s own books and records It does not require that a debtor engage in impracticable and extended searches in the name of due process It is not the debtor’s duty to search out every conceivable or possible creditor and urge that person to make a claim against it.

206 B.R. at 473-74. As for the particular efforts a debtor must exert to identify known creditors, “[w]hether a creditor received adequate notice of a bar date ‘depends upon the facts and circumstances of a given case.’” *In re The Grand Union Co.*, 204 B.R. 864, 871 (Bankr. D. Del. 1997) (citing *Oppenheim, Appel, Dixon & Co. v. Bullock (In re Robintech Inc.)*, 863 F.2d 393, 396 (5th Cir.), cert. denied, 493 U.S. 811 (1989)).

16. The Trustee proposes to provide actual written notice of the General Bar Date to all Persons and Entities known to the Trustee as holding any Claim against any Estate by sending the form of the notice annexed as **Exhibit A** to the proposed order submitted with the Motion

(the “Bar Date Notice”) to such known Persons and Entities by first class mail at least twenty one (21) days before the General Bar Date, the notice period required by Bankruptcy Rule 2002(a)(7).

17. The Trustee proposes to enclose with the Bar Date Notice mailed to potential claimants a customized proof of Claim form (in the form attached as **Exhibit B** to the proposed order granting the Motion, the “Proof of Claim Form”) substantially conforming to Official Bankruptcy Form 10. The Proof of Claim Form was developed by Garden City Group, the claims agent retained by the Estates prior to the Trustee’s election, and may be used to assert Claims.

Procedures For Filing Proof Of Claim

18. The Trustee proposes that for a proof of Claim to be validly and properly filed, a signed original thereof, together with accompanying documentation, must be submitted to The Garden City Group, Inc., the Debtors’ notice and claims agent, no later than the General Bar Date. Proofs of claim may be submitted: (a) via US Mail to: The Garden City Group, Inc., Attn: Life Funds Claims Processing, P.O. Box 9553, Dublin, OH 43017-4853; and (b) via overnight or hand delivery to: The Garden City Group, Inc., Attn: Life Funds Claims Processing, 5151 Blazer Parkway, Suite A, Dublin, OH 43017.

19. The Trustee proposes that all Persons and Entities asserting Claims against more than one Debtor be required to file a separate proof of Claim with respect to each such Debtor. If Persons and Entities are permitted to assert Claims against more than one Debtor in a single proof of Claim, each of the Debtors will be required to object to a proof of Claim in instances where the objection may be asserted by one Debtor.

20. Likewise, Persons and Entities should be required to identify on each proof of Claim the particular Debtor against which their Claim is asserted. Requiring parties to identify

the Debtor against which a Claim is asserted will greatly expedite the Trustee's review of proofs of Claim. This requirement will not be unduly burdensome on Creditors, since such Persons and Entities should know the identity of the Debtor against which they asserting a Claim. Moreover, the Proof of Claim Form permits creditors to simply check a box indicating against which Debtor the Claim is asserted and instructs creditors to check only one box on the form.

21. In addition, the Trustee proposes that all Persons and Entities asserting Claims against the Estates be required to file their proofs of Claim in English and in U.S. dollars. If a Person or Entity does not specify the amount of its Claim in U.S. dollars, the Trustee reserves the right to convert such Claim to U.S. dollars using the applicable conversion rate as of the Petition Date, unless the Trustee deems another date to be more appropriate.

Publication Notice Of The Bar Date

22. In addition to serving the Bar Date Notice to known Creditors, in accordance with Bankruptcy Rule 9008, the Trustee also proposes to publish in the National Edition of the Wall Street Journal, least twenty-one (21) days before the General Bar Date, notice of the General Bar Date (in substantially the form attached as **Exhibit C** to the proposed order granting the Motion, the "**Publication Notice**").

Form Of Notice Of The General Bar Date

23. The Bar Date Notice and the Publication Notice will:
- a. advise Creditors that they are able to file a proof of Claim in the Chapter 11 Cases;
 - b. advise Creditors that if they have already filed a proof of Claim in the Chapter 11 Cases then there is no need to file an additional proof of Claim;
 - c. alert Creditors to the consequences of failing to timely file a proof of Claim;
 - d. specify the form to be used in filing a proof of Claim;

- e. identify the General Bar Date;
- f. identify the address to which proofs of Claim must be sent for filing;
- g. notify Creditors that proofs of Claim must be filed with original signatures and not by facsimile;
- h. notify Creditors that separate proofs of Claim must be filed for Claims against more than one Debtor; and
- i. provide potential creditors with contact information for individuals who are able to provide them with additional information about the process of submitting a proof of Claim and the Chapter 11 Cases.

24. The Trustee submits that the Bar Date Notice and the Publication Notice will provide Creditors with sufficient information to timely file a properly prepared and executed proof of Claim.

Notice

25. Notice of this Motion has been given to: (a) the United States Trustee; and (b) all parties that have requested notice in these cases. The Trustee also has posted this Motion (including the proposed order submitted herewith and the exhibits thereto) to the web site established for the benefit of investors of the Debtors and others in the Chapter 11 Cases. Although such notice is not recognized by the Bankruptcy Code and the Bankruptcy Rules, the Trustee believes that this notice is helpful and appropriate in light of the large number of creditors who actively monitor the website, the expense that the Trustee would incur to provide notice to such parties via United States Mail or other means, and the delay attendant with such parties receiving notice via United States Mail or means other than by electronic publication or service. 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: (1) establishing August 31, 2010 at 5:00 p.m. eastern time the General Bar Date; (2) approving the Bar Date Notice and the Publication Notice; (3) granting the related relief requested above, and (4) granting the Trustee such further relief as may be equitable and just.

Dated: June 21, 2010

Respectfully submitted,

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

By: /s/ Jeremy T. Stillings

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

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE 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

**ORDER ESTABLISHING AUGUST 31, 2010 DEADLINE
TO FILE PROOFS OF CLAIM AND GRANTING RELATED RELIEF**

Upon the motion (the "Motion")² of the Trustee for entry of an order pursuant to sections 501, 502 and 1111(a) of the Bankruptcy Code and Bankruptcy Rules 2002(a)(7), 3003(c)(3) and 5005(a) establishing a general bar date for filing proofs of Claim against the Estates and seeking related relief; the Court having reviewed the Motion; the Court finding and determining that: (A) it has jurisdiction over the Motion pursuant to 28 U.S.C. §§ 157 and 1334, (B) venue is proper in this district pursuant to 28 U.S.C. § 1409, (C) this is a core proceeding pursuant to 28 U.S.C. § 157 (b), (D) granting the relief requested in the Motion is in the best interests of the Debtors, the Estates, and other parties-in-interest, and (E) appropriate notice and opportunity for a hearing on the Motion was provided; for sufficient cause shown; and after due deliberation and cause appearing therefor;

IT IS HEREBY ORDERED THAT:

1. The Motion is granted in its entirety.
2. All persons and entities (each a "Creditor" and, collectively, the "Creditors"), holding or wishing to assert an unsecured or secured, priority or nonpriority claim (as defined in

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, Ltd.; (5) A&O Bonded Life Settlements, LLC; (6) A&O Bonded Life Assets, LLC; and (7) Houston Tanglewood Partners, LLC.

² Each capitalized term not otherwise defined herein shall have the meaning ascribed thereto in the Motion.

section 101(5) of the Bankruptcy Code) accruing prior to the Petition Date against the Debtors or the Estates (each a "Claim" and, collectively, the "Claims") are required to deliver to the Garden City Group, Inc. a separate, completed and executed proof of Claim on or before August 31, 2010 at 5:00 p.m. eastern time (the "General Bar Date").

3. Proofs of Claim must be signed and (a) sent via US Mail to: The Garden City Group, Inc., Attn: Life Funds Claims Processing, P.O. Box 9553, Dublin, OH 43017-4853, or (b) sent via overnight or hand delivery to: The Garden City Group, Inc., Attn: Life Funds Claims Processing, 5151 Blazer Parkway, Suite A, Dublin, OH 43017, in either case so as to be received prior to the General Bar Date. Proofs of Claim may not be submitted by email or facsimile.

4. The General Bar Date applies to governmental units.

5. Nothing set forth herein will preclude the Trustee or any other party from objecting to any Claim, whether scheduled or filed, on any grounds.

6. Proofs of Claim are not required to be filed at this time by Creditors holding or wishing to assert Claims against the Debtors of the following types:

- a. Claims on account of which a proof of Claim has already been properly submitted;
- b. Claims previously allowed by, or paid pursuant to, an order of the Court;
or
- c. Claims made by any Debtor against any other Debtor.

7. The notice of General Bar Date attached hereto as **Exhibit A** is approved and the Trustee is authorized to make non-material changes to such notice (the "Bar Date Notice").

8. At least twenty-one (21) days before the General Bar Date, the Trustee shall cause a copy of the Bar Date Notice to be mailed by first class United States mail, postage prepaid, to all known persons and entities holding Claims.

9. The proof of Claim form attached hereto as **Exhibit B** is approved and the Trustee is directed to enclose a copy of such form with each Bar Date Notice mailed in accordance with paragraph 8 of this Order.

10. The form of Publication Notice attached hereto as **Exhibit C** is approved and the Trustee is authorized and directed to publish such notice in the National Edition of the Wall Street Journal at least twenty-one (21) days prior to the General Bar Date.

11. In accordance with Bankruptcy Rule 2002(a)(7), (a) service of the Bar Date Notice and the proof of Claim form and (b) publication of the Publication Notice, in each case in the manner set forth above, shall be deemed good and sufficient notice of the General Bar Date to known and unknown Creditors.

12. Any proof of Claim must clearly indicate the name of the applicable Debtor against whom the Claim is asserted and the applicable bankruptcy case number for such Debtor. If a Claim is intended to be asserted against more than one of the Debtors, a separate proof of Claim must be filed in each such Debtor's bankruptcy case.

13. Unless such party can show good and sufficient cause to this Court to the contrary, any Person or Entity that is required to file a proof of Claim in the Chapter 11 Cases but fails to do so prior to the General Bar Date shall be forever barred, estopped and enjoined from: (a) asserting any Claim against the Debtors or their Estates that such Person or Entity has that (i) exceeds the amount, or (ii) is of a different nature or in a different classification than what may be set forth in the Schedules (any such Claim referred to as an "Unscheduled Claim") and (b) voting upon, or receiving distributions under, any chapter 11 plan or plans in these chapter 11 cases with respect to such Unscheduled Claim.

14. Proofs of Claim shall be deemed filed only when actually received by The Garden City Group, Inc.

15. All Persons and Entities asserting Claims are required to file their Claim in English and in U.S. dollars. If a Person or Entity does not specify the amount of its Claim in U.S. dollars, the Trustee and the Estates shall have the right to convert such Claim to U.S. dollars using the applicable conversion rate as of the Petition Date, unless the Trustee deems another date more appropriate.

16. The provisions of this Order apply to all Claims, of whatever character, against or in the Debtors, their estates or their assets, whether secured or unsecured, priority or nonpriority, liquidated or unliquidated, fixed or contingent.

17. This Court shall retain jurisdiction to hear and determine all matters arising from the implementation of this Order.

18. Notwithstanding the possible applicability of Bankruptcy Rules 6004(g), 7062, 9014 or otherwise, the terms and conditions of this Order shall be immediately effective and enforceable upon its entry.

19. All time periods set forth in this Order shall be calculated in accordance with Bankruptcy Rule 9006(a).

Dated: June __, 2010

ENTERED:

UNITED STATES BANKRUPTCY JUDGE

EXHIBIT A
To Proposed Order

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

_____	)	Chapter 11
)	
Life Fund 5.1, LLC;	)	Case No. 09-32672
Life Fund 5.2, LLC;	)	Case No. 09-32674
Houston Tanglewood Partners, LLC.	)	Case No. 09-32676
A&O Resource Management, Ltd.;	)	Case No. 09-32677
A&O Life Fund, LLC;	)	Case No. 09-32678
A&O Bonded Life Assets, LLC;	)	Case No. 09-32679
A&O Bonded Life Settlements, LLC; and	)	Case No. 09-32681
)	
Debtors.	)	(Jointly Administered)
_____	)	Honorable A. Benjamin Goldgar

NOTICE OF AUGUST 31, 2010 DEADLINE TO FILE PROOFS OF PREPETITION CLAIMS

TO: ALL CREDITORS

On September 2, 2009 (the "Petition Date"), each of the above-captioned debtors (collectively, the "Debtors") filed a voluntary petition for relief under chapter 11 the Bankruptcy Code in the United States Bankruptcy Court for the Northern District of Illinois, Eastern Division (the "Bankruptcy Court").

PLEASE TAKE NOTICE that, pursuant to order of the Bankruptcy Court, all persons and entities holding or wishing to assert prepetition claims against any Debtor are required to file a separate, completed and executed proof of Claim on account of each such Claim on or before August 31, 2010 at 5:00 p.m. eastern time (the "General Bar Date").

Notwithstanding the foregoing, at this time, proofs of Claim ARE NOT REQUIRED to be filed by Creditors holding or wishing to assert Claims against the Debtors of the following types:

- a. **Claims on account of which a proof of Claim has already been submitted;**
- b. Claims previously allowed by, or paid pursuant to, an order of the Court; and
- c. Claims made by any Debtor against any other Debtor.

Should the Bankruptcy Court establish a date by which time any of the foregoing types of Claims must be filed, you will be so notified.

Each proof of Claim must: (1) be against only one Debtor; (2) include the full name of the Debtor against whom it is filed; (3) identify that Debtor's case number, as set forth in the

caption on the first page of this notice; (4) be signed; and (5) be (a) sent via US Mail to: The Garden City Group, Inc., Attn: Life Funds Claims Processing, P.O. Box 9553, Dublin, OH 43017-4853; or (b) sent via overnight or hand delivery to: The Garden City Group, Inc., Attn: Life Funds Claims Processing, 5151 Blazer Parkway, Suite A, Dublin, OH 43017. All proofs of Claim must be received on or before August 31, 2010 at 5:00 p.m. eastern. Proofs of Claim must be originally signed and may not be submitted by email or facsimile.

You may use the proof of Claim form enclosed with this notice. Proof of Claim forms must be in English and amounts must be in U.S. Dollars.

ANY CREDITOR WHO IS REQUIRED TO FILE A PROOF OF CLAIM BY AUGUST 31, 2010 BUT FAILS TO DO SO SHALL BE FOREVER BARRED, ESTOPPED AND ENJOINED FROM ASSERTING SUCH CLAIM AGAINST THE DEBTORS, THE DEBTORS AND THE ESTATES SHALL BE FOREVER DISCHARGED FROM ANY AND ALL INDEBTEDNESS OR LIABILITY WITH RESPECT TO SUCH CLAIM, AND SUCH HOLDER SHALL NOT BE PERMITTED TO VOTE ON ANY CHAPTER 11 PLAN OR PARTICIPATE IN ANY DISTRIBUTION IN THE DEBTORS' CHAPTER 11 CASES ON ACCOUNT OF SUCH CLAIM(S).

A copy of the Debtors' schedules and other information related to their chapter 11 cases may be obtained at www.lifefundstrustee.com.

THE FACT THAT YOU HAVE RECEIVED THIS NOTICE DOES NOT MEAN THAT YOU HAVE A CLAIM AGAINST THE DEBTORS. YOU SHOULD CONSULT WITH YOUR OWN ADVISORS TO DETERMINE WHETHER YOU HOLD A CLAIM AGAINST ANY DEBTOR. YOU SHOULD NOT FILE A PROOF OF CLAIM IF YOU DO NOT HAVE A CLAIM AGAINST A DEBTOR. QUESTIONS CONCERNING THIS NOTICE MAY BE DIRECTED TO (312) 962-3568 OR (312) 962-3500.

EXHIBIT B

Proof of Claim Form

attached hereto.



UNITED STATES BANKRUPTCY COURT FOR THE NORTHERN DISTRICT OF ILLINOIS		PROOF OF CLAIM
Name of Debtor (Check Only One): <input type="checkbox"/> Life Fund 5.1, LLC <input type="checkbox"/> Life Fund 5.2, LLC <input type="checkbox"/> Houston Tanglewood Partners, LLC <input type="checkbox"/> A&O Resource Management, Ltd.	Case No. 09-32672 09-32674 09-32676 09-32677	Case No. 09-32678 09-32679 09-32681
NOTE: This form should not be used to make a claim for an administrative expense arising after the commencement of the case. A request for payment of an administrative expense may be filed pursuant to 11 U.S.C. § 503.		
Name of Creditor (the person or other entity to whom the debtor owes money or property): Name and address where notices should be sent: Telephone number: Email Address:	<input type="checkbox"/> Check this box to indicate that this claim amends a previously filed claim. Court Claim Number: _____ (If known) Filed on: _____	Your Claim is Scheduled As Follows: If an amount is identified above, you have a claim scheduled by one of the Debtors as shown. (This scheduled amount of your claim may be an amendment to a previously scheduled amount.) If you agree with the amount and priority of your claim as scheduled by the Debtor and you have no other claim against the Debtor, you do not need to file this proof of claim form, EXCEPT AS FOLLOWS: If the amount shown is listed as any of DISPUTED, UNLIQUIDATED, or CONTINGENT, a proof of claim MUST be filed in order to receive any distribution in respect of your claim. If you have already filed a proof of claim <u>in accordance with the attached instructions</u> , you need not file again.
Name and address where payment should be sent (if different from above): Telephone number:	<input type="checkbox"/> Check this box if you are aware that anyone else has filed a proof of claim relating to your claim. Attach copy of statement giving particulars. <input type="checkbox"/> Check this box if you are the debtor or trustee in this case.	
1. Amount of Claim as of Date Case Filed: \$ _____ If all or part of your claim is secured, complete item 4 below; however, if all of your claim is unsecured, do not complete item 4. If all or part of your claim is entitled to priority, complete item 5. <input type="checkbox"/> Check this box if claim includes interest or other charges in addition to the principal amount of claim. Attach itemized statement of interest or charges.		5. Amount of Claim Entitled to Priority under 11 U.S.C. § 507(a). If any portion of your claim falls in one of the following categories, check the box and state the amount. Specify the priority of the claim.
2. Basis for Claim: _____ (See instruction #2 on reverse side.)		<input type="checkbox"/> Domestic support obligations under 11 U.S.C. § 507(a)(1)(A) or (a)(1)(B). <input type="checkbox"/> Wages, salaries, or commissions (up to \$10,950*) earned within 180 days before filing of the bankruptcy petition or cessation of the debtor's business, whichever is earlier – 11 U.S.C. § 507(a)(4). <input type="checkbox"/> Contributions to an employee benefit plan – 11 U.S.C. § 507(a)(5). <input type="checkbox"/> Up to \$2,425* of deposits toward purchase, lease, or rental of property or services for personal, family, or household use – 11 U.S.C. § 507(a)(7). <input type="checkbox"/> Taxes or penalties owed to governmental units – 11 U.S.C. § 507(a)(8). <input type="checkbox"/> Other – Specify applicable paragraph of 11 U.S.C. § 507(a)(____). Amount entitled to priority: \$ _____ <i>*Amounts are subject to adjustment on 4/1/10 and every 3 years thereafter with respect to cases commenced on or after the date of adjustment.</i>
3. Last four digits of any number by which creditor identifies debtor: _____ 3a. Debtor may have scheduled account as: _____ (See instruction #3a on reverse side.)		
4. Secured Claim (See instruction #4 on reverse side.) Check the appropriate box if your claim is secured by a lien on property or a right of setoff and provide the requested information. Nature of property or right of setoff: <input type="checkbox"/> Real Estate <input type="checkbox"/> Motor Vehicle <input type="checkbox"/> Equipment <input type="checkbox"/> Other Describe: Value of Property: \$ _____ Annual Interest Rate ____ % Amount of arrearage and other charges as of time case filed included in secured claim, if any: \$ _____ Basis for perfection: _____ Amount of Secured Claim: \$ _____ Amount Unsecured: \$ _____		
6. Credits: The amount of all payments on this claim has been credited for the purpose of making this proof of claim. 7. Documents: Attach redacted copies of any documents that support the claim, such as promissory notes, purchase orders, invoices, itemized statements or running accounts, contracts, judgments, mortgages, and security agreements. You may also attach a summary. Attach redacted copies of documents providing evidence of perfection of a security interest. You may also attach a summary. (See instruction 7 and definition of "redacted" on reverse side.) DO NOT SEND ORIGINAL DOCUMENTS. ATTACHED DOCUMENTS MAY BE DESTROYED AFTER SCANNING. If the documents are not available, please explain in an attachment.		
Date: _____	Signature: The person filing this claim must sign it. Sign and print name and title, if any, of the creditor or other person authorized to file this claim and state address and telephone number if different from the notice address above. Attach copy of power of attorney, if any.	
		FOR COURT USE ONLY

INSTRUCTIONS FOR PROOF OF CLAIM FORM

The instructions and definitions below are general explanations of the law. In certain circumstances, such as bankruptcy cases not filed voluntarily by the debtor, there may be exceptions to these general rules. The attorneys for the Debtors and their court-appointed claims agent, The Garden City Group, Inc., are not authorized and are not providing you with any legal advice.

PLEASE SEND YOUR ORIGINAL, COMPLETED CLAIM FORM AS FOLLOWS: **IF BY MAIL:** THE GARDEN CITY GROUP, INC., ATTN: LIFE FUND CLAIMS PROCESSING, P.O. BOX 9553, DUBLIN, OH 43017-4853 **IF BY HAND OR OVERNIGHT COURIER:** THE GARDEN CITY GROUP, INC., ATTN: LIFE FUND CLAIMS PROCESSING, 5151 BLAZER PARKWAY, SUITE A, DUBLIN, OH 43017.

ANY PROOF OF CLAIM SUBMITTED BY FACSIMILE OR E-MAIL WILL NOT BE ACCEPTED.

THE GENERAL BAR DATE IN THESE CHAPTER 11 CASES IS _____, 2009 AT __:00 __.M. (PREVAILING EASTERN TIME)

Court, Name of Debtor, and Case Number:

These chapter 11 cases were commenced in the United States Bankruptcy Court for the Northern District of Illinois on September 2, 2009. (the "Petition Date") You should select the Debtor against which you are asserting your claim.

A SEPARATE PROOF OF CLAIM FORM MUST BE FILED AGAINST EACH DEBTOR.

Creditor's Name and Address:

Fill in the name of the person or entity asserting a claim and the name and address of the person who should receive notices issued during the bankruptcy case. Please provide us with a valid email address. A separate space is provided for the payment address if it differs from the notice address. The creditor has a continuing obligation to keep the court informed of its current address. See Federal Rule of Bankruptcy Procedure (FRBP) 2002(g).

1. Amount of Claim as of Date Case Filed:

State the total amount owed to the creditor on the Petition Date. Follow the instructions concerning whether to complete items 4 and 5. Check the box if interest or other charges are included in the claim.

2. Basis for Claim:

State the type of debt or how it was incurred. Examples include goods sold, money loaned, services performed, personal injury/wrongful death, car loan, mortgage note, and credit card. If the claim is based on the delivery of health care goods or services, limit the disclosure of the goods or services so as to avoid embarrassment or the disclosure of confidential health care information. You may be required to provide additional disclosure if the debtor, trustee or another party in interest files an objection to your claim.

3. Last Four Digits of Any Number by Which Creditor Identifies Debtor:

State only the last four digits of the debtor's account or other number used by the creditor to identify the debtor.

3a. Debtor May Have Scheduled Account As:

Use this space to report a change in the creditor's name, a transferred claim, or any other information that clarifies a difference between this proof of claim and the claim as scheduled by the debtor.

4. Secured Claim:

Check the appropriate box and provide the requested information if the claim is fully or partially secured. Skip this section if the claim is entirely unsecured. (See DEFINITIONS, below.) State the type and the value of property that secures the claim, attach copies of lien documentation, and state annual interest rate and the amount past due on the claim as of the date of the bankruptcy filing.

5. Amount of Claim Entitled to Priority Under 11 U.S.C. § 507(a):

If any portion of your claim falls in one or more of the listed categories, check the appropriate box(es) and state the amount entitled to priority. (See DEFINITIONS, below.) A claim may be partly priority and partly non-priority. For example, in some of the categories, the law limits the amount entitled to priority.

6. Credits:

An authorized signature on this proof of claim serves as an acknowledgment that when calculating the amount of the claim, the creditor gave the Debtor credit for any payments received toward the debt.

7. Documents:

Attach to this proof of claim form redacted copies documenting the existence of the debt and of any lien securing the debt. You may also attach a summary. You must also attach copies of documents that evidence perfection of any security interest. You may also attach a summary. FRBP 3001(c) and (d). If the claim is based on the delivery of health care goods or services, see instruction 2. Do not send original documents, as attachments may be destroyed after scanning.

Date and Signature:

The person filing this proof of claim must sign and date it. FRBP 9011. If the claim is filed electronically, FRBP 5005(a)(2) authorizes courts to establish local rules specifying what constitutes a signature. Print the name and title, if any, of the creditor or other person authorized to file this claim. State the filer's address and telephone number if it differs from the address given on the top of the form for purposes of receiving notices. Attach a complete copy of any power of attorney. Criminal penalties apply for making a false statement on a proof of claim.

DEFINITIONS

Debtor

A debtor is the person, corporation, or other entity that has filed a bankruptcy case.

Creditor

A creditor is the person, corporation, or other entity owed a debt by the debtor on the date of the bankruptcy filing. See 11 U.S.C. § 101(10).

Claim

A claim is the creditor's right to receive payment on a debt that was owed by the debtor on the date of the bankruptcy filing. See 11 U.S.C. § 101(5). A claim may be secured or unsecured.

Proof of Claim

A proof of claim is a form used by the creditor to indicate the amount of the debt owed by the debtor on the date of the bankruptcy filing. The creditor must file the form with The Garden City Group, Inc. as described in the instructions above and in the Bar Date Notice.

Secured Claim Under 11 U.S.C. § 506(a)

A secured claim is one backed by a lien on property of the debtor. The claim is secured so long as the creditor has the right to be paid from the property prior to other creditors. The amount of the secured claim cannot exceed the value of the property. Any amount owed to the creditor in excess of the value of the property is an unsecured claim. Examples of liens on property include a mortgage on real estate or a security interest in a car. A lien may be voluntarily granted by a debtor or may be obtained through a court proceeding. In some states, a court judgment is a lien. A claim also may be secured if the creditor owes the debtor money (has a right to setoff).

Unsecured Claim

An unsecured claim is one that does not meet the requirements of a secured claim. A claim may be partly unsecured if the amount of the claim exceeds the value of the property on which the creditor has a lien.

Claim Entitled to Priority Under 11 U.S.C. § 507(a)

Priority claims are certain categories of unsecured claims that are paid from the available money or property in a bankruptcy case before other unsecured claims.

Redacted

A document has been redacted when the person filing it has masked, edited out, or otherwise deleted, certain information. A creditor should redact and use only the last four digits of any social-security, individual's tax-identification, or financial-account number, all but the initials of a minor's name and only the year of any person's date of birth.

Evidence of Perfection

Evidence of perfection may include a mortgage, lien, certificate of title, financing statement, or other document showing that the lien has been filed or recorded.

INFORMATION

Acknowledgment of Filing of Claim

To receive acknowledgment of your filing from The Garden City Group, Inc., please provide a self-addressed, stamped envelope and a copy of this proof of claim when you submit the original claim to The Garden City Group, Inc.

Offers to Purchase a Claim

Certain entities are in the business of purchasing claims for an amount less than the face value of the claims. One or more of these entities may contact the creditor and offer to purchase the claim. Some of the written communications from these entities may easily be confused with official court documentation or communications from the debtor. These entities do not represent the bankruptcy court or the debtor. The creditor has no obligation to sell its claim. However, if the creditor decides to sell its claim, any transfer of such claim is subject to FRBP 3001(e), any applicable provisions of the Bankruptcy Code (11 U.S.C. § 101 et seq.), and any applicable orders of the bankruptcy court.

EXHIBIT C

(Proposed Publication Notice)

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

In re:	)	Chapter 11
)	
Life Fund 5.1, LLC;	)	Case No. 09-32672
Life Fund 5.2, LLC;	)	Case No. 09-32674
Houston Tanglewood Partners, LLC.	)	Case No. 09-32676
A&O Resource Management, Ltd.;	)	Case No. 09-32677
A&O Life Fund, LLC;	)	Case No. 09-32678
A&O Bonded Life Assets, LLC;	)	Case No. 09-32679
A&O Bonded Life Settlements, LLC; and	)	Case No. 09-32681
)	
Debtors.	)	(Jointly Administered Under 09-32672)
	)	Honorable A. Benjamin Goldgar

NOTICE OF AUGUST 31, 2010 DEADLINE TO FILE PROOFS OF CLAIM

PLEASE TAKE NOTICE that all entities holding or wishing to assert against any of the above-captioned Debtors an unsecured or secured claim (as defined in section 101(5) of the Bankruptcy Code) that arose prior to September 2, 2009 are required to file a separate, completed and executed proof of Claim on or before **August 31, 2010 at 5:00 p.m. eastern time**. If you have already submitted a proof of Claim, then you do not need to (and should not) file another proof of Claim for the same Claim. Each proof of claim must set forth the full name of the debtor and that debtor's case number to which the Claim applies and be in English and in U.S. Dollars. Each original proof of claim must be signed and: (1) sent via US Mail to: The Garden City Group, Inc., Attn: Life Funds Claims Processing, P.O. Box 9553, Dublin, OH 43017-4853; or (2) sent via overnight or hand delivery to: The Garden City Group, Inc., Attn: Life Funds Claims Processing, 5151 Blazer Parkway, Suite A, Dublin, OH 43017. All claims must be received prior to **August 31, 2010 at 5:00 p.m. eastern time**. Proofs of Claim may not be submitted by facsimile or email. Proof of claim forms and other information about the Debtors' cases are available at www.lifefundstrustee.com. **ANY CREDITOR WHO FAILS TO FILE A PROOF OF CLAIM ON OR BEFORE AUGUST 31, 2010 AT 5:00 P.M. EASTERN TIME WILL BE FOREVER BARRED, ESTOPPED AND ENJOINED FROM ASSERTING SUCH CLAIM AGAINST THE DEBTORS AND SUCH CLAIMANT SHALL NOT BE PERMITTED TO VOTE ON ANY CHAPTER 11 PLAN OR PARTICIPATE IN ANY DISTRIBUTION IN THE DEBTORS' CHAPTER 11 CASES ON ACCOUNT OF SUCH CLAIM(S)**. Questions regarding this notice, including requests for a proof of Claim form, may be directed to counsel to the debtors at Proskauer Rose LLP, 70 W. Madison St., Chicago, Illinois 60602-4342, Attn: Jeremy T. Stillings, Telephone (312) 962-3500.