

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

CASE NAME: A&O Life Fund LLC<sup>1</sup>  
CASE NO.: 09-32678

SUMMARY OF CASH RECEIPTS AND CASH DISBURSEMENTS  
For the Month Ending May 31, 2010

BEGINNING BALANCE IN ALL ACCOUNTS:		\$ 747,647.29
RECEIPTS:		
1. Receipts from operations		\$ 0
2. Other receipts		\$ 245,067.23*
DISBURSEMENTS:		
3. Net Payroll:		
a. Officers		\$ 0
b. Others		\$ 0
4. Taxes:		
a. Federal Income Taxes		\$ 0
b. FICA withholdings		\$ 0
c. Employee's withholdings		\$ 0
d. Employer's FICA		\$ 0
e. Federal Unemployment Taxes		\$ 0
f. State Income Taxes		\$ 0
g. State Employee withholdings		\$ 0
h. All Other State Taxes		\$ 0
5. Necessary Expenses:		
a. Rent or Mortgage payment(s)		\$ 0
b. Utilities		\$ 0
c. Insurance		\$ 0
d. Merchandise bought for manufacture or sale		\$ 0
e. Other necessary expenses (specify)		
Misc Payments (see Disbursements Section)		\$ 390,333.22
Bank Fees		\$ 58.00
FDIC Fees		\$ 4.84

<sup>1</sup> The Trustee maintains one checking account and one money market savings account for the estates of the following seven debtors, whose cases are being jointly administered under the case number assigned to Life Fund 5.1, LLC: Life Fund 5.1, LLC; Life Fund 5.2, LLC; Houston Tanglewood Partners, LLC; A&O Resource Management, Ltd.; A&O Life Fund, LLC; A&O Bonded Life Assets, LLC; and A&O Bonded Life Settlements, LLC (collectively, the "Debtors").

\* Net of inter-account transfers.

TOTAL DISBURSEMENTS <sup>2</sup>	\$ 6,316.31 <sup>3</sup>
NET RECEIPTS (DISBURSEMENTS) FOR THE CURRENT PERIOD	\$ (145,328.83)
ENDING BALANCE IN ALL ACCOUNTS	\$ 602,318.46

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<sup>2</sup> Net of inter-account transfers (not reflected here).

<sup>3</sup> The Trustee is allocating payment to The Prudential Insurance Company of America in the amount of \$346,181.92 to debtor Houston Tanglewood Partners, LLC (the owner on record of the policy on which payment was made). The Trustee is allocating the balance of all other disbursements in the amount of \$44,214.14 evenly among all of the Debtors ( $\$44,214.14/7 =$  approximately \$6,316.30). Accordingly \$352,498.23 is allocated to Houston Tanglewood Partners LLC and approximately \$6,316.30 is allocated to each of the other six debtors.

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RECEIPTS LISTING  
[Checking Account]

For the Month Ending May 31, 2010

Bank: Bank of America (TX1-492-08-16)  
Location: 901 Main Street, 8<sup>th</sup> Floor, Dallas, TX 75202-3714  
Account Name: Jeff Marwil, Trustee for Life Fund 5.1, LLC, et al. (Jointly Administered)  
Account No.: xxx xxx 4250

<u>DATE RECEIVED</u>	<u>DESCRIPTION</u>	<u>AMOUNT</u>
5/14/2010	Wire from Provident Capital per settlement	\$ 243,750.00
5/26/2010	Deposit of funds of unearned premiums	\$ 1,297.00

TOTAL: \$ 245,047.00<sup>4</sup>

Receipts may be identified by major categories. It is not necessary to list each transaction separately by name or customer or invoice number. You must, however, create a separate list for each bank account to which receipts were deposited during the month.

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<sup>4</sup> This account also received \$400,000.00 via transfers from Trustee Account xxx xxx 4238 during the reporting period.

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RECEIPTS LISTING  
[Money Market Savings Account]  
For the Month Ending May 31, 2010

Bank: Bank of America (TX1-492-08-16)  
Location: 901 Main Street, 8<sup>th</sup> Floor, Dallas, TX 75202-3714  
Account Name: Jeff Marwil, Trustee for Life Fund 5.1, LLC, et al. (Jointly Administered)  
Account No.: xxx xxx 4238

DATE RECEIVED	DESCRIPTION	AMOUNT
5/28/2010	Interest Accrued	\$ 20.23
		TOTAL: \$ 20.23

You must create a separate list for each bank account from which disbursements were made during the month.

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DISBURSEMENT LISTING  
[Checking Account]

For the Month Ending May 31, 2010

Bank: Bank of America (TX1-492-08-16)  
Location: 901 Main Street, 8<sup>th</sup> Floor, Dallas, TX 75202-3714  
Account Name: Jeff Marwil, Trustee for Life Fund 5.1, LLC, et al. (Jointly Administered)  
Account No.: xxx xxx 4250

DATE DISBURSED	CHECK NO.	DESCRIPTION	AMOUNT
5/19/2010	1051	The Prudential Insurance Company of America for premium payment on Policy V1168732	\$ 346,181.92 <sup>5</sup>
5/19/2010	1053	American General Life Insurance Company for premium payment on Policy U10033937L	\$ 26,000.00
5/24/2010	1054	The Lincoln National Life Insurance Company for premium payment on Policy JP5578112	\$ 10,282.54
5/24/2010	1055	The Lincoln National Life Insurance Company for premium payment on Policy JJ7002605	\$ 7,868.76
5/14/2010- 5/26/2010	n/a	Bank Fees (wires, copies, statements)	\$ 28.00
5/28/2010	n/a	FDIC Assessment	\$ 4.06
TOTAL:			\$ 390,365.28

You must create a separate list for each bank account from which disbursements were made during the month.

<sup>5</sup> Allocated to Houston Tanglewood Partners, LLC. All other disbursements allocated equally among all Debtors.

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DISBURSEMENT LISTING  
[Money Market Savings Account]  
For the Month Ending May 31, 2010

Bank: Bank of America (TX1-492-08-16)  
Location: 901 Main Street, 8<sup>th</sup> Floor, Dallas, TX 75202-3714  
Account Name: Jeff Marwil, Trustee for Life Fund 5.1, LLC, et al. (Jointly Administered)  
Account No.: xxx xxx 4238

DATE DISBURSED	DESCRIPTION	AMOUNT
5/28/2010	FDIC Assessment	\$ 0.78
5/28/2010	Bank Fees (wires, copies, statements)	\$ 30.00
	TOTAL:	\$ 30.78 <sup>6</sup>

You must create a separate list for each bank account from which disbursements were made during the month.

<sup>6</sup> This account transferred \$400,00.00 to Trustee Account xxx xxx 4250 during reporting period.

IN THE UNITED STATES BANKRUPTCY COURT  
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CASE NAME: A&O Life Fund LLC  
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FOR THE MONTH ENDING MAY 31, 2010

STATEMENT OF INVENTORY

Beginning inventory:	\$	<u>0</u>
Add: Purchases:	\$	<u>0</u>
Less: goods sold (cost basis)	\$	<u>0</u>
Ending inventory	\$	<u>0</u>

PAYROLL INFORMATION STATEMENT

Gross payroll for this period	\$	<u>0</u>
Payroll taxes due but unpaid	\$	<u>0</u>

STATUS OF PAYMENTS TO SECURED CREDITORS AND LESSORS

Number of Creditor/ Lessor	Date regular payment is due	Amount of Regular Payment	Number of Payments Delinquent*	Amount of Payments Delinquent*
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None

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\* Include only post-petition payments.

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STATEMENT OF AGED RECEIVABLES

ACCOUNTS RECEIVABLE

Beginning of month balance	\$	<u>0</u>
Add: sales on account	\$	<u>0</u>
Less: collections	\$	<u>0</u>
End of month balance	\$	<u>0</u>

<u>0-30 days</u>	<u>31-60 days</u>	<u>61-90 days</u>	<u>Over 90 days</u>	<u>End of Month TOTAL</u>
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

STATEMENT OF ACCOUNTS PAYABLE (POST-PETITION)

Beginning of month balance	\$	<u>0</u>
Add: sales on account	\$	<u>0</u>
Less: collections	\$	<u>0</u>
End of month balance	\$	<u>0</u>

<u>0-30 days</u>	<u>31-60 days</u>	<u>61-90 days</u>	<u>Over 90 days</u>	<u>End of Month TOTAL</u>
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

ITEMIZE ALL POST-PETITION PAYABLES OVER 30 DAYS OLD ON A  
SEPARATE SCHEDULE AND FILE WITH THIS REPORT

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TAX QUESTIONNAIRE

Debtors in possession and trustees are required to pay all taxes incurred after the filing of their Chapter 11 petition on an as due basis. Please indicate whether the following post-petition taxes or withholdings have been paid currently.

- |    |                             |         |        |
|----|-----------------------------|---------|--------|
| 1. | Federal Income Taxes        | Yes [ ] | No [✓] |
| 2. | FICA Withholdings           | Yes [ ] | No [✓] |
| 3. | Employee's Withholdings     | Yes [ ] | No [✓] |
| 4. | Employer's FICA             | Yes [ ] | No [✓] |
| 5. | Federal Unemployment Taxes  | Yes [ ] | No [✓] |
| 6. | State Income Tax            | Yes [ ] | No [✓] |
| 7. | State Employee Withholdings | Yes [ ] | No [✓] |
| 8. | All Other State Taxes       | Yes [ ] | No [✓] |

If any of the above have not been paid, state below the tax not paid, the amounts past due and the date of last payment.

*No taxes are owed.*

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**DECLARATION UNDER PENALTY OF PERJURY**

I, Jeremy T. Stillings, attorney to the Chapter 11 Trustee, declare under penalty of perjury under the laws of the United States that I have read and I certify that the figures, statements, disbursement itemizations, and account balances as listed in this Monthly Report of the Debtor are true and correct as of the date of this report to the best of my knowledge, information and belief.

/s/ Jeremy T. Stillings  
For the Trustee

Printed Name: Jeremy T. Stillings

Title: Counsel to Jeff Marwil, Trustee for the  
Debtors' Estates