

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

CASE NAME: Life Fund 5.2, LLC
CASE NO.: 09-32674

SUMMARY OF CASH RECEIPTS AND CASH DISBURSEMENTS
For the Month Ending January 31, 2011

BEGINNING BALANCE IN ALL ACCOUNTS	\$ 4,036,882.82 ¹
RECEIPTS:	
1. Receipts from operations	\$
2. Other receipts	\$ 47,803.00 ²
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)	\$ 13,643.45
Bank Fees	\$ 15.00
FDIC Fees	\$ 31.35

¹ The Trustee has maintained one checking account and one money market savings account covering the estates of the seven jointly administered and affiliated debtors: 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"). Due to recently enacted legislation, upon notice to the Trustee, Bank of America converted the Trustee's money market account to a checking account. Upon receipt of such notice, the trustee consolidated both accounts into one, which will be reflected in the February monthly operating reports.

² Net of inter-account transfers.

TOTAL DISBURSEMENTS	\$ 7,112.89 ³
NET RECEIPTS (DISBURSEMENTS) FOR THE CURRENT PERIOD	\$ 34,113.20
ENDING BALANCE IN ALL ACCOUNTS	\$ 4,070,996.02 ⁴

³ The Trustee is allocating payment to Lincoln National Life Insurance Company in the amount of \$7,106.27 to debtor Life Fund 5.2, LLC. The Trustee is allocating payment to Lincoln National Life Insurance Company in the amount of \$6,537.18 to debtor A&O Life Fund, LLC. The Trustee is allocating the balance of all other disbursements in the amount of \$46.35 evenly among all of the Debtors ($\$46.35/7 =$ approximately \$6.62). Accordingly, approximately \$7,112.89 is allocated to Life Fund 5.2, LLC, approximately \$6,543.80 is allocated to A&O Life Fund, LLC, and approximately \$6.62 is allocated to each of the other five debtors.

⁴ Without authorization from the Trustee, Bank of America debited the Debtors' accounts for a wire transfer and related fee in November 2010. Bank of America credited the Trustee's account with an additional \$20.00 relating to the November 2010 unauthorized wire transfer, which amount is reflected in the ending balance in all accounts.

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RECEIPTS LISTING
 [Checking Account]

For the Month Ending January 31, 2011

Bank: Bank of America (TX1-492-08-16)
 Location: 901 Main Street, 8th Floor, Dallas, TX 75202-3714
 Account Name: Jeff Marwil, Trustee for Life Fund 5.1, LLC, et al. (Jointly Administered)
 Account No.: xxx xxx 2450

DATE RECEIVED	DESCRIPTION	AMOUNT	
1/25/2011	Transfer of funds from Bank of America Checking Account #xxx-xxx-4238	\$	23,624.51
1/26/2011	Transfer of funds from Bank of America Checking Account #xxx-xxx-4238	\$	13,643.45
	TOTAL:	\$	37,267.96

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RECEIPTS LISTING
[Checking Account]

For the Month Ending January 31, 2011

Bank: Bank of America (TX1-492-08-16)
Location: 901 Main Street, 8th 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

<u>DATE RECEIVED</u>	<u>DESCRIPTION</u>	<u>AMOUNT</u>
1/10/2011	Receipt of Payment for Sale of John Hancock Life Insurance Policy UL1402937	\$ 47,783.00
		TOTAL: \$ 47,803.00

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DISBURSEMENT LISTING
[Checking Account]

For the Month Ending January 31, 2011

Bank: Bank of America (TX1-492-08-16)
Location: 901 Main Street, 8th Floor, Dallas, TX 75202-3714
Account Name: Jeff Marwil, Trustee for Life Fund 5.1, LLC, et al. (Jointly Administered)
Account No.: xxx xxx 2450

DATE DISBURSED	CHECK NO.	DESCRIPTION	AMOUNT
1/27/2011	1117	Premium payment to Lincoln National Life Insurance Company for Policy No. JF5571244	\$ 7,106.27
1/27/2011	1118	Premium payment to Lincoln National Life Insurance Company for Policy No. JF5571385	\$ 6,537.18
1/31/2011	N/A	FDIC Assessment	\$.23
TOTAL:			\$ 13,643.68

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DISBURSEMENT LISTING
[Checking Account]

For the Month Ending January 31, 2011

Bank: Bank of America (TX1-492-08-16)
Location: 901 Main Street, 8th 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
1/10/2011	Bank Wire Fee	\$ 10.00
1/25/2011	Transfer of funds to Bank of America Checking Account #xxx-xxx-2450	\$ 23,624.51
1/26/2011	Transfer of funds to Bank of America Checking Account #xxx-xxx-2450	\$ 13,643.45
1/26/2011	Account Inquiry Fee	\$ 5.00
1/31/2011	FDIC Assessment	\$ 31.12
	TOTAL:	\$ 37,314.08

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FOR THE MONTH ENDING JANUARY 31, 2011

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

* Include only post-petition payments.

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FOR THE MONTH ENDING JANUARY 31, 2011

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>

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

0-30 days	31-60 days	61-90 days	Over 90 days	End of Month TOTAL
\$ 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