

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

CASE NAME: A&O Life Fund, LLC  
CASE NO.: 09-32678

SUMMARY OF CASH RECEIPTS AND CASH DISBURSEMENTS

For the Month Ending August 31, 2011

BEGINNING BALANCE IN ALL ACCOUNTS		\$ 6,228,053.48
RECEIPTS:		
1. Receipts from operations		\$ 0
2. Other receipts		\$ 40,168.19
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)		\$ 924,215.88
Bank Fees		\$ 56.00
FDIC Fees		\$ 41.15

TOTAL DISBURSEMENTS	\$ 132,044.72 <sup>1</sup>
NET RECEIPTS (DISBURSEMENTS) FOR THE CURRENT PERIOD	\$ (884,144.84)
ENDING BALANCE IN ALL ACCOUNTS	\$ 5,343,908.64

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<sup>1</sup> The Trustee is allocating the balance of all disbursements in the amount of \$924,313.03 evenly among all of the Debtors ( $\$924,313.03/7 =$  approximately \$132,044.72). Accordingly, approximately \$132,044.72 is allocated to each of the seven debtors.

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RECEIPTS LISTING  
[Checking Account]

For the Month Ending August 31, 2011

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 2450

DATE RECEIVED	DESCRIPTION	AMOUNT
8/11/2011	Wire Transfer from Vida Capital Inc.	\$ 40,168.19
	TOTAL:	\$ 40,168.19

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DISBURSEMENT LISTING  
[Checking Account]

For the Month Ending August 31, 2011

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 2450

DATE DISBURSED	CHECK NO.	DESCRIPTION	AMOUNT
7/21/2011	1152	Payment to Perkins Coie LLP per order	\$ 100,314.00
7/27/2011	1153	Payment of Quarterly Fee for US Trustee on behalf of Life Fund 5.1, LLC	\$ 650.00
7/27/2011	1154	Payment of Quarterly Fee for US Trustee on behalf of Life Fund 5.2, LLC	\$ 650.00
7/27/2011	1155	Payment of Quarterly Fee for US Trustee on behalf of Houston Tanglewood Partners, LLC	\$ 650.00
7/27/2011	1156	Payment of Quarterly Fee for US Trustee on behalf of A&O Resource Management Ltd.	\$ 650.00
7/27/2011	1157	Payment of Quarterly Fee for US Trustee on behalf of A&O Life Fund, LLC	\$ 650.00
7/27/2011	1158	Payment of Quarterly Fee for US Trustee on behalf of A&O Bonded Life Assets, LLC	\$ 650.00
7/27/2011	1159	Payment of Quarterly Fee for US Trustee on behalf of A&O Bonded Life Settlements, LLC	\$ 650.00
8/10/2011	1160	Payment to the Garden City Group, Inc.	\$ 6,398.49
8/29/2011	1165	Payment to Proskauer Rose LLP per order	\$ 185,144.03
8/18/2011		Payment to partial owner on policy #7000058	\$ 277,809.36
8/24/2011		Payment to Melville Capital	\$ 44,189.06
8/24/2011		Payment to Melville Capital	\$ 305,810.94

DATE DISBURSED	CHECK NO.	DESCRIPTION	AMOUNT
8/18/2011		Official Bank Check Fee	\$ 6.00
8/11/2011		Incoming Domestic Wire Fee	\$ 10.00
8/24/2011		Domestic Wire Fee	\$ 20.00
8/24/2011		Domestic Wire Fee	\$ 20.00
8/24/2011		FDIC Fees	\$ 41.15
		TOTAL:	\$ 924,313.03

**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 AUGUST 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 AUGUST 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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FOR THE MONTH ENDING AUGUST 31, 2011

**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, Brandon W. Levitan, 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/ Brandon W. Levitan  
For the Trustee

Printed Name: Brandon W. Levitan

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