

**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
	)	Related Docket Nos. 740, 764, 807

ORDER APPROVING (A) DISCLOSURE STATEMENT, (B) PROCEDURES FOR THE SOLICITATION AND TABULATION OF VOTES TO ACCEPT OR REJECT THE PLAN, AND (C) RELATED NOTICE AND OBJECTION PROCEDURES

Upon the motion (the "Motion"²) of Jeff Marwil, not individually, but solely as the trustee (the "Trustee") to the chapter 11 estates (the "Estates") of the above-captioned debtors (the "Debtors") for the entry of an order approving: (1) the First Amended Disclosure Statement for the Chapter 11 Trustee's First Amended Plan of Consolidation and Liquidation [Docket No. 807]; (2) procedures for the solicitation and tabulation of votes to accept or reject the Chapter 11 Trustee's First Amended Plan of Consolidation and Liquidation; and (3) related notice and objection procedures; it appearing that the relief requested in the Motion is in the best interests of the Debtors, their estates, and other parties in interest; the Court having jurisdiction over the matters raised in the Motion pursuant to 28 U.S.C. §§ 157 and 1334; consideration of the Motion and the relief requested therein being a core proceeding pursuant to 28 U.S.C. § 157(b)(2); venue being proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409; the Trustee having filed with the Court the Disclosure Statement and the Plan; the Disclosure Statement Hearing Notices

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 used but not otherwise defined herein shall have the meaning ascribed thereto in the Motion.

having been served on the Debtors' creditors and Equity Interest holders; and the Motion, the Disclosure Statement Hearing Notice, the Disclosure Statement and the Plan having been served on: (i) the Office of the United States Trustee, and (ii) counsel for the Chapter 11 Trustee; affidavits of service of the notice of the hearing on the Motion having been filed with the Court (the "Affidavits of Service"); the Court having reviewed the Disclosure Statement, the Motion, the papers in support thereof and the responses thereto, if any, and the Affidavits of Service; the Court having found and determined that (A) the legal and factual bases set forth in the Motion and at the hearing on the Motion establish just cause for the relief granted herein, and (B) the relief requested in the Motion is in the best interests of the Debtors, their estates and creditors; and upon the Disclosure Statement, the Motion, the papers in support thereof and the responses thereto, if any, the record of the hearing on the Disclosure Statement and all of the proceedings had before the Court, and after due deliberation and sufficient cause appearing therefor;

IT IS HEREBY FOUND THAT:

- A. The Disclosure Statement Hearing Notice was properly served upon the Debtors' creditors and Equity Interest holders.
- B. The Motion, the Disclosure Statement Hearing Notice, the Disclosure Statement and the Plan were served upon: (a) the Office of the United States Trustee, and (b) all parties requesting notice in these cases under Bankruptcy Rule 2002.
- C. Notice of the hearing to approve the Disclosure Statement was provided to substantially all creditors of the Debtors in accordance with Bankruptcy Rule 2002.
- D. The Disclosure Statement filed in these cases as **Docket No. 807** (as the same may have been amended and/or revised from time to time, including in connection with the

Disclosure Statement hearing) contains “adequate information” within the meaning of section 1125 of the Bankruptcy Code.

E. The form of notice of non-voting status (“Notice of Non-Voting Status”) to be sent to holders of Claims in Class 1 (deemed to accept the Plan) and holders of Equity Interests in Class 3 (deemed to reject the Plan) substantially in the form annexed hereto as **Exhibit 1**, complies with Bankruptcy Rule 3017 and adequately addresses the particular needs of these Chapter 11 cases.

F. The form of the Ballot annexed hereto as **Exhibit 2** is substantially consistent with Official Form No. 14, adequately addresses the particular needs of these Chapter 11 cases, and is appropriate for each Class of Claims entitled to vote to accept or reject the Plan.

G. The Ballot requires the furnishing of sufficient information to assure that duplicate Ballots are not submitted and tabulated.

H. Ballots need not be provided to the holders of Claims in Class 1 because the Plan provides that such Class is Unimpaired and, therefore, deemed to accept the Plan.

I. Ballots need not be provided to the holders of Equity Interests in Class 3 because the Plan provides that such holders will not receive or retain any property under the Plan in respect of such Equity Interests and, therefore, are deemed to reject the Plan.

J. The period set forth below during which the Trustee may solicit acceptances to the Plan is a reasonable and adequate period of time for creditors to make an informed decision to accept or reject the Plan.

K. The procedures for the solicitation and tabulation of votes to accept or reject the Plan (as more fully set forth in the Motion and below) provide for a fair and equitable voting process and are consistent with section 1126 of the Bankruptcy Code.

L. The Confirmation Hearing Notice substantially in the form annexed hereto as **Exhibit 3**, the procedures set forth below for providing such notice to all creditors and Equity Interest holders of the time, date and place of the Confirmation Hearing, and the contents of the Solicitation Packages comply with Rules 2002 and 3017 of the Bankruptcy Rules and constitute sufficient notice to all interested parties.

NOW, THEREFORE, IT IS HEREBY ORDERED THAT:

1. The Motion is GRANTED.
2. The Disclosure Statement is APPROVED.
3. **October 13, 2011**, is established as the Voting Record Date for purposes of this Order and determining: (a) the creditors and Equity Interest holders who are entitled to vote to accept or reject the Plan; and (b) in the case of non-voting Classes, the creditors and Equity Interest holders who are to receive certain non-voting materials.
4. The Trustee is directed to distribute or cause to be distributed, no later than **October 13, 2011**, Solicitation Packages to all holders of Claims in Class 2 (the "Voting Class"), including: (a) all persons or entities identified in the Debtors' schedules of assets and liabilities filed pursuant to section 521 of the Bankruptcy Code and Bankruptcy Rule 1007 (as amended, the "Schedules") as holding liquidated, noncontingent and undisputed Class 2 Claims, in an amount greater than zero dollars; excluding scheduled Claims that have been superseded by filed proofs of claim; (b) all parties having timely filed proofs of Class 2 Claims, as reflected in the official claims register maintained by The Garden City Group, Inc. (the "Voting Agent") in an amount greater than zero or that are wholly contingent, unliquidated or disputed and, as to both of the foregoing, whose Class 2 Claims have not been disallowed or expunged prior to the Voting Record Date; (c) the assignee of a transferred and assigned Class 2 Claim (whether a filed

or scheduled Class 2 Claim) whose transfer and assignment has been properly noted on the Court's docket and is effective pursuant to Bankruptcy Rule 3001(e) as of the close of business on the Voting Record Date and whose claims have not been disallowed or expunged prior to the Solicitation Date; and (d) any other known holders of Class 2 Claims against the Debtors as of the Voting Record Date.

5. The Solicitation Packages shall contain copies of: (a) a cover letter describing the contents of the Solicitation Package; (b) the Approval Order (without exhibits); (c) the Confirmation Hearing Notice (**Exhibit 3**); (d) an appropriate form of Ballot together with a pre-addressed, postage prepaid return envelope addressed to the Voting Agent; and (e) the Disclosure Statement (together with the Plan and all other appendices).

6. The form of Notice of Non-Voting Status, substantially in the form annexed hereto as **Exhibit 1**, is approved and shall be distributed to holders, as of the Voting Record Date, of (a) Unimpaired Claims in Class 1 deemed to accept the Plan, and (b) Equity Interests in Class 3 deemed to reject the Plan.

7. The form of the Ballot, substantially in the form annexed hereto as **Exhibit 2**, is approved.

8. The Confirmation Hearing Notice, substantially in the form annexed hereto as **Exhibit 3** (together with a copy of this Order without exhibits), is approved and shall be transmitted to all parties in the creditor and equity holders database maintained by the Voting Agent in these cases.

9. The Voting Agent shall provide to the following parties a Solicitation Package without a Ballot: (a) parties on the master service list maintained by the Voting Agent (which includes all parties that have filed a notice of appearance pursuant to Bankruptcy

Rule 9010); and (b) all counterparties to the Debtors' unexpired leases and executory contracts that have not been assumed or rejected as of the Voting Record Date.

10. With respect to addresses from which notices of the hearing to approve the Disclosure Statement were returned as undeliverable by the United States Postal Service, the Trustee is excused from distributing Solicitation Packages and/or Notices of Non-Voting Status and/or Confirmation Hearing Notice to those entities listed at such addresses unless the Trustee is provided with accurate addresses for such entities at least one Business Day prior to the Solicitation Date, and failure to distribute Solicitation Packages to such entities will not constitute inadequate notice of the Confirmation Hearing, the Voting Deadline (as defined below) or violation of Bankruptcy Rule 3017(d). The Trustee is further excused from searching for better addresses in connection with Solicitation Packages that are returned as undeliverable with no forwarding address.

11. Other than as set forth herein, the Trustee is not required to distribute Solicitation Packages, Ballots, copies of the Disclosure Statement or Plan or any other notices to: (a) parties to executory contracts who do not hold either allowed (for voting or otherwise) Claims or filed or scheduled Claims listed as contingent, unliquidated or disputed; or (b) holders of Claims against the Debtors that have not been classified in the Plan pursuant to section 1123(a)(1) of the Bankruptcy Code.

12. Except as otherwise provided herein, to be counted as a vote to accept or reject the Plan, each Ballot must be properly executed, completed and the original thereof delivered to the Voting Agent so as to be actually received by the Voting Agent no later than **November 11, 2011 at 5:00 p.m. prevailing Eastern time** (the "Voting Deadline").

13. The Trustee may extend the Voting Deadline, if necessary, without further order of this Court, to a date that is no later than five (5) business days before the Confirmation Hearing by publishing on www.lifefundtrustee.com an announcement of such extension.

14. Solely for purposes of voting to accept or reject the Plan, and not for the purpose of the allowance of or distribution on account of a Claim and without prejudice to the rights of the Debtors in any other context, each Claim within a Class entitled to vote to accept or reject the Plan shall be entitled to vote the amount of such Claim as set forth in the Schedules (as may be amended from time to time) unless such holder has timely filed a proof of claim, in which event such holder would be entitled to vote the amount of such Claim as set forth in such proof of claim; provided that:

- a. If the Trustee has filed an objection to a Claim before the Voting Deadline, such Claim shall be temporarily disallowed for voting purposes only and not for purposes of allowance or distribution, except to the extent and in the manner as may be set forth in such objection;
- b. If, before the Voting Deadline, the Trustee has filed a pleading seeking approval of a stipulation executed by a creditor purporting to modify one or more Claims, such Claims shall be temporarily disallowed for voting purposes only and not for purposes of allowance or distribution, except to the extent and in the manner as may be set forth in such stipulation;
- c. If a Claim is deemed "Allowed" under the Plan or an order of the Court, such Claim shall be allowed for voting purposes in the deemed "Allowed" amount set forth in the Plan or the Court's order;
- d. If a Claim for which a proof of claim has been timely filed is wholly contingent, unliquidated or disputed, such Claim shall be temporarily allowed for voting purposes only, and not for purposes of allowance or distribution, at \$1.00, and the Ballot mailed to the holder of such Claim shall be marked as voting at \$1.00;
- e. If a Claim is partially liquidated and partially unliquidated, the Claim shall be allowed for voting purposes only in the liquidated amount;
- f. If a Claim has been estimated or otherwise allowed for voting purposes by order of the Court, such Claim shall be temporarily allowed in the amount so estimated or allowed by the Court for voting purposes only, and not for purposes of allowance or distribution;

- g. If a Claim is listed in the Schedules as contingent, unliquidated or disputed and a proof of claim was not (i) filed by the applicable bar date for the filing of proofs of claim established by the Court, (ii) deemed timely filed by an order of the Court prior to the Voting Deadline, or (iii) identified in Exhibit 2 to the Plan, then, unless the Trustee has consented in writing to allow such Claim for voting purposes, such Claim shall be disallowed for voting purposes and for purposes of allowance and distribution pursuant to Bankruptcy Rule 3003(c); and
- h. Notwithstanding anything to the contrary contained herein, any creditor who has filed or purchased duplicate Claims (whether against the same or multiple Debtors) that are classified under the Plan in Class 2, shall be provided with only one Solicitation Package and one Ballot for voting a single Claim in such Class, regardless of whether the Trustee has objected to such duplicate claims.

15. If any claimant seeks to challenge the allowance of its Claim for voting purposes in accordance with the above procedures, such claimant is directed to serve on counsel for Trustee and file with the Court on or before the fourteenth (14th) day after the later of (a) the Solicitation Date and (b) the date of service of an objection, if any, to such Claim, a motion for an order pursuant to Bankruptcy Rule 3018(a) temporarily allowing such Claim in a different amount for purposes of voting to accept or reject the Plan.

16. As to any creditor filing a motion pursuant to Bankruptcy Rule 3018(a), such creditor's Ballot shall not be counted unless temporarily allowed by the Court for voting purposes after notice and a hearing.

17. If a creditor casts more than one Ballot voting the same Claim(s) before the Voting Deadline, the last valid Ballot received before the Voting Deadline is deemed to reflect the voter's intent and, thus, to supersede any prior Ballots.

18. Creditors with multiple Claims within Class 2 must vote all of their Class 2 Claims under the Plan either to accept or reject the Plan and may not split their votes, and thus neither (a) any Ballot that partially rejects and partially accepts the Plan nor (b) any Ballot filed by a creditor who votes inconsistently will be counted.

19. Without further order of this Court, any Ballot that is properly completed, executed and timely returned to the Voting Agent, but does not indicate an acceptance or rejection of the Plan or indicates both an acceptance and a rejection of the Plan, shall not be counted.

20. Without further order of this Court, any Ballot actually received by the Voting Agent after the Voting Deadline shall not be counted, unless the Trustee granted an extension of the Voting Deadline with respect to such Ballot.

21. Without further order of this Court, any Ballot that is illegible or contains insufficient information to permit the identification of the claimant shall not be counted.

22. Without further order of this Court, any Ballot cast by a person or entity that does not hold a Class 2 Claim shall not be counted.

23. Without further order of this Court, any Ballot cast for a Claim identified as unliquidated, contingent or disputed, or in zero or unknown amount, for which no proof of claim was timely filed shall not be counted.

24. Without further order of this Court, any unsigned Ballot or non-originally signed Ballot shall not be counted.

25. Without further order of this Court, any Ballot sent directly to the Trustee, his agents (other than the Voting Agent), or the Trustee's financial or legal advisors or to any party other than the Voting Agent shall not be counted.

26. Without further order of this Court, any Ballot cast for a Claim that has been disallowed (for voting purposes or otherwise) or satisfied shall not be counted.

27. Without further order of this Court, any Ballot transmitted to the Voting Agent by facsimile or other electronic means.

28. Subject to any contrary Order of this Court, the Trustee may reject any and all Ballots, the acceptance of which, in the opinion of the Trustee, would not be in accordance with the provisions of the Bankruptcy Code, the Bankruptcy Rules, or this order.

29. Neither the Trustee, nor the Voting Agent, nor any other person or entity shall be under any duty to provide notification of defects or irregularities with respect to delivered Ballots, nor shall the Trustee, the Voting Agent or any other person or entity incur any liability for failure to provide such notification.

30. The Voting Agent may disregard any and all defective Ballots with no further notice to any other person or entity.

31. The Trustee will file all exhibits to the Plan with the Court and make them available for review on the Voting Agent's case website at www.lifefundtrustee.com no later than five (5) days before the Confirmation Hearing.

32. The Confirmation Hearing will be held on **November 23, 2011 at 10:00 a.m. central**, *provided, however*, that the Confirmation Hearing may be adjourned from time to time by the Court or the Trustee without further notice to parties other than an announcement in Court at the Confirmation Hearing or any adjourned Confirmation Hearing.

33. The Trustee shall post the Confirmation Hearing Notice on or before **October 13, 2011** electronically on www.lifefundtrustee.com.

34. Objections to confirmation of the Plan or proposed modifications to the Plan, if any, must (a) be in writing, (b) conform to the Federal Rules of Bankruptcy Procedure and the Local Rules of the Bankruptcy Court, (c) state the name and address of the objecting party and the amount and nature of the Claim or Equity Interest of such party, (d) state with particularity the basis and nature of any objection to the Plan, and (e) be filed electronically, together with

proof of service, with the Court and served on the parties listed in the Confirmation Hearing Notice, on **November 11, 2011**.

35. Objections to confirmation of the Plan not timely filed and served in the manner set forth above shall not be considered and shall be overruled.

36. The Trustee or the Voting Agent shall file (a) all Ballots cast and (b) the vote tabulation certification no later than **November 18, 2011**.

37. The Trustee shall file any consolidated response to any objections to the Plan no later than **November 18, 2011**.

38. The Trustee is authorized to take or refrain from taking any action and expending such funds necessary or appropriate to implement the terms of and the relief granted in this Order without seeking further order of the Court.

39. The Trustee is authorized to make nonsubstantive changes to the Disclosure Statement, Plan, Ballots, the Confirmation Hearing Notice, any other notice related to the Plan or Disclosure Statement and all exhibits and appendices to any of the foregoing without further order of the Court, including, without limitation, changes to correct typographical and grammatical errors and to make conforming changes among the Disclosure Statement, the Plan and any other materials in the Solicitation Package prior to their distribution.

Date: _____, 2011
Chicago, Illinois

United States Bankruptcy Judge

EXHIBIT 1

NOTICE OF NON-VOTING STATUS

**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

**NOTICE OF NON-VOTING STATUS UNDER THE CHAPTER 11 TRUSTEE’S
FIRST AMENDED PLAN OF CONSOLIDATION AND LIQUIDATION**

PLEASE TAKE NOTICE OF THE FOLLOWING:

1. On September 2, 2009 (the “Petition Date”), each of the above-captioned debtors (the “Debtors”) filed voluntary petitions for relief under chapter 11 of title 11 of the United States Code (the “Bankruptcy Code”).

2. On _____, the United States Bankruptcy Court for the Northern District of Illinois (the “Bankruptcy Court”) entered an Order Approving: (a) the Disclosure Statement [**Docket No. ____**], (the “Disclosure Statement”) to the chapter 11 trustee’s (the “Trustee”) First Amended Plan of Consolidation and Liquidation [**Docket No. ____**] (the “Plan”); (b) the contents of the proposed solicitation packages to be distributed to the Debtors’ stakeholders who are entitled to vote to accept or reject the Plan (collectively, the “Solicitation Packages”); and (c) Related Notice and Objection Procedures [**Docket No. ____**] (the “Approval Order”).

3. Holders of Class 1 Claims are not entitled to vote on the Plan because they are not Impaired under the Plan. Holders of Class 3 Equity Interests are not entitled to vote on the Plan because they will not receive or retain property on account of such Equity Interests under the Plan.

4. YOU HAVE BEEN IDENTIFIED AS THE HOLDER OF A CLASS 1 CLAIM OR CLASS 3 EQUITY INTEREST UNDER THE PLAN AND THEREFORE ARE NOT ENTITLED TO VOTE TO ACCEPT OR REJECT THE PLAN ON ACCOUNT OF SUCH CLAIM OR INTEREST. Accordingly, pursuant to the Approval Order, you are receiving this Notice in lieu of a Solicitation Package containing, among other things, copies of the Disclosure Statement and the Plan. Should you wish to obtain a copy of either the Disclosure Statement or the Plan, copies of both documents (including any exhibits and appendices thereto) are available at no charge via the internet at www.lifefundstrustee.com and are available upon a written request made to the Voting Agent at Life Fund Bankruptcy

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.

Administration, c/o The Garden City Group, Inc., PO Box 9553, Dublin, Ohio 43017-4853.
PLEASE NOTE THAT THE VOTING AGENT IS NOT AUTHORIZED TO, AND WILL NOT, PROVIDE LEGAL ADVICE.

5. The Confirmation Hearing will be held before the Honorable A. Benjamin Goldgar, Bankruptcy Judge for the United States Bankruptcy Court for the Northern District of Illinois (the "Court"), or any other Judge who may be sitting in his place and stead, in Courtroom 613 of the Bankruptcy Court at the Dirksen Federal Building, or any other Court Room so designated, 219 South Dearborn Street, Chicago, Illinois 60604, on **November 23, 2011 at 10:00 a.m. prevailing Central time**. The Confirmation Hearing may be continued from time to time without further notice other than the announcement of the adjourned date at the Confirmation Hearing or any continued hearing.

6. Objections, if any, to the confirmation of the Plan must: (a) be in writing; (b) state the name and address of the objecting party and the nature of the Claim or Equity Interest of such party; (c) state with particularity the basis and nature of any objection; and (d) be filed with the Bankruptcy Court at the address set forth in the preceding paragraph and served on the following parties by no later than **November 11, 2011**:

- Counsel to the Chapter 11 Trustee, Proskauer Rose LLP, 70 West Madison Street, Chicago, Illinois 60602 (Attn: Jeremy T. Stillings);
- Office of The United States Trustee, Northern District of Illinois, Eastern Division, 219 South Dearborn Street, Room 873, Chicago, Illinois 60604 (Attn: Gretchen Silver).

EXHIBIT 2

FORM OF BALLOT

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

In re:) Chapter 11
)
LIFE FUND 5.1, LLC, *et al.*,¹) Case No. 09 B 32672
)
Debtors.) Jointly Administered

**BALLOT FOR ACCEPTING OR REJECTING THE CHAPTER 11 TRUSTEE'S
FIRST AMENDED PLAN OF CONSOLIDATION AND LIQUIDATION**

CLASS 2: UNSECURED CLAIMS

**THE VOTING DEADLINE TO ACCEPT OR REJECT THE PLAN IS
NOVEMBER 11, 2011 AT 5:00 P.M. PREVAILING EASTERN TIME**

Use this Class 2 Ballot to vote to accept or reject the First Amended Chapter 11 Plan of Liquidation and Consolidation (the "Plan") proposed by Jeff Marwil, not individually, but solely as trustee ("the Trustee") to the chapter 11 estates (the "Estates") of the above-captioned debtors,(the "Debtors"). The Plan is Appendix A to the Trustee's Disclosure Statement with respect to the Plan (the "Disclosure Statement"), which is in the materials accompanying this Ballot and also has been posted on the case website of The Garden City Group, Inc. (the "Voting Agent") at www.lifefundtrustee.com. Each capitalized term used herein but not otherwise defined shall have the meaning ascribed thereto in the Plan.

You should review the Disclosure Statement and the Plan before you vote. You may wish to seek legal advice concerning the Plan and the classification and treatment of your Claims under the Plan.

Upon completion, this Ballot should be returned to the Trustee's Voting Agent:

<p><u>IF BY MAIL:</u> Life Fund Bankruptcy Administration c/o The Garden City Group, Inc. P.O. Box 9553 Dublin, OH 43017-48053</p>	<p><u>IF BY HAND OR OVERNIGHT COURIER:</u> The Garden City Group, Inc. Attn: LFE Bankruptcy Administration 5151 Blazer Parkway, Suite A Dublin, OH 43017</p>
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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.

If your Ballot is not received by the Voting Agent on or before **November 11, 2011 at 5:00 p.m. prevailing Eastern time**, your vote will not count as either an acceptance or rejection of the Plan. If the Plan is confirmed by the Bankruptcy Court, it will be binding on you whether or not you vote.

**THE VOTING DEADLINE IS
NOVEMBER 11, 2011 AT 5:00 P.M. PREVAILING EASTERN TIME.**

**PLEASE READ THE FOLLOWING
INSTRUCTIONS BEFORE COMPLETING THIS BALLOT.**

HOW TO VOTE:

1. VOTE BY CHECKING EITHER TO ACCEPT OR REJECT THE PLAN.
2. **FILL IN PERSONAL INFORMATION, SIGN AND DATE THE BALLOT.**
3. RETURN THE BALLOT IN THE ENCLOSED PRE-ADDRESSED POSTAGE-PAID ENVELOPE.

NOTE: YOU MAY NOT SPLIT YOUR VOTE. IF YOU FAIL TO SELECT "ACCEPT" OR "REJECT," OR IF YOU SELECT BOTH "ACCEPT" AND "REJECT," YOUR BALLOT WILL NOT BE COUNTED.

Class 2 Vote. The undersigned, a holder of an Unsecured Claim in Class 2 of the Plan against one or more of the Debtors in the amount of \$ _____ as of **October 13, 2011**, votes to (check one box):

ACCEPT the Plan.

REJECT the Plan.

Certification. By return of this Ballot, the undersigned certifies that it was the holder of a Claim in Class 2 to which this Ballot pertains (or an authorized signatory thereof) and has full power and authority to vote to accept or reject the Plan. The undersigned further certifies that it has received a copy of the Disclosure Statement and the other solicitation materials authorized by the Court and understands that the solicitation of votes for the Plan is subject to all the terms and conditions set forth therein.

YOUR RECEIPT OF THIS BALLOT DOES NOT SIGNIFY THAT YOUR CLAIM HAS BEEN OR WILL BE ALLOWED.

Name of Claim holder: _____
(Print or Type)

Social Security or Federal Tax I.D. No.: _____
(Optional)

Signature: _____

Print Name: _____

Title: _____
(If Appropriate)

Street Address: _____

City, State, Zip Code: _____

Telephone Number: (____) _____

Date Completed: _____

Please check one or both of the below boxes, if the above address is a change of address for the purpose(s) of:

- Future notice mailings in these Chapter 11 cases; and/or
- Distributions, if any, upon your Claim in these Chapter 11 cases.

This Ballot shall not constitute or be deemed a proof of Claim or Equity Interest, an assertion of a Claim or Equity Interest, or the allowance of a Claim or Equity Interest.

UPON COMPLETION, THIS BALLOT SHOULD BE RETURNED TO THE TRUSTEE'S VOTING AGENT, THE GARDEN CITY GROUP, INC. IF YOUR BALLOT IS NOT RECEIVED BY THE VOTING AGENT ON OR BEFORE NOVEMBER 11, 2011 AT 5:00 P.M. PREVAILING EASTERN TIME, YOUR VOTE WILL NOT COUNT AS EITHER AN ACCEPTANCE OR REJECTION OF THE PLAN.

IF YOU HAVE ANY QUESTIONS REGARDING THIS BALLOT OR THE VOTING PROCEDURES, OR IF YOU NEED A BALLOT OR ADDITIONAL COPIES OF THE DISCLOSURE STATEMENT OR OTHER ENCLOSED MATERIALS, PLEASE CONTACT THE VOTING AGENT BY TELEPHONE AT (800) 826-6412. **PLEASE NOTE THAT THE VOTING AGENT IS NOT AUTHORIZED TO, AND WILL NOT, PROVIDE LEGAL ADVICE.**

EXHIBIT 3

CONFIRMATION HEARING NOTICE

**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

**NOTICE OF (1) APPROVAL OF DISCLOSURE STATEMENT,
(2) DEADLINE FOR CASTING VOTES TO ACCEPT OR REJECT
CHAPTER 11 PLAN, AND (3) HEARING TO CONFIRM THE PLAN**

PLEASE TAKE NOTICE OF THE FOLLOWING:

1. Pursuant to an order dated ____, 2011 [**Docket No. ____**] (the "Approval Order"), the United States Bankruptcy Court for the Northern District of Illinois (the "Court") has approved the Disclosure Statement with Respect to the Chapter 11 Trustee's First Amended Plan of Liquidation and Consolidation (the "Disclosure Statement") filed by the above-captioned debtors (the "Debtors") and directed Jeff Marwil, not individually, but solely as the trustee to the chapter 11 estates (the "Trustee") to solicit votes to accept or reject the Chapter 11 Trustee's First Amended Plan of Liquidation and Consolidation (as may be amended, the "Plan"), annexed as Appendix A thereto.

2. The Approval Order establishes **October 13, 2011**, as the Record Date for determining the holders of prepetition Claims entitled to vote to accept or reject the Plan and establishes **November 11, 2011 at 5:00 p.m. prevailing Eastern time**, as the Voting Deadline for submission of Ballots to accept or reject the Plan (the "Ballots"). Holders of Claims entitled to vote to accept or reject the Plan will receive the following materials: (a) this Notice; (b) a copy of the order approving the Disclosure Statement (without exhibits); (c) the Disclosure Statement; (d) the Plan; and (e) a Ballot (and return envelope) to be used in voting to accept or reject the Plan (collectively, the "Solicitation Package"). Failure to follow the instructions set forth in the Ballot may disqualify that Ballot and the vote represented thereby.

3. Holders of (a) Class 1 Secured Claims and (b) Class 3 Equity Interests are not entitled to vote to accept or reject the Plan and, therefore, will receive a notice of non-voting status rather than a Ballot. If you are not entitled to vote to accept or reject the Plan but believe that you should be entitled to vote to accept or reject the Plan, then you must serve on the Notice Parties (identified below) and file with the Bankruptcy Court a motion for an order pursuant to Bankruptcy Rule 3018(a) (a "Rule 3018(a) Motion") temporarily allowing such claim for

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.

purposes of voting to accept or reject the Plan by the later of (a) _____, 2011, or (b) fourteen (14) days after the date of service of a notice of an objection, if any, to such claim. In accordance with Bankruptcy Rule 3018, as to any creditor filing a Rule 3018(a) Motion, such creditor's Ballot will not be counted unless temporarily allowed by the Bankruptcy Court for voting purposes, after notice and a hearing. Rule 3018(a) Motions that are not timely filed and served in the manner as set forth above may not be considered.

4. A hearing to consider confirmation of the Plan (the "Confirmation Hearing") will be held before the Honorable A. Benjamin Goldgar, United States Bankruptcy Judge for the United States Bankruptcy Court for the Northern District of Illinois, or any other Judge who may be sitting in his place and stead, in Court Room 613, or any other Court Room so designated, of the Bankruptcy Court at the Dirksen Federal Building, 219 South Dearborn Street, Chicago, Illinois 60604, on **November 23, 2011 at __:__ .m. prevailing Central time.** The Confirmation Hearing may be continued from time to time without further notice other than the announcement of the adjourned date at the Confirmation Hearing or any continued hearing.

5. Objections, if any, to the confirmation of the Plan must: (a) be in writing; (b) state the name and address of the objecting party and the nature of the Claim or Equity Interest of such party; (c) state with particularity the basis and nature of any objection; (d) be filed with the Court, and (e) be served on the following parties (the "Notice Parties") no later than **November 11, 2011** (the "Plan Objection Deadline"): (i) Counsel to the Chapter 11 Trustee, Proskauer Rose LLP, 70 West Madison Street, Chicago, Illinois 60602 (Attn: Jeremy T. Stillings); (ii) Office of the United States Trustee, Northern District of Illinois, Eastern Division, 219 South Dearborn Street, Room 873, Chicago, Illinois 60604 (Attn: Gretchen Silver).

6. Requests for copies of the Disclosure Statement and the Plan (excluding certain voluminous exhibits thereto) by parties in interest may be made in writing to The Garden City Group, Inc. In addition, any party may view and download the Plan, the Disclosure Statement and related exhibits (as they are filed) without charge at www.lifefundtrustee.com. If you have any questions regarding this Notice, please call the Voting Agent at (800) 826-6412.

UNLESS AN OBJECTION TO THE PLAN IS TIMELY FILED AND SERVED BY NOVEMBER 11, 2011, IT MAY NOT BE CONSIDERED AT THE HEARING.

**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
	)	Related Docket Nos. 740, 764764, 807

ORDER APPROVING (A) DISCLOSURE STATEMENT, (B) PROCEDURES FOR THE SOLICITATION AND TABULATION OF VOTES TO ACCEPT OR REJECT THE PLAN, AND (C) RELATED NOTICE AND OBJECTION PROCEDURES

Upon the motion (the “Motion”²) of Jeff Marwil, not individually, but solely as the trustee (the “Trustee”) to the chapter 11 estates (the “Estates”) of the above-captioned debtors (the “Debtors”) for the entry of an order approving: (1) the [First Amended](#) Disclosure Statement for the Chapter 11 Trustee’s [First Amended](#) Plan of Consolidation and Liquidation [[Docket No. 807](#)]; (2) procedures for the solicitation and tabulation of votes to accept or reject the Chapter 11 Trustee’s [First Amended](#) Plan of Consolidation and Liquidation; and (3) related notice and objection procedures; it appearing that the relief requested in the Motion is in the best interests of the Debtors, their estates, and other parties in interest; the Court having jurisdiction over the matters raised in the Motion pursuant to 28 U.S.C. §§ 157 and 1334; consideration of the Motion and the relief requested therein being a core proceeding pursuant to 28 U.S.C. § 157(b)(2); venue being proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409; the Trustee having filed with the Court the Disclosure Statement and the Plan; the Disclosure Statement Hearing Notices having been served on the Debtors’ creditors and Equity Interest holders; and the Motion, the

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.

Disclosure Statement Hearing Notice, the Disclosure Statement and the Plan having been served on: (i) the Office of the United States Trustee, and (ii) counsel for the Chapter 11 Trustee; affidavits of service of the notice of the hearing on the Motion having been filed with the Court (the “Affidavits of Service”); the Court having reviewed the Disclosure Statement, the Motion, the papers in support thereof and the responses thereto, if any, and the Affidavits of Service; the Court having found and determined that (A) the legal and factual bases set forth in the Motion and at the hearing on the Motion establish just cause for the relief granted herein, and (B) the relief requested in the Motion is in the best interests of the Debtors, their estates and creditors; and upon the Disclosure Statement, the Motion, the papers in support thereof and the responses thereto, if any, the record of the hearing on the Disclosure Statement and all of the proceedings had before the Court, and after due deliberation and sufficient cause appearing therefor;

IT IS HEREBY FOUND THAT:

A. The Disclosure Statement Hearing Notice was properly served upon the Debtors’ creditors and Equity Interest holders.

B. The Motion, the Disclosure Statement Hearing Notice, the Disclosure Statement and the Plan were served upon: (a) the Office of the United States Trustee, and (b) all parties requesting notice in these cases under Bankruptcy Rule 2002.

C. Notice of the hearing to approve the Disclosure Statement was provided to substantially all creditors of the Debtors in accordance with Bankruptcy Rule 2002.

D. The Disclosure Statement filed in these cases as **Docket No. [764807](#)** (as the same may have been amended and/or revised from time to time, including in connection with the

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

Disclosure Statement hearing) contains “adequate information” within the meaning of section 1125 of the Bankruptcy Code.

E. The form of notice of non-voting status (“Notice of Non-Voting Status”) to be sent to holders of Claims in Class 1 (deemed to accept the Plan) and holders of Equity Interests in Class 3 (deemed to reject the Plan) substantially in the form annexed hereto as **Exhibit 1**, complies with Bankruptcy Rule 3017 and adequately addresses the particular needs of these Chapter 11 cases.

F. The form of the *Ballot* annexed hereto as **Exhibit 2** is substantially consistent with Official Form No. 14, adequately addresses the particular needs of these Chapter 11 cases, and is appropriate for each Class of Claims entitled to vote to accept or reject the Plan.

G. The Ballot requires the furnishing of sufficient information to assure that duplicate Ballots are not submitted and tabulated.

H. Ballots need not be provided to the holders of Claims in Class 1 because the Plan provides that such Class is Unimpaired and, therefore, deemed to accept the Plan.

I. Ballots need not be provided to the holders of Equity Interests in Class 3 because the Plan provides that such holders will not receive or retain any property under the Plan in respect of such Equity Interests and, therefore, are deemed to reject the Plan.

J. The period set forth below during which the Trustee may solicit acceptances to the Plan is a reasonable and adequate period of time for creditors to make an informed decision to accept or reject the Plan.

K. The procedures for the solicitation and tabulation of votes to accept or reject the Plan (as more fully set forth in the Motion and below) provide for a fair and equitable voting process and are consistent with section 1126 of the Bankruptcy Code.

L. The Confirmation Hearing Notice substantially in the form annexed hereto as **Exhibit 3**, the procedures set forth below for providing such notice to all creditors and Equity Interest holders of the time, date and place of the Confirmation Hearing, and the contents of the Solicitation Packages comply with Rules 2002 and 3017 of the Bankruptcy Rules and constitute sufficient notice to all interested parties.

NOW, THEREFORE, IT IS HEREBY ORDERED THAT:

1. The Motion is GRANTED.

2. The Disclosure Statement is APPROVED.

3. **October 3, 13, 2011**, is established as the Voting Record Date for purposes of this Order and determining: (a) the creditors and Equity Interest holders who are entitled to vote to accept or reject the Plan; and (b) in the case of non-voting Classes, the creditors and Equity Interest holders who are to receive certain non-voting materials.

4. The Trustee is directed to distribute or cause to be distributed, no later than **October 11, 13, 2011**, Solicitation Packages to all holders of Claims in Class 2 (the "Voting Class"), including: (a) all persons or entities identified in the Debtors' schedules of assets and liabilities filed pursuant to section 521 of the Bankruptcy Code and Bankruptcy Rule 1007 (as amended, the "Schedules") as holding liquidated, noncontingent and undisputed Class 2 Claims, in an amount greater than zero dollars; excluding scheduled Claims that have been superseded by filed proofs of claim; (b) all parties having timely filed proofs of Class 2 Claims, as reflected in the official claims register maintained by The Garden City Group, Inc. (the "Voting Agent") in an amount greater than zero or that are wholly contingent, unliquidated or disputed and, as to both of the foregoing, whose Class 2 Claims have not been disallowed or expunged prior to the Voting Record Date; (c) the assignee of a transferred and assigned Class 2 Claim (whether a filed

or scheduled Class 2 Claim) whose transfer and assignment has been properly noted on the Court's docket and is effective pursuant to Bankruptcy Rule 3001(e) as of the close of business on the Voting Record Date and whose claims have not been disallowed or expunged prior to the Solicitation Date; and (d) any other known holders of Class 2 Claims against the Debtors as of the Voting Record Date.

5. The Solicitation Packages shall contain copies of: (a) a cover letter describing the contents of the Solicitation Package; (b) the Approval Order (without exhibits); (c) the Confirmation Hearing Notice (**Exhibit 3**); (d) an appropriate form of Ballot together with a pre-addressed, postage prepaid return envelope addressed to the Voting Agent; and (e) the Disclosure Statement (together with the Plan and all other appendices).

6. The form of Notice of Non-Voting Status, substantially in the form annexed hereto as **Exhibit 1**, is approved and shall be distributed to holders, as of the Voting Record Date, of (a) Unimpaired Claims in Class 1 deemed to accept the Plan, and (b) Equity Interests in Class 3 deemed to reject the Plan.

7. The form of the Ballot, substantially in the form annexed hereto as **Exhibit 2**, is approved.

8. The Confirmation Hearing Notice, substantially in the form annexed hereto as **Exhibit 3** (together with a copy of this Order without exhibits), is approved and shall be transmitted to all parties in the creditor and equity holders database maintained by the Voting Agent in these cases.

9. The Voting Agent shall provide to the following parties a Solicitation Package without a Ballot: (a) parties on the master service list maintained by the Voting Agent (which includes all parties that have filed a notice of appearance pursuant to Bankruptcy

Rule 9010); and (b) all counterparties to the Debtors' unexpired leases and executory contracts that have not been assumed or rejected as of the Voting Record Date.

10. With respect to addresses from which notices of the hearing to approve the Disclosure Statement were returned as undeliverable by the United States Postal Service, the Trustee is excused from distributing Solicitation Packages and/or Notices of Non-Voting Status and/or Confirmation Hearing Notice to those entities listed at such addresses unless the Trustee is provided with accurate addresses for such entities at least one Business Day prior to the Solicitation Date, and failure to distribute Solicitation Packages to such entities will not constitute inadequate notice of the Confirmation Hearing, the Voting Deadline (as defined below) or violation of Bankruptcy Rule 3017(d). The Trustee is further excused from searching for better addresses in connection with Solicitation Packages that are returned as undeliverable with no forwarding address.

11. Other than as set forth herein, the Trustee is not required to distribute Solicitation Packages, Ballots, copies of the Disclosure Statement or Plan or any other notices to: (a) parties to executory contracts who do not hold either allowed (for voting or otherwise) Claims or filed or scheduled Claims listed as contingent, unliquidated or disputed; or (b) holders of Claims against the Debtors that have not been classified in the Plan pursuant to section 1123(a)(1) of the Bankruptcy Code.

12. Except as otherwise provided herein, to be counted as a vote to accept or reject the Plan, each Ballot must be properly executed, completed and the original thereof delivered to the Voting Agent so as to be actually received by the Voting Agent no later than **November 11, 2011 at 5:00 p.m. prevailing Eastern time** (the "Voting Deadline").

13. The Trustee may extend the Voting Deadline, if necessary, without further order of this Court, to a date that is no later than five (5) business days before the Confirmation Hearing by publishing on www.lifefundtrustee.com an announcement of such extension.

14. Solely for purposes of voting to accept or reject the Plan, and not for the purpose of the allowance of or distribution on account of a Claim and without prejudice to the rights of the Debtors in any other context, each Claim within a Class entitled to vote to accept or reject the Plan shall be entitled to vote the amount of such Claim as set forth in the Schedules (as may be amended from time to time) unless such holder has timely filed a proof of claim, in which event such holder would be entitled to vote the amount of such Claim as set forth in such proof of claim; provided that:

- a. If the Trustee has filed an objection to a Claim before the Voting Deadline, such Claim shall be temporarily disallowed for voting purposes only and not for purposes of allowance or distribution, except to the extent and in the manner as may be set forth in such objection;
- b. If, before the Voting Deadline, the Trustee has filed a pleading seeking approval of a stipulation executed by a creditor purporting to modify one or more Claims, such Claims shall be temporarily disallowed for voting purposes only and not for purposes of allowance or distribution, except to the extent and in the manner as may be set forth in such stipulation;
- c. If a Claim is deemed "Allowed" under the Plan or an order of the Court, such Claim shall be allowed for voting purposes in the deemed "Allowed" amount set forth in the Plan or the Court's order;
- d. If a Claim for which a proof of claim has been timely filed is wholly contingent, unliquidated or disputed, such Claim shall be temporarily allowed for voting purposes only, and not for purposes of allowance or distribution, at \$1.00, and the Ballot mailed to the holder of such Claim shall be marked as voting at \$1.00;
- e. If a Claim is partially liquidated and partially unliquidated, the Claim shall be allowed for voting purposes only in the liquidated amount;
- f. If a Claim has been estimated or otherwise allowed for voting purposes by order of the Court, such Claim shall be temporarily allowed in the amount so estimated or allowed by the Court for voting purposes only, and not for purposes of allowance or distribution;

- g. If a Claim is listed in the Schedules as contingent, unliquidated or disputed and a proof of claim was not (i) filed by the applicable bar date for the filing of proofs of claim established by the Court, (ii) deemed timely filed by an order of the Court prior to the Voting Deadline, or (iii) identified in Exhibit 2 to the Plan, then, unless the Trustee has consented in writing to allow such Claim for voting purposes, such Claim shall be disallowed for voting purposes and for purposes of allowance and distribution pursuant to Bankruptcy Rule 3003(c); and
 - h. Notwithstanding anything to the contrary contained herein, any creditor who has filed or purchased duplicate Claims (whether against the same or multiple Debtors) that are classified under the Plan in Class 2, shall be provided with only one Solicitation Package and one Ballot for voting a single Claim in such Class, regardless of whether the Trustee has objected to such duplicate claims.
15. If any claimant seeks to challenge the allowance of its Claim for voting purposes in accordance with the above procedures, such claimant is directed to serve on counsel for Trustee and file with the Court on or before the fourteenth (14th) day after the later of (a) the Solicitation Date and (b) the date of service of an objection, if any, to such Claim, a motion for an order pursuant to Bankruptcy Rule 3018(a) temporarily allowing such Claim in a different amount for purposes of voting to accept or reject the Plan.
16. As to any creditor filing a motion pursuant to Bankruptcy Rule 3018(a), such creditor's Ballot shall not be counted unless temporarily allowed by the Court for voting purposes after notice and a hearing.
17. If a creditor casts more than one Ballot voting the same Claim(s) before the Voting Deadline, the last valid Ballot received before the Voting Deadline is deemed to reflect the voter's intent and, thus, to supersede any prior Ballots.
18. Creditors with multiple Claims within Class 2 must vote all of their Class 2 Claims under the Plan either to accept or reject the Plan and may not split their votes, and thus neither (a) any Ballot that partially rejects and partially accepts the Plan nor (b) any Ballot filed by a creditor who votes inconsistently will be counted.

19. Without further order of this Court, any Ballot that is properly completed, executed and timely returned to the Voting Agent, but does not indicate an acceptance or rejection of the Plan or indicates both an acceptance and a rejection of the Plan, shall not be counted.

20. Without further order of this Court, any Ballot actually received by the Voting Agent after the Voting Deadline shall not be counted, unless the Trustee granted an extension of the Voting Deadline with respect to such Ballot.

21. Without further order of this Court, any Ballot that is illegible or contains insufficient information to permit the identification of the claimant shall not be counted.

22. Without further order of this Court, any Ballot cast by a person or entity that does not hold a Class 2 Claim shall not be counted.

23. Without further order of this Court, any Ballot cast for a Claim identified as unliquidated, contingent or disputed, or in zero or unknown amount, for which no proof of claim was timely filed shall not be counted.

24. Without further order of this Court, any unsigned Ballot or non-originally signed Ballot shall not be counted.

25. Without further order of this Court, any Ballot sent directly to the Trustee, his agents (other than the Voting Agent), or the Trustee's financial or legal advisors or to any party other than the Voting Agent shall not be counted.

26. Without further order of this Court, any Ballot cast for a Claim that has been disallowed (for voting purposes or otherwise) or satisfied shall not be counted.

27. Without further order of this Court, any Ballot transmitted to the Voting Agent by facsimile or other electronic means.

28. Subject to any contrary Order of this Court, the Trustee may reject any and all Ballots, the acceptance of which, in the opinion of the Trustee, would not be in accordance with the provisions of the Bankruptcy Code, the Bankruptcy Rules, or this order.

29. Neither the Trustee, nor the Voting Agent, nor any other person or entity shall be under any duty to provide notification of defects or irregularities with respect to delivered Ballots, nor shall the Trustee, the Voting Agent or any other person or entity incur any liability for failure to provide such notification.

30. The Voting Agent may disregard any and all defective Ballots with no further notice to any other person or entity.

31. The Trustee will file all exhibits to the Plan with the Court and make them available for review on the Voting Agent's case website at www.lifefundtrustee.com no later than five (5) days before the Confirmation Hearing.

32. The Confirmation Hearing will be held on **November 23, 2011 at 10:00 a.m. central**, *provided, however*, that the Confirmation Hearing may be adjourned from time to time by the Court or the Trustee without further notice to parties other than an announcement in Court at the Confirmation Hearing or any adjourned Confirmation Hearing.

33. The Trustee shall post the Confirmation Hearing Notice on or before **October 11, 13, 2011** electronically on www.lifefundtrustee.com.

34. Objections to confirmation of the Plan or proposed modifications to the Plan, if any, must (a) be in writing, (b) conform to the Federal Rules of Bankruptcy Procedure and the Local Rules of the Bankruptcy Court, (c) state the name and address of the objecting party and the amount and nature of the Claim or Equity Interest of such party, (d) state with particularity the basis and nature of any objection to the Plan, and (e) be filed electronically, together with

proof of service, with the Court and served on the parties listed in the Confirmation Hearing Notice, on **November 11, 2011**.

35. Objections to confirmation of the Plan not timely filed and served in the manner set forth above shall not be considered and shall be overruled.

36. The Trustee or the Voting Agent shall file (a) all Ballots cast and (b) the vote tabulation certification no later than **November 18, 2011**.

37. The Trustee shall file any consolidated response to any objections to the Plan no later than **November 18, 2011**.

38. The Trustee is authorized to take or refrain from taking any action and expending such funds necessary or appropriate to implement the terms of and the relief granted in this Order without seeking further order of the Court.

39. The Trustee is authorized to make nonsubstantive changes to the Disclosure Statement, Plan, Ballots, the Confirmation Hearing Notice, any other notice related to the Plan or Disclosure Statement and all exhibits and appendices to any of the foregoing without further order of the Court, including, without limitation, changes to correct typographical and grammatical errors and to make conforming changes among the Disclosure Statement, the Plan and any other materials in the Solicitation Package prior to their distribution.

Date: _____, 2011
Chicago, Illinois

United States Bankruptcy Judge

EXHIBIT 1

NOTICE OF NON-VOTING STATUS

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

_____	) Chapter 11
)
LIFE FUND 5.1, LLC, <i>et al.</i> , ¹	) Case No. 09 B 32672
)
Debtors.	) Jointly Administered

**NOTICE OF NON-VOTING STATUS UNDER THE CHAPTER 11 TRUSTEE'S
FIRST AMENDED PLAN OF CONSOLIDATION AND LIQUIDATION**

PLEASE TAKE NOTICE OF THE FOLLOWING:

1. On September 2, 2009 (the "Petition Date"), each of the above-captioned debtors (the "Debtors") filed voluntary petitions for relief under chapter 11 of title 11 of the United States Code (the "Bankruptcy Code").

2. On _____, the United States Bankruptcy Court for the Northern District of Illinois (the "Bankruptcy Court") entered an Order Approving: (a) the Disclosure Statement [**Docket No. ____**], (the "Disclosure Statement") to the chapter 11 trustee's (the "Trustee") First Amended Plan of Consolidation and Liquidation [**Docket No. ____**] (the "Plan"); (b) the contents of the proposed solicitation packages to be distributed to the Debtors' stakeholders who are entitled to vote to accept or reject the Plan (collectively, the "Solicitation Packages"); and (c) Related Notice and Objection Procedures [**Docket No. ____**] (the "Approval Order").

3. Holders of Class 1 Claims are not entitled to vote on the Plan because they are not Impaired under the Plan. Holders of Class 3 Equity Interests are not entitled to vote on the Plan because they will not receive or retain property on account of such Equity Interests under the Plan.

4. **YOU HAVE BEEN IDENTIFIED AS THE HOLDER OF A CLASS 1 CLAIM OR CLASS 3 EQUITY INTEREST UNDER THE PLAN AND THEREFORE ARE NOT ENTITLED TO VOTE TO ACCEPT OR REJECT THE PLAN ON ACCOUNT OF SUCH CLAIM OR INTEREST.** Accordingly, pursuant to the Approval Order, you are receiving this Notice in lieu of a Solicitation Package containing, among other things, copies of the Disclosure Statement and the Plan. Should you wish to obtain a copy of either the Disclosure Statement or the Plan, copies of both documents (including any exhibits and appendices thereto) are available at no charge via the internet at www.lifefundtrustee.com and are available upon a written request made to the Voting Agent at Life Fund Bankruptcy

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.

Administration, c/o The Garden City Group, Inc., PO Box 9553, Dublin, Ohio 43017-4853.
PLEASE NOTE THAT THE VOTING AGENT IS NOT AUTHORIZED TO, AND WILL NOT, PROVIDE LEGAL ADVICE.

5. The Confirmation Hearing will be held before the Honorable A. Benjamin Goldgar, Bankruptcy Judge for the United States Bankruptcy Court for the Northern District of Illinois (the "Court"), or any other Judge who may be sitting in his place and stead, in Courtroom 613 of the Bankruptcy Court at the Dirksen Federal Building, or any other Court Room so designated, 219 South Dearborn Street, Chicago, Illinois 60604, on **November 23, 2011 at 10:00 a.m. prevailing Central time**. The Confirmation Hearing may be continued from time to time without further notice other than the announcement of the adjourned date at the Confirmation Hearing or any continued hearing.

6. Objections, if any, to the confirmation of the Plan must: (a) be in writing; (b) state the name and address of the objecting party and the nature of the Claim or Equity Interest of such party; (c) state with particularity the basis and nature of any objection; and (d) be filed with the Bankruptcy Court at the address set forth in the preceding paragraph and served on the following parties by no later than **November 11, 2011**:

- Counsel to the Chapter 11 Trustee, Proskauer Rose LLP, 70 West Madison Street, Chicago, Illinois 60602 (Attn: Jeremy T. Stillings);
- Office of The United States Trustee, Northern District of Illinois, Eastern Division, 219 South Dearborn Street, Room 873, Chicago, Illinois 60604 (Attn: Gretchen Silver).

EXHIBIT 2

FORM OF BALLOT

**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> , ²	) Case No. 09 B 32672
)
Debtors.	) Jointly Administered

**BALLOT FOR ACCEPTING OR REJECTING THE CHAPTER 11 TRUSTEE'S
FIRST AMENDED PLAN OF CONSOLIDATION AND LIQUIDATION**

CLASS 2: UNSECURED CLAIMS

**THE VOTING DEADLINE TO ACCEPT OR REJECT THE PLAN IS
NOVEMBER 11, 2011 AT 5:00 P.M. PREVAILING EASTERN TIME**

Use this Class 2 Ballot to vote to accept or reject the First Amended Chapter 11 Plan of Liquidation and Consolidation (the "Plan") proposed by Jeff Marwil, not individually, but solely as trustee ("the Trustee") to the chapter 11 estates (the "Estates") of the above-captioned debtors,(the "Debtors"). The Plan is Appendix A to the Trustee's Disclosure Statement with respect to the Plan (the "Disclosure Statement"), which is in the materials accompanying this Ballot and also has been posted on the case website of The Garden City Group, Inc. (the "Voting Agent") at www.lifefundtrustee.com. Each capitalized term used herein but not otherwise defined shall have the meaning ascribed thereto in the Plan.

You should review the Disclosure Statement and the Plan before you vote. You may wish to seek legal advice concerning the Plan and the classification and treatment of your Claims under the Plan.

Upon completion, this Ballot should be returned to the Trustee's Voting Agent:

IF BY MAIL:

**Life Fund Bankruptcy Administration
c/o The Garden City Group, Inc.
P.O. Box 9553
Dublin, OH 43017-48053**

IF BY HAND OR OVERNIGHT COURIER:

**The Garden City Group, Inc.
Attn: LFE Bankruptcy Administration
5151 Blazer Parkway, Suite A
Dublin, OH 43017**

² 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.

If your Ballot is not received by the Voting Agent on or before **November 11, 2011 at 5:00 p.m. prevailing Eastern time**, your vote will not count as either an acceptance or rejection of the Plan. If the Plan is confirmed by the Bankruptcy Court, it will be binding on you whether or not you vote.

**THE VOTING DEADLINE IS
NOVEMBER 11, 2011 AT 5:00 P.M. PREVAILING EASTERN TIME.**

**PLEASE READ THE FOLLOWING
INSTRUCTIONS BEFORE COMPLETING THIS BALLOT.**

HOW TO VOTE:

1. VOTE BY CHECKING EITHER TO ACCEPT OR REJECT THE PLAN.
2. **FILL IN PERSONAL INFORMATION, SIGN AND DATE THE BALLOT.**
3. RETURN THE BALLOT IN THE ENCLOSED PRE-ADDRESSED POSTAGE-PAID ENVELOPE.

NOTE: YOU MAY NOT SPLIT YOUR VOTE. IF YOU FAIL TO SELECT "ACCEPT" OR "REJECT," OR IF YOU SELECT BOTH "ACCEPT" AND "REJECT," YOUR BALLOT WILL NOT BE COUNTED.

Class 2 Vote. The undersigned, a holder of an Unsecured Claim in Class 2 of the Plan against one or more of the Debtors in the amount of \$ _____ as of **October 3, 13, 2011**, votes to (check one box):

ACCEPT the Plan.

REJECT the Plan.

Certification. By return of this Ballot, the undersigned certifies that it was the holder of a Claim in Class 2 to which this Ballot pertains (or an authorized signatory thereof) and has full power and authority to vote to accept or reject the Plan. The undersigned further certifies that it has received a copy of the Disclosure Statement and the other solicitation materials authorized by the Court and understands that the solicitation of votes for the Plan is subject to all the terms and conditions set forth therein.

**YOUR RECEIPT OF THIS BALLOT DOES NOT SIGNIFY
THAT YOUR CLAIM HAS BEEN OR WILL BE ALLOWED.**

Name of Claim holder: _____
(Print or Type)

Social Security or Federal Tax I.D. No.: _____
(Optional)

Signature: _____

Print Name: _____

Title: _____
(If Appropriate)

Street Address: _____

City, State, Zip Code: _____

Telephone Number: (____) _____

Date Completed: _____

Please check one or both of the below boxes, if the above address is a change of address for the purpose(s) of:

- Future notice mailings in these Chapter 11 cases; and/or
- Distributions, if any, upon your Claim in these Chapter 11 cases.

This Ballot shall not constitute or be deemed a proof of Claim or Equity Interest, an assertion of a Claim or Equity Interest, or the allowance of a Claim or Equity Interest.

UPON COMPLETION, THIS BALLOT SHOULD BE RETURNED TO THE TRUSTEE'S VOTING AGENT, THE GARDEN CITY GROUP, INC. IF YOUR BALLOT IS NOT RECEIVED BY THE VOTING AGENT ON OR BEFORE NOVEMBER 11, 2011 AT 5:00 P.M. PREVAILING EASTERN TIME, YOUR VOTE WILL NOT COUNT AS EITHER AN ACCEPTANCE OR REJECTION OF THE PLAN.

IF YOU HAVE ANY QUESTIONS REGARDING THIS BALLOT OR THE VOTING PROCEDURES, OR IF YOU NEED A BALLOT OR ADDITIONAL COPIES OF THE DISCLOSURE STATEMENT OR OTHER ENCLOSED MATERIALS, PLEASE CONTACT THE VOTING AGENT BY TELEPHONE AT (800) 826-6412. **PLEASE NOTE THAT THE VOTING AGENT IS NOT AUTHORIZED TO, AND WILL NOT, PROVIDE LEGAL ADVICE.**

EXHIBIT 3

CONFIRMATION HEARING NOTICE

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

_____	) Chapter 11
)
LIFE FUND 5.1, LLC, <i>et al.</i> , ¹	) Case No. 09 B 32672
)
Debtors.	) Jointly Administered

**NOTICE OF (1) APPROVAL OF DISCLOSURE STATEMENT,
(2) DEADLINE FOR CASTING VOTES TO ACCEPT OR REJECT
CHAPTER 11 PLAN, AND (3) HEARING TO CONFIRM THE PLAN**

PLEASE TAKE NOTICE OF THE FOLLOWING:

1. Pursuant to an order dated ____, 2011 [**Docket No. ____**] (the “Approval Order”), the United States Bankruptcy Court for the Northern District of Illinois (the “Court”) has approved the Disclosure Statement with Respect to the Chapter 11 Trustee’s First Amended Plan of Liquidation and Consolidation (the “Disclosure Statement”) filed by the above-captioned debtors (the “Debtors”) and directed Jeff Marwil, not individually, but solely as the trustee to the chapter 11 estates (the “Trustee”) to solicit votes to accept or reject the Chapter 11 Trustee’s First Amended Plan of Liquidation and Consolidation (as may be amended, the “Plan”), annexed as Appendix A thereto.

2. The Approval Order establishes **October 3, 2011**, as the Record Date for determining the holders of prepetition Claims entitled to vote to accept or reject the Plan and establishes **November 11, 2011 at 5:00 p.m. prevailing Eastern time**, as the Voting Deadline for submission of Ballots to accept or reject the Plan (the “Ballots”). Holders of Claims entitled to vote to accept or reject the Plan will receive the following materials: (a) this Notice; (b) a copy of the order approving the Disclosure Statement (without exhibits); (c) the Disclosure Statement; (d) the Plan; and (e) a Ballot (and return envelope) to be used in voting to accept or reject the Plan (collectively, the “Solicitation Package”). Failure to follow the instructions set forth in the Ballot may disqualify that Ballot and the vote represented thereby.

3. Holders of (a) Class 1 Secured Claims and (b) Class 3 Equity Interests are not entitled to vote to accept or reject the Plan and, therefore, will receive a notice of non-voting status rather than a Ballot. If you are not entitled to vote to accept or reject the Plan but believe that you should be entitled to vote to accept or reject the Plan, then you must serve on the Notice Parties (identified below) and file with the Bankruptcy Court a motion for an order pursuant to Bankruptcy Rule 3018(a) (a “Rule 3018(a) Motion”) temporarily allowing such claim for

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.

purposes of voting to accept or reject the Plan by the later of (a) _____, 2011, or (b) fourteen (14) days after the date of service of a notice of an objection, if any, to such claim. In accordance with Bankruptcy Rule 3018, as to any creditor filing a Rule 3018(a) Motion, such creditor's Ballot will not be counted unless temporarily allowed by the Bankruptcy Court for voting purposes, after notice and a hearing. Rule 3018(a) Motions that are not timely filed and served in the manner as set forth above may not be considered.

4. A hearing to consider confirmation of the Plan (the "Confirmation Hearing") will be held before the Honorable A. Benjamin Goldgar, United States Bankruptcy Judge for the United States Bankruptcy Court for the Northern District of Illinois, or any other Judge who may be sitting in his place and stead, in Court Room 613, or any other Court Room so designated, of the Bankruptcy Court at the Dirksen Federal Building, 219 South Dearborn Street, Chicago, Illinois 60604, on **November 23, 2011 at __:__ .m. prevailing Central time.** The Confirmation Hearing may be continued from time to time without further notice other than the announcement of the adjourned date at the Confirmation Hearing or any continued hearing.

5. Objections, if any, to the confirmation of the Plan must: (a) be in writing; (b) state the name and address of the objecting party and the nature of the Claim or Equity Interest of such party; (c) state with particularity the basis and nature of any objection; (d) be filed with the Court, and (e) be served on the following parties (the "Notice Parties") no later than **November 11, 2011** (the "Plan Objection Deadline"): (i) Counsel to the Chapter 11 Trustee, Proskauer Rose LLP, 70 West Madison Street, Chicago, Illinois 60602 (Attn: Jeremy T. Stillings); (ii) Office of the United States Trustee, Northern District of Illinois, Eastern Division, 219 South Dearborn Street, Room 873, Chicago, Illinois 60604 (Attn: Gretchen Silver).

6. Requests for copies of the Disclosure Statement and the Plan (excluding certain voluminous exhibits thereto) by parties in interest may be made in writing to The Garden City Group, Inc. In addition, any party may view and download the Plan, the Disclosure Statement and related exhibits (as they are filed) without charge at www.lifefundtrustee.com. If you have any questions regarding this Notice, please call the Voting Agent at (800) 826-6412.

UNLESS AN OBJECTION TO THE PLAN IS TIMELY FILED AND SERVED BY NOVEMBER 11, 2011, IT MAY NOT BE CONSIDERED AT THE HEARING.