

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> , <sup>1</sup>	)	Case No. 09 B 32672
	)	
Debtors.	)	Jointly Administered

**ORDER SUSTAINING TRUSTEE’S SIXTH OMNIBUS OBJECTION  
REDUCING AND RECLASSIFYING OVERSTATED AND WRONGLY CLASSIFIED  
CLAIMS 162 AND 359**

Upon the *Trustee’s Sixth Omnibus Objection to Certain Overstated and Wrongly Classified Claims* (the “Objection”)<sup>2</sup>; it appearing that notice of the Objection was good and sufficient upon the particular circumstances and that no other or further notice need be given; the Court having considered the Objection; upon the record herein; and after due deliberation thereon; and good and sufficient cause appearing therefor; it is hereby

**FOUND AND DETERMINED THAT:**

- A. The Objection is a core proceeding under 28 U.S.C. § 157(b)(2);
- B. Service to the holder of Claims 162 and 359, Catherine R. Jernigan (“Jernigan”), was made via U.S. mail on September 22, 2011, as set forth in the affidavit of service filed by Garden City Group, Inc. at Docket No. 846.
- C. The holder of claims 162 and 359 (as to each, a “Claim”) was properly and timely served with a copy of the Objection, the accompanying exhibit, and the notice of hearing thereon;

<sup>1</sup> 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.

<sup>2</sup> Unless otherwise defined herein, capitalized terms used herein shall have the meanings ascribed to them in the Objection.

D. Any entity known to have an interest in the Claims has been afforded reasonable opportunity to respond to, or be heard regarding, the relief requested in the Objection; and

E. The relief requested in the Objection is in the best interests of the Estates, their creditors, and other parties in interest; and therefore

**IT IS HEREBY ORDERED THAT:**

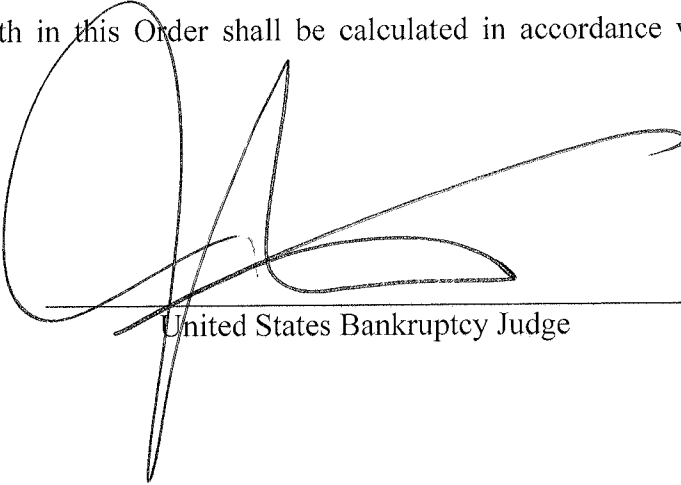
1. The Objection is GRANTED as set forth herein.
2. The Overstated and Wrongly Classified Claims listed on Exhibit A are reclassified as Class 2 Unsecured claims and reduced to the amounts set forth in Exhibit A.
3. The Trustee's rights to amend, modify, or supplement the Objection, to file additional objections to the Claims or any other claims (filed or not) which may be asserted against the Debtors, and to seek further reduction of any Claim to the extent such Claim has been paid, are preserved. Additionally, should one or more of the grounds of objection stated in the Objection be dismissed, the Trustee's rights to object on other stated grounds or on any other grounds that the Trustee discovers during the pendency of the Chapter 11 Cases are further preserved.
4. Each Claim and the objections by the Trustee to such Claim, as addressed in the Objection and as set forth on Exhibit A hereto, constitutes a separate contested matter as contemplated by Bankruptcy Rule 9014. This Order shall be deemed a separate Order with respect to each Claim. Any stay of this Order pending appeal by any Claimants whose Claims are subject to this Order shall only apply to the contested matter which involves such Claimant and shall not act to stay the applicability and/or finality of this Order with respect to the other contested matters listed in the Objection or this Order.

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

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

Dated:

10/27/11  
Chicago, Illinois  
**OCT 27 2011**



United States Bankruptcy Judge

**Order Prepared By:  
Proskauer Rose LLP  
70 W. Madison St.  
Chicago, IL 60602  
Brandon W. Levitan  
Counsel to the Trustee**

**EXHIBIT "A"**

**Overstated and Wrongly Classified Claims**

In re: Life Funds 5.1, LLC, et al. (09-32672)  
 Exhibit A - Sixth Omnibus Objection Claims

Note: Claimants are listed alphabetically by last name or by entity name.

SEQ#	NAME	DATE FILED	CLAIMED DEBTOR	CASE NUMBER	CLAIM NUMBER	CLAIMED AMOUNT AND CLASSIFICATION	MODIFIED AMOUNT AND CLASSIFICATION	REASON FOR RECLASSIFICATION
1	CATHERINE R. JERNIGAN 5423 FAIRGREEN LN HOUSTON, TX 77048	10/08/09	A&O Bonded Life Settlement, LLC	09-32681	359	Secured: \$79,150.00 Unsecured: \$0.00	Secured: \$0.00 Unsecured: \$50,000.00	Claim reduced to reflect aggregate principal investment and asserted security interest in collateral that is not property of the Estates.
2	CATHERINE R. JERNIGAN 5423 FAIRGREEN LN HOUSTON, TX 77048	10/08/09	A&O Bonded Life Assets, LLC	09-32679	162	Secured: \$84,865.00 Unsecured: \$0.00	Secured: \$0.00 Unsecured: \$60,000.00	Claim reduced to reflect aggregate principal investment and asserted security interest in collateral that is not property of the Estates.