

UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION

In Re:) Chapter 11
)
LIFE FUND 5.1, LLC,) Case No. 09 B 32672
)
)
Debtor.) Judge A. Benjamin Goldgar
)

NOTICE OF MOTION

To: See Attached Service List

PLEASE TAKE NOTICE that on Monday, September 14, 2009, at the hour of 9:30 A.M., I shall appear before the Honorable A. Benjamin Goldgar, Bankruptcy Judge, in Courtroom 613, Everett McKinley Dirksen Federal Courthouse, 219 South Dearborn Street, Chicago, Illinois or before any other Bankruptcy Judge who may be sitting in his place and shall present a **MOTION FOR THE APPOINTMENT OF A CHAPTER 11 TRUSTEE**, a copy of which is attached hereto and is herewith served upon you.

/s/Richard Friedman
RICHARD FRIEDMAN, ATTORNEY
OFFICE OF THE UNITED STATES TRUSTEE
219 SOUTH DEARBORN STREET
ROOM 873
CHICAGO, ILLINOIS 60604
(312) 886-3320

CERTIFICATE OF SERVICE

I, Richard Friedman, an attorney, state that pursuant to Local Rule 9013-3(D) the above **Notice of Motion** and the appended **MOTION FOR THE APPOINTMENT OF A CHAPTER 11 TRUSTEE** were filed on September 11, 2009, and served on all parties identified as Registrants on the service list below through the Court's Electronic Notice for Registrants and, as to all other parties on the service list below, I caused a copy to be sent via First Class Mail to the address(es) indicated on September 11, 2009.

/s/Richard Friedman

SERVICE LIST

**LIFE FUND 5.1, LLC
09 B 32672**

Registrants Served Through the Court's Electronic Notice for Registrants:

Michael L. Gesas
Arnstein & Lehr, LLP
120 South Riverside Plaza
1200
Chicago, IL 60606-3910
mlgesas@arnstein.com a.

Parties Served via First Class Mail:

Life Fund 5.1, LLC
203 N. LaSalle Street, Suite 2100
Chicago, IL 60603

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MOTION FOR THE APPOINTMENT OF A CHAPTER 11 TRUSTEE

TO: THE HONORABLE A. BENJAMIN GOLDGAR
BANKRUPTCY JUDGE

NOW COMES WILLIAM T. NEARY, the United States Trustee for the Northern District of Illinois ("the U.S. Trustee"), by his attorney, Richard Friedman, and moves this Court for the appointment of a Chapter 11 trustee pursuant to Section 1104 (a) of the Bankruptcy Code and in support thereof states as follows:

1. The Debtor, Life Fund 5.1, LLC ("Debtor"), filed a petition for relief under Chapter 11 of the Bankruptcy Code on September 2, 2009.

2. Section 1104(a) of the Code provides that:

At any time after the commencement of the case but before confirmation of a plan, on request of a party in interest or the United States trustee, and after notice and a hearing, the court shall order the appointment of a trustee--

(1) for cause, including fraud, dishonesty, incompetence, or gross mismanagement of the affairs of the debtor by current management, either before or after the commencement of the case, or similar cause, but not including the number of holders of securities of the debtor or the amount of assets or liabilities of the debtor; or

(2) if such appointment is in the interests of creditors, any equity security holders, and other interests of the estate, without regard to the number of holders of securities of the debtor or the amount of assets or liabilities of the debtor.

3. Section 1104(e) of the Code further provides that:

The United States trustee shall move for the appointment of a trustee under subsection (a) if there are reasonable grounds to suspect that current members of the governing body of the debtor, the debtor's chief executive or chief financial officer, or members of the governing body who selected the debtor's chief executive or chief financial officer, participated in actual fraud, dishonesty, or criminal conduct in the management of the debtor or the debtor's public financial reporting.

4. The United States Trustee states that there is cause for the appointment of a trustee and such appointment would be in the best interest of creditors. The United States Trustee also has reasonable grounds to suspect that current members of the Debtor's governing body have participated in actual fraud, dishonesty or criminal conduct in the management of the Debtor.

5. Debtor has consented to the appointment of a Chapter 11 trustee in this case, as indicated on Exhibit A attached to this motion.

6. Based on the above, the Court should order the appointment of a Chapter 11 trustee in this case pursuant to Section 1104(a) of the Bankruptcy Code and do so on the notice given.

WHEREFORE, the U.S. Trustee moves pursuant to Section 1104(a) of the Bankruptcy Code for the appointment of a Chapter 11 trustee and for such other relief as is just.

RESPECTFULLY SUBMITTED:

WILLIAM T. NEARY
UNITED STATES TRUSTEE

DATED: September 11, 2009

BY: /s/ Richard Friedman
RICHARD FRIEDMAN, ATTORNEY
OFFICE OF THE UNITED STATES TRUSTEE
219 SOUTH DEARBORN STREET, ROOM 873
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**ORDER GRANTING UNITED STATES TRUSTEE'S
MOTION TO APPOINT A CHAPTER 11 TRUSTEE**

For the reasons stated from the bench at the hearing held on this matter on September 14, 2009, the motion of the United States Trustee to appoint a Chapter 11 Trustee is GRANTED, and, accordingly, it is ORDERED that the United States Trustee appoint, subject to this Court's approval, a disinterested person to serve as Chapter 11 trustee in this case; and

IT IS FURTHER ORDERED that the hearing to consider approval of the United States Trustee's appointee be held on _____, 2009 at 10:00 a.m. in Courtroom 613 , Everett McKinley Dirksen United States Courthouse, Chicago, Illinois 60604, with notice of said hearing to be served only upon those present in open court this date.

ENTER:

Dated: September 14, 2009

A. Benjamin Goldgar
United States Bankruptcy Judge

SHEPHERD CAPITAL MANAGEMENT
5555 West Loop South, Suite 605
Bellaire, Texas 77401
713 662-9191
(fax) 713 662-9194
www.aolifefunds.com

September 10, 2009

TO: Thomas P. Yardley
Arnstein & Lehr

RE: In Re Houston Tanglewood Partners, LLC, Case No. 09 B 32676
In Re A&O Bonded Life Assets, LLC, Case No. 09 B 32679
In Re A&O Bonded Life Settlements, LLC, Case No. 09 B 32681
In Re A&O Life Fund I.L.C., Case No. 09 B-32678
In Re A&O Resource Management LP, Case No. 09 B 32677
In Re Life Fund 5.1, LLC, Case 09 B 32672
In Re Life Fund 5.2, LLC, Case 09 B 32674

I Russell Mackert as the Managing Member of Shepherd Capital Management, LLC do hereby authorize Thomas P. Yardley of Arnstein & Lehr to consent to the appointment of a Chapter 11 Trustee in the above referenced bankruptcy cases.

If you have any questions, do not hesitate to contact me.

Very truly yours,

Shepherd Capital Management, LLC

By: 

Russell Mackert on behalf of
Shepherd Capital Management I.L.C