



UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
BURNETT PLAZA, SUITE 1900
801 CHERRY STREET, UNIT #18
FORT WORTH, TEXAS 76102-6882
PHONE: (817) 978-3821 FAX: (817) 978-4927

IN REPLYING
PLEASE QUOTE

norrisj@sec.gov
(817) 978-6452

March 11, 2008

*Via E-mail and
Federal Express*

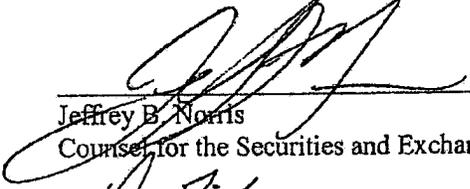
David Fielder
Haynes Boone, LLP
1615 L Street, NW
Suite 800
Washington, DC 20036-5610

Re: *Matter of W Financial Group, Inc.*
W Financial Group, LLC (FW-03166)

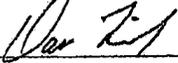
Dear Mr. Fielder:

As you are aware, your clients in the above-referenced matter have consented to the entry of an Agreed Order Appointing Special Master to Monitor the Sale of Assets Held By Defendants ("Stipulated Order"). A copy of the Stipulated Order is attached to this letter as Exhibit 1. Paragraphs 1 and 2 of the Stipulated Order discuss the assets subject to the Special Master's authority, denominated the "W Financial Assets."

By signing this letter, the parties agree that the list of assets attached to this letter as Exhibit 2 will constitute the "W Financial Assets" and will be subject to the terms of the Stipulated Order. David Fielder agrees to provide a copy of this letter and exhibits to each of his clients within 5 days of its execution by David Fielder.



Jeffrey B. Norris
Counsel for the Securities and Exchange Commission



David Fielder
Haynes & Boone
Counsel for W Financial Group, LLC,
Michael K. Wallens, Sr.,
Michael K. Wallens, Jr., and
Adley Abdulwahab a/k/a Adley Wahab

Exhibit "1"

APP - 022

EXHIBIT 1

**IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION**

SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

vs.

**W FINANCIAL GROUP, LLC,
ADLEY H. ABDULWAHAB a/k/a Adley Wahab,
MICHAEL K. WALLENS, SR., and
MICHAEL K. WALLENS, JR.**

Defendants,

Civil Action No.

**AGREED ORDER APPOINTING SPECIAL MASTER TO MONITOR
THE SALE OF ASSETS HELD BY DEFENDANTS**

This matter came on before me, the undersigned United States District Judge, on the unopposed motion of plaintiff, Securities and Exchange Commission ("Commission"), for the appointment of a Special Master ("Special Master") to monitor the sale of assets obtained, in whole or in part, from the activities alleged in the Complaint filed simultaneously with this motion, for the benefit of W Financial, LLC ("W-Financial") investors and other to be determined by this Court. W Financial, Adley H. Abulwahabab a/k/a Adley Wahad ("Wahab"), Michael K. Wallens, Sr. ("Wallens, Sr."), and Michael K. Wallens, Jr. ("Wallena, Jr.") (hereafter "Defendants") consent to the issuance of this Order without admitting or denying the allegations of the Commission's Complaint, except as to *in personam* and subject matter jurisdiction, which they admit. Defendants have waived provision of findings of fact and conclusions of law with respect to issuance of this Order. Service of pleadings and other papers

related to the administration of this Order may be made upon Defendants' counsel, at the address set forth in the agreement page of this Order.

IT IS THEREFORE ORDERED, that:

1. _____ is hereby appointed Special Master in this civil action, with all the powers and obligations set out herein to monitor the sale of certain of Defendants' assets that have been disclosed to the Commission (hereafter "W Financial Assets") for the benefit of investors of W-Financial, and reporting to this Court, the parties and others specified in this Order. The Special Master is not required to post a bond, but is hereby ordered to well and faithfully perform the duties of his office as Special Master, to monitor the sale of W Financial Assets; to secure the funds from the sale of the W Financial Assets; to timely report on the progress of the sale of W Financial Assets; and to perform all duties set forth in this Order. Except for an act or willful malfeasance or gross negligence, the Special Master shall not be liable for any loss or damage incurred by Defendants, or any of Defendants' clients and investors, or their subsidiaries and affiliates, their officers, directors, agents and employees, because of any act performed or not performed by him and his agents and assigns in connection with the discharge of his duties and responsibilities hereunder.

2. The W Financial Assets are defined in separate correspondence between the Commission and Defendants. The W Financial Assets delineated in the correspondence are those represented to the Commission as being purchased, in whole or in part, with W Financial investor funds or the proceeds of past sales of assets already consummated by Defendants. Defendants have expressed the intent to liquidate these specified assets for the purpose of satisfying the obligation to pay monetary relief, which may arise from the activities alleged in the Commission's Complaint. The parties or the Special Master may, at any time, request that the Court amend this Order to include assets other than those already specified. The Special

Master, moreover, may petition the Court to authorize the Special Master to monitor the sale of assets not previously specified. In the event that the Special Master requests the authority to monitor the sale of additional assets, the Special Master shall give all parties hereto notice so that any party may seek a hearing in this Court if it disagrees with the judgment of the Special Master.

3. Defendants, their respective officers, agents, and employees, who receive actual notice of this Order, by personal service or otherwise, shall provide the Special Master, upon reasonable notice, access to any and all business records of Defendants, including books and records, client lists and account statements, financial and accounting documents, computers, computer hard drives, computer disks and other information resources of Defendants.

4. Defendants, their respective officers, agents, and employees, who receive actual notice of this Order, by personal service or otherwise, shall, subject to all applicable constitutional rights and legally recognized privileges, cooperate with the Special Master and his duly authorized agents by promptly and honestly responding to all requests for information regarding W-Financial's book and records or assets, by promptly acknowledging to third parties, if the Special Master requests, the authority of the Special Master, as set forth in this Order, and by providing such authorization, signatures, releases, attestations, and access as the Special Master or duly authorized agents may reasonably request.

5. Within ten (10) calendar days of the entry of this Order, the Defendants shall transfer to the Special Master all funds previously obtained from the sale of W Financial Assets, estimated to be approximately \$2.5 million, with the exception of a fund for the purposes of paying routine business expenses, as set forth in Paragraph 10 below. The Special Master shall open a trust account in his name to maintain and preserve these funds and additional proceeds from the sale of W Financial Assets ("Special Master Account.")

6. The Defendants shall provide the Special Master with all information relating to the negotiation of the sale of any of the W Financial Assets and all documents related thereto, including agreements in principal, correspondence, e-mails.

7. Defendants shall notify the Special Master of any sale, or agreement to sell, any of the W Financial Assets no less than ten (10) calendar days prior to the closing of such sale. The Special Master is authorized to seek relief from the Court in the event he determines that the sale is not in the best interests of investors.

8. Upon the consummation of any sale of W Financial Assets, the Defendants shall immediately pay all of the proceeds of the sale to the Special Master for deposit into the Special Master Account.

9. The Special Master is hereby authorized and ordered to perform the following duties:

- A. evaluate and assess the nature, terms, value and liquidity of the W Financial Assets;
- B. review the terms of any sale of any of the W Financial Assets proposed by Defendants;
- C. to seek relief from the Court in the event he determines that a transaction is not in the best interests of investors; and
- D. take immediate custody of the proceeds from the sale of any of the W Financial Assets and deposit these proceeds in a trust account opened in the name of the Special Master for the purpose of segregating and preserving these proceeds.

10. Defendants are permitted to pay, without prior approval of the Special Master, normal and routine expenses required to maintain legitimate business activities ("Routine

Business Expenses"). When the Defendants transfer funds to the Receiver, as set forth in Paragraph 5, Defendants may retain a total of \$25,000 from which to pay Routine Business Expenses. If and when the Defendants provide the Special Master with proof that the fund has fallen below \$10,000, the Special Master shall, within 10 (ten) calendar days, transfer sufficient funds from the Special Master Account to replenish the fund to the amount of \$25,000, unless the Special Master seeks relief from the Court and demonstrates that there is good cause not to replenish the fund. Within seven days (7) days after the conclusion of each month, Defendants will provide the Special Master with an accounting of the Routine Business Expenses or with all records necessary determine the amount of the Routine Business Expenses for the foregoing month. Notwithstanding the other terms of this Paragraph, however, the Defendants will seek prior approval of the Special Master if Routine Business Expenses for the month are exceeding \$5,000. Routine Business Expenses does not include payment of salary or other compensation to any of the Defendants.

11. Pursuant to its agreements with investors, W Financial is presently making monthly payments to investors who chose to receive such payments, rather than choosing to compound their returns. The Special Master shall have the authority to halt these payments, at his discretion, if he determines that continuing to pay one group of W Financial investors will be detrimental to an equitable division of funds to all investors following the liquidation of the W Financial Assets.

12 The Special Master is hereby authorized to employ such managers, agents, consultants and accounts as he judges necessary to perform the duties set forth in this Order, to compensate them from the proceeds of the sale of W Financial Assets. The Special Master shall file with the Court, and serve upon all parties, requests for approval of reasonable fees to be paid to the Special Master and any person or entity retained by him.

13. Defendants shall be entitled to object and be heard by the Court should they object to any action by the Special Master.

14. The Special Master shall provide the Court with reports at such intervals as the Court directs and include all information required by the Court. Ninety (90) days following the entry of this Order, the Special Master shall report to the Court concerning the disposition of the W Financial Assets and what W Financial Assets, if any, have been successfully liquidated. If Defendants have failed to sell all W Financial Assets in transactions reviewed by the Special Master, the Special Master shall make a recommendation to the Court concerning whether the Court, in the interests of investors, should assume exclusive jurisdiction and take possession of the W Financial Assets, and additional assets, if reasonable and just, by placing these assets in Receivership.

15. The Special Master is authorized to serve this Order on any person. Any and all persons who receive notice of this Order, by personal service or otherwise, are hereby ordered, restrained and enjoined from engaging in a transaction involving the sale, gift, assignment, transfer, conveyance, encumbrance, or dissipation of the W Financial Assets without the express and written consent of the Special Master.

16. Creditors and other persons are hereby restrained and enjoined from the following actions, except in this Court, unless the Court, consistent with general equitable principals and in accordance with its ancillary equitable jurisdiction in this matter, orders that such actions may be conducted in another forum or jurisdiction:

- A. the commencement or continuation, including the issuance or employment of process, of any judicial, administrative, or other proceeding against the Special Master or any of the W Financial Assets arising from the subject matter of this civil action; or

- B. the enforcement against the Special Master, or any of the Defendants, of any judgment obtained before the commencement of this matter that would attach to or encumber the W Financial Assets.

17. Creditors and all other persons are hereby restrained and enjoined, without prior approval of the Court, from:

- A. any act to obtain possession of the W Financial Assets, except as authorized elsewhere in this Order;
- B. any act to create, perfect, or enforce any lien against the W Financial Assets; or
- C. any act to collect, assess, or recover a claim against the Special Master, or that would attach to or encumber the W Financial Assets.

SIGNED this _____ day of _____, 2008

UNITED STATES DISTRICT JUDGE

So Stipulated:

W Financial Group, LLC
By:

W FINANCIAL—LETTER AGREEMENT

STATE OF TEXAS }
COUNTY OF Harris }

The foregoing instrument was acknowledged before me this 5th day of March 2008, by _____, who _____ is personally known to me or _____ who has produced a _____ as identification and who did take an oath.

Notary Public
State of Texas
Commission Number: _____
Commission Expiration: _____

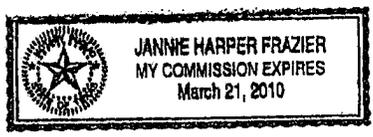
Dated and signed on the _____ day of _____ 2008

Adley Abdulwahab
Adley Abdulwahab

STATE OF TEXAS }
COUNTY OF Harris }

The foregoing instrument was acknowledged before me this 13th day of March 2008, by ADLEY ABDULWAHAD, who L is personally known to me or _____ who has produced a _____ as identification and who did take an oath.

Janne Harper Frazier
Notary Public
State of Texas
Commission Number: _____
Commission Expiration: March 21, 2010



Dated and signed on the 13th day of March 2008

W FINANCIAL—LETTER AGREEMENT

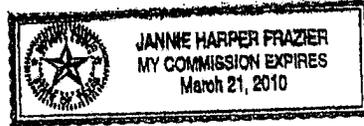
Michael K. Wallens Sr.
Michael K. Wallens, Sr.

STATE OF TEXAS }
COUNTY OF Harris }

The foregoing instrument was acknowledged before me this 13th day of March 2008, by MICHAEL K. WALLENS, SR., who is personally known to me or who has produced a as identification and who did take an oath.

Janne Harper Frazier
Notary Public

State of Texas
Commission Number:
Commission Expiration: March 21, 2010



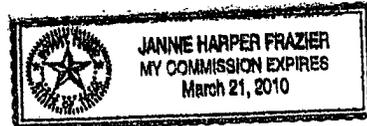
Michael Wallens Jr.
Michael K. Wallens, Jr.

STATE OF TEXAS }
COUNTY OF Harris }

The foregoing instrument was acknowledged before me this 13th day of March 2008, by MICHAEL K. WALLENS, JR., who is personally known to me or who has produced a as identification and who did take an oath.

Janne Harper Frazier
Notary Public

State of Texas
Commission Number:
Commission Expiration: March 21, 2010



Dated and signed on the 13th day of March, 2008

W FINANCIAL—LETTER AGREEMENT

Approved as to Form and Content

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