

**EXHIBIT 2****W FINANCIAL GROUP BANK ACCOUNT / ASSET LIST****BANK & BROKERAGE ACCOUNTS**

<b>Account Name</b>	<b>Bank</b>	<b>Account Number</b>
W Financial Group, LLC	Wells Fargo	3725317133
W Financial Group, LLC d/b/a W Custom Home Builders	Wells Fargo	3725317550
W Financial Group, LLC	Wells Fargo Investments	12951026

**ASSETS**

<b>Asset</b>	<b>Location</b>
Cash	W Financial Group, LLC - Wells Fargo bank account
Cash	W Financial Group, LLC d/b/a W Custom Home Builders - Wells Fargo bank account
National Power Company, Inc.	Russell E. Mackert, Esq. Three Riverway, Ste. 1900 Houston, Texas 77056 713/627-8500  W Financial Group owns 85% of the company stock.
House Lot #1 - with House	Benders Landing Estates 01, Block 4, Lot 1
House Lot #2 - with House	Benders Landing Estates 01, Block 4, Lot 41
House Lot #3 - with House	Benders Landing Estates 01, Block 5, Lot 42
House Lot #4	Benders Landing Estates 04, Block 10, Lot 10
House Lot #5	Benders Landing Estates 04, Block 10, Lot 12
House Lot #6	Benders Landing Estates 04, Block 10, Lot 13

House Lot #7	Benders Landing Estates 04, Block 10, Lot 29
House Lot #8	Benders Landing Estates 04, Block 13, Lot 1
House Lot #9	Benders Landing Estates 04, Block 13, Lot 2
House Lot #10	Benders Landing Estates 04, Block 13, Lot 6

**ORIGINAL**

**ORIGINAL**

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

U.S. DISTRICT COURT  
NORTHERN DISTRICT OF TEXAS  
**FILED**  
MAR 21 2008  
CLERK U.S. DISTRICT COURT  
By [Signature] Deputy

**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.

**8CV0499-N**

**JOINT MOTION REQUESTING ENTRY OF AGREED ORDER APPOINTING  
SPECIAL MASTER TO MONITOR THE SALE OF ASSETS HELD BY DEFENDANTS  
AND MEMORANDUM IN SUPPORT THEREOF**

The Securities and Exchange Commission ("Commission") has today filed a Complaint alleging that Defendants, by offering and selling securities issued by W Financial Group, LLC, through engaged in conduct that that constitute violations of Sections 5(a), 5(c) and 17(a) of the Securities Act of 1933 ("Securities Act") [15 U.S.C. §§ 77e(a), 77e(c) and 77q(a)] and Section 10(b) of the Securities Exchange Act of 1934 ("Exchange Act") [15 U.S.C. § 78j(b)] and of Rule 10b-5 [17 C.F.R. § 240.10b-5], promulgated thereunder. Defendants, without admitting the allegations in the Commission's Complaint, move jointly with the Commission for entry of the Agreed Order Appointing Special Master to Monitor the Sales of Assets Held by Defendants ("Agreed Order").

As set forth in the Agreed Order, Defendants W Financial Group, LLC ("WFG"), Adley H. Abdulwahab a/k/a Adley Wahad, Michael K. Wallens, Sr. and Michael K. Wallens, Jr. (collectively "Defendants") have already initiated the process of voluntarily liquidating

**Exhibit "2"**

assets purchased with funds collected from WGN investors, asserting their intent to use the proceeds of the sales to pay disgorgement and provide restitution to investors. The Commission and Defendants believe that it is reasonable and in the best interests of investors to allow the Defendants to continue their efforts to sell these assets. In order to provide protection to investors during the ongoing process of liquidation, however, the parties have also agreed that Defendants' continuing efforts take place with the oversight of a Special Master appointed by the Court.

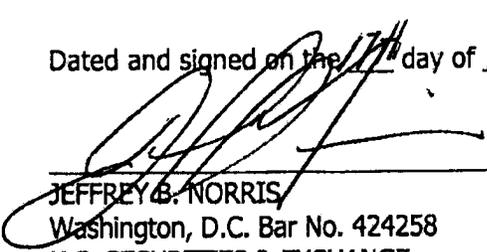
As set forth in the Agreed Order, the parties propose that the Special Master have, among others, the following rights and powers: (1) have access to business records W Financial; (2) independently evaluate the value of WFG assets; (3) have authority to review, in advance, the sale of assets; (4) have the capacity to file an objection with the Court if the Special Master determines that the terms of a sale are not in the best interests of investors; and (5) open a trust account to deposit and safeguard funds the Defendants have already obtained from the liquidation of assets as well as the proceeds of transactions consummated after his appointment.

The Commission and Defendants believe that the proposed Agreed Order strikes the proper balance. The Agreed Order permits the Defendants to continue what appears to be a good faith effort to reimburse investors, without the deleterious impact that a full Receivership might have on the market value of the assets. On the other hand, it provides the oversight of the Court to assure that the process does, indeed, ultimately work in the best interests of investors. For these reasons, the Commission and Defendants jointly request that the Court enter the Agreed Order.

**JOINT MOTION REQUESTING ENTRY OF AGREED ORDER APPOINTING SPECIAL MASTER  
TO MONITOR THE SALE OF ASSETS HELD BY DEFENDANTS  
AND MEMORANDUM IN SUPPORT THEREOF**

2

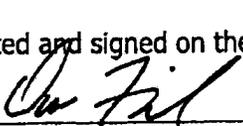
Dated and signed on the 17<sup>th</sup> day of March 2008

  
\_\_\_\_\_  
JEFFREY B. NORRIS

Washington, D.C. Bar No. 424258  
U.S. SECURITIES & EXCHANGE  
COMMISSION  
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Fort Worth, Texas 76102  
Office: (817) 978-6452  
Fax: (817) 978-4927  
[norrisj@sec.gov](mailto:norrisj@sec.gov)

Attorney for Plaintiff

Dated and signed on the 13<sup>th</sup> day of March 2008

  
\_\_\_\_\_  
DAVID FIELDER

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1615 L Street, NW  
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[David.fielder@haynesboone.com](mailto:David.fielder@haynesboone.com)

Counsel for Defendants  
W Financial Group, LLC,  
Michael K. Wallens, Sr.,  
Michael K. Wallens, Jr., and  
Adley Abdulwahab a/k/a Adley Wahab

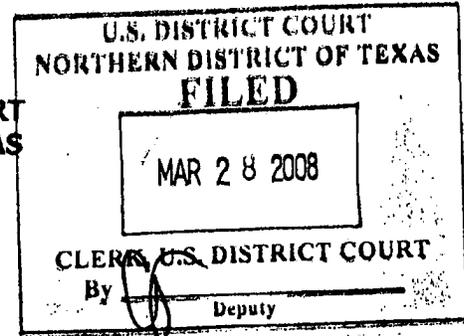
**JOINT MOTION REQUESTING ENTRY OF AGREED ORDER APPOINTING SPECIAL MASTER  
TO MONITOR THE SALE OF ASSETS HELD BY DEFENDANTS  
AND MEMORANDUM IN SUPPORT THEREOF**

3

APP - 037

COPY

**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.

**8-08CV0499-N**

**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. ("Wallens, 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.

**Exhibit "3"**

**APP - 038**

IT IS THEREFORE ORDERED, that:

1. Vernon Jones 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, current estimated to be approximately \$1.5 million, but expected to eventually equal 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:

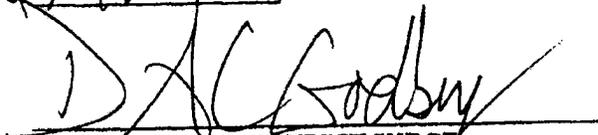
- A. the commencement or continuation, including the issuance or employment of process, of any judicial, administrative, or other proceeding against the Special Master or any of the W Financial Assets arising from the subject matter of this civil action; or

- 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 28 day of March, 2008

  
 UNITED STATES DISTRICT JUDGE

So Stipulated:

  
 W Financial Group, LLC  
 BY: MICHAEL K. WALLENS SR.

STATE OF TEXAS }  
COUNTY OF Harris }

The foregoing instrument was acknowledged before me this 13<sup>th</sup> 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: \_\_\_\_\_

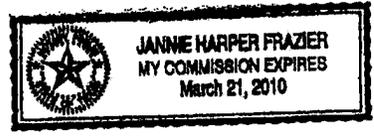
Dated and signed on the \_\_\_\_\_ day of \_\_\_\_\_ 2008

Adley Abdulwahab  
Adley Abdulwahab

STATE OF TEXAS }  
COUNTY OF Harris }

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

Janie Harper Frazier  
Notary Public  
State of Texas  
Commission Number: March 21, 2010  
Commission Expiration: \_\_\_\_\_



Dated and signed on the 13<sup>th</sup> day of March 2008

STATE OF TEXAS

COUNTY OF Harris

The foregoing instrument was acknowledged before me this 13<sup>th</sup> day of March 2008, by Michael K. [unclear] who is personally known to me or     who has produced a     as identification and who did take an oath.

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

Dated and signed on the 13<sup>th</sup> day of March 2008



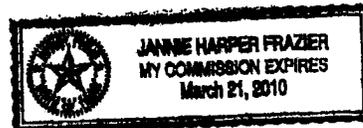
Adley Abdulwahab  
Adley Abdulwahab

STATE OF TEXAS

COUNTY OF Harris

The foregoing instrument was acknowledged before me this 13<sup>th</sup> 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.

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



Dated and signed on the 13<sup>th</sup> day of March 2008

W FINANCIAL—LETTER AGREEMENT

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

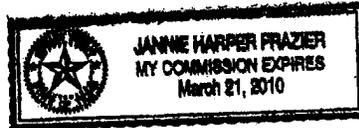
STATE OF TEXAS }  
COUNTY OF Harris }

The foregoing instrument was acknowledged before me this 13<sup>th</sup> 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.

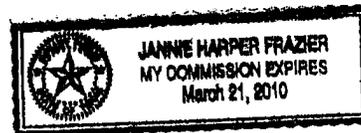
STATE OF TEXAS }  
COUNTY OF Harris }

The foregoing instrument was acknowledged before me this 13<sup>th</sup> 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 13<sup>th</sup> day of March, 2008

W FINANCIAL—LETTER AGREEMENT

COUNTY OF \_\_\_\_\_ }

The foregoing instrument was acknowledged before me this \_\_\_ day of \_\_\_\_\_, 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.

\_\_\_\_\_  
Notary Public  
State of Texas  
Commission Number:  
Commission Expiration:

Dated and signed on the \_\_\_ day of \_\_\_\_\_

Dated and signed on the \_\_\_ day of \_\_\_\_\_

Approved as to Form and Content

\_\_\_\_\_  
JEFFREY B. NORRIS  
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Attorney for Plaintiff

  
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202/654-4567  
[David.fielder@haynesboone.com](mailto:David.fielder@haynesboone.com)  
Attorney for Defendants

SEC v. W Financial Group, LLC, *et al.*  
**AGREED ORDER APPOINTING SPECIAL MASTER  
TO MONITOR THE SALE OF ASSETS HELD BY DEFENDANTS**

Approved as to Form and Content



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JEFFREY B. NORRIS

Washington, D.C. Bar No. 424258

U.S. SECURITIES & EXCHANGE  
COMMISSION

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[norrisj@sec.gov](mailto:norrisj@sec.gov)

Attorney for Plaintiff

---

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Suite 800

Washington, DC 20036-5610

[David.fielder@haynesboone.com](mailto:David.fielder@haynesboone.com)

Counsel for Defendants

**From:** Mike Wallens, Sr. [mwallens@nationalpowerco.com]  
**Sent:** Wednesday, April 09, 2008 5:09 PM  
**To:** Jones, Vernon  
**Subject:** WFG

**Attachments:** Liquidation Analysis.xls  
Vernon,

I hope this is acceptable.

Mike

*National Power Company, Inc.*  
Mike Wallens Sr.  
Executive Vice President  
1-877-333-POWER toll free  
281-377-7533 office  
281-377-7578 fax  
www.nationalpowerco.com  
mwallens@nationalpowerco.com

**Exhibit "4"**

**APP - 050**

**Liquidation Analysis Report 04/09/08**

Prepared by: W Financial Group Management

	LOW VALUE	HIGH VALUE	Fees Associated with Sale
National Power Company (1)	\$5,000,000.00	\$8,000,000.00	3%
Texas Auto Pros (2)	\$2,000,000.00	\$2,400,000.00	0%
4302 Balsam Fir Lane (3)	\$525,000.00	\$600,000.00	4.50%
4027 Starling Stream (4)	\$500,000.00	\$575,000.00	4.50%
2506 Wheeler St. (5)	\$150,000.00	\$250,000.00	4.50%
Hartford Life Settlement Policy (6)	\$250,000.00	\$350,000.00	
ERCOT Security Deposit (7)	\$224,797.00	\$224,797.00	
27406 Shores Ct (8)	\$280,000.00	\$380,000.00	4.50%
27403 Shores Ct (8)	\$300,000.00	\$400,000.00	4.50%
27410 Shores Ct (8)	\$240,000.00	\$330,000.00	4.50%
27407 West Balsam Fir Cir (8)	\$115,000.00	\$175,000.00	4.50%
5510 White Birch Run (8)	\$125,000.00	\$185,000.00	4.50%
5706 White Birch Run (8)	\$115,000.00	\$175,000.00	4.50%
5702 White Birch Run (8)	\$85,000.00	\$125,000.00	4.50%
Cash on Hand	\$1,000,000.00	\$1,000,000.00	
Cash in Special Master Acct. (9)	\$474,040.93	\$474,040.93	
<b>TOTALS</b>	<b>\$11,383,837.93</b>	<b>\$15,643,837.93</b>	

(1) High value based on hedging and approx 14,600 res/com customers valued @ \$550/customer.

(1) Low value based on not hedging and approx 14,600 res/com customers valued at \$343/customer.

(2) High value based on A/R of \$2,750,000 @ .70 + \$500,000 in inventory.

(2) Low value based on A/R of \$2,750,000 @ .55 + \$500,000 in inventory.

(3) High value based on 4554 sq.ft. home @ \$132.00 sq.ft.

(3) Low value based on 4554 sq.ft. home @ \$115.00 sq. ft. - Comps. In area range from \$125.00 to 165.00 sq.ft.

- (4) High value based on \$124.00 sq.ft. sale price
- (4) Low value based on \$107.50 sq.ft. sale price
- (5) Values based on comparable market analysis(CMA) of area
- (6) Based on current market conditions and availability of buyers
- (7) Cash security deposit
- (8) High values are aprox. 10 to 15% over original purchase prices
- (8) Low values are aprox. 80% of original purchase prices
- (9) Wired into account opened by Special Master on 4-4-2008