

FILED

JUL 30 2008

CLERK, U.S. DISTRICT COURT

By Deputy

ORIGINAL

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,

No. 3:08-CV-00449

Hon. David Godbey District Judge, Presiding

AGREED INTERLOCUTORY ORDER

This matter coming to be heard upon the Plaintiff's Motion for a Preliminary Injunction; the Defendants' Motion to Dissolve the Ex Parte Orders previously entered Freezing Defendants' Assets and for other miscellaneous motions; due notice having been given; the Court being fully advised in the premises.

Doth Find:

- 1. That the Court has jurisdiction over the parties and the subject matter;
2. That on June 5, 2008, the Court entered an Ex Parte Order Freezing Assets and Granting other Emergency Relief ("Freeze Order");
3. That the parties have reached an agreement concerning the entry of an Agreed Interlocutory Order ("Interlocutory Order").
4. That the Defendants W Financial Group, LLC ("WFG"), Adley H. Abdulwahab a/k/a Adley Wahab ("Wahab"), Michael K. Wallens, Sr. ("Wallens, Sr.") and Michael K. Wallens, Jr. ("Wallens, Jr.")

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Handwritten initials MWJ

Exhibit "11"

(collectively "Defendants") acknowledge they have entered into this Interlocutory Order voluntarily without admitting or denying any of the allegations of the Complaint with the exception of jurisdiction of the Court.

5. That the Defendants by entering into this Interlocutory Order have not released or waived any causes of action, claims, or right to indemnity which they may have against third parties by contract or operation of law.
6. That the Court finds the agreement of the parties to be just and proper.

IT IS THEREFORE ORDERED:

A. That pursuant to the agreement of the parties, the Freeze Order imposed by the Court on June 5, 2008 is dissolved and held for naught.

B. That the Court enters an Interlocutory Order providing the terms set forth below:

1. That, except as set forth in this Interlocutory Order, the Defendants W Financial Group, LLC ("WFG"), Adley H. Abdulwahab a/k/a Adley Wahab ("Wahab"), Michael K. Wallens, Sr. ("Wallens, Sr.") and Michael K. Wallens, Jr. ("Wallens, Jr.") are hereby enjoined and restrained from transferring, encumbering, concealing or otherwise disposing of any property accept in the usual course of business and/or for the ordinary necessities of life. It is contemplated that, subject to the restrictions in this Interlocutory Order, the Defendants are free to pursue their occupations and earn income from their

② MW MWS

businesses which are not named in the Complaint pending and undetermined before the Court.

2. Defendants and their officers, agents, employees, servants, and all persons in active concert or participation with them, who receive actual notice of this Order by personal service or otherwise, are restrained and enjoined from, directly or indirectly, making any payment or expenditure of funds, incurring any additional liability (including, specifically, by advances on any line of credit and any charges on any credit card), or effecting any sale, gift, hypothecation or other disposition of any asset, pending provision of sufficient proof to the Court of sufficient funds or assets to satisfy all claims alleged in the Commission's Complaint, or the posting of a bond or surety sufficient to assure payment of any such claim, and from assigning, conveying, transferring, encumbering, disbursing, dissipating, selling, hypothecating or concealing any assets, monies, or other property owned by or in the actual or constructive possession of these Defendants, pending a showing to this Court that they have sufficient funds or assets to satisfy all claims arising from the violations alleged in the Complaint, pending the posting of a bond or surety sufficient to assure payment of any such claim, or until further order of this Court. Further, except as provided in this Interlocutory Order, any bank, trust company, broker-dealer or other depository institution holding accounts for or on behalf of the Defendants shall make no transactions in securities (excepting liquidating transactions necessary

Handwritten initials 'MW' and 'MLT' in black ink.

as to wasting assets) and no disbursements of funds or securities (including extensions of credit, or advances on existing lines of credit), including the honor of any negotiable instrument (including specifically, any check, draft, or cashier's check) purchased by or for the Defendants, except in accordance with this order or any further order of this Court.

3. That to effectuate the provisions of Paragraph 2, the Plaintiff may cause a copy of this Order to be served on any bank, savings and loan, broker-dealer or other financial or depository institution either by United States mail or by facsimile as if such service were personal service, to restrain and enjoin any such institution from disbursing funds, directly or indirectly, to or on behalf of Defendants, or any companies or persons or entities under their control.

② MWS

4. That Defendants, and their agents, servants, employees, , and all persons in active concert or participation with them who receive actual notice of this Order by personal service or otherwise, are restrained and enjoined from destroying, removing, mutilating, altering, concealing or disposing of, in any manner, any of their books and records or any documents relating in any manner to the matters set forth in the Plaintiff's Complaint, or the books and records of any entities under their control, until further order of this Court.
5. That with respect to all funds and assets obtained, directly or indirectly, from the activities described in Plaintiff's Complaint that are now located outside the jurisdiction of this Court, Defendants shall immediately repatriate all funds and assets. Such funds shall be transferred or paid into the Registry of this Court. Securities, or other personalty that can be readily moved or transferred, and title or other documents reflecting ownership as to real property, shall be delivered to counsel for the parties.
6. It is contemplated by this order the Defendants are free to pursue their occupations and earn income from their businesses which are not named in the Complaint pending and undetermined before the Court. Defendants shall provide counsel for the Plaintiff with any bank accounts associated with such business that have been frozen pursuant to the Freeze Order to permit the Commission to determine whether it is appropriate to release the accounts from the asset

freeze. Notwithstanding the release of these accounts, the Defendants shall provide the Commission with statements from each of these accounts quarterly.

7. Defendants Wahab, Wallens, Sr. and Wallens Jr. may each open a new bank account which shall be disclosed to the counsel for the Plaintiff within three (3) days from its being opened. Each may deposit into his designated account money earned after the date of entry of this Order. Each may draw from his designated account sufficient funds to pay his reasonable and ordinary living expenses. At the end of August 2008, Defendants shall provide counsel for the Plaintiff with the statements pertaining to the designated accounts. Thereafter, beginning on October 30, 2008, and every quarter thereafter, Wahab, Wallens, Sr. and Wallens, Jr. shall submit to the Commission an itemized quarterly report of the funds used for reasonable and ordinary living expenses during the preceding quarter as well as the bank statements pertaining to the prior quarter.
8. That the Defendants WFG, Wahab, Wallens, Sr. and Wallens, Jr. are required to notify the Plaintiff's attorney Jeffrey Norris, Esq. of any proposed extraordinary expenditures which are not usual and customary in the ordinary course of business and life.
9. That the following procedure will apply to extraordinary expenditures. The Defendants' attorneys will notify the Commission in writing within 10 days of the need to have an extraordinary expenditure approved. The notice will provide a description of the amount and purpose of the

extraordinary expenditure. The Plaintiff shall inform counsel for the Defendants within five (5) days of receiving notice of an extraordinary expenditure whether the Plaintiff objects. In the event there is no objection from the Plaintiff, the extraordinary expenditure may be incurred. Should Plaintiff have an objection to an extraordinary expenditure and the parties are unable to reach an agreement, the matter shall be noticed by motion before the Court and the Court will resolve any disagreement between the parties. Pending the decision of the Court, the expenditure shall not be made.

10. That there shall be an accounting prepared by Max Wayman & Associates within 21 days of the issuance of this Order detailing by amount, date, method and location of transfer, payee and payor, purpose of payment or transfer: (1) all monies and other benefits they received, directly and indirectly, as a result of the activities alleged in the Complaint or thereafter transferred; (2) their current assets wherever they may be located and by whomever they are being held, and their current liabilities, and (3) account identifying information, including name of bank, trust company, brokerage firm or other depository institution holding proceeds of activities alleged in the Complaint; account numbers; names, dates of birth, addresses and social security numbers of signatories on any such account maintained in their name or for their benefit at any point during the period from January 2006, through the date of the accounting. The accounting shall be sufficient to permit a full understanding of the flow of funds relating to the

② MW MWT

activities alleged in the Complaint to the extent known by Defendants, or within their power to learn.

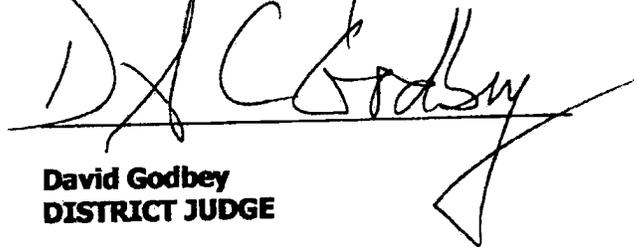
11. That the Defendants are permitted to pay \$20,000 from the Wells Fargo Bank account number [~~3275317121~~] to Max M. Wayman & Associates, Inc. ("Wayman") 2650 River Park Drive, Fort Worth, TX 96116 for the purpose of preparing the accounting.
12. That Defendants shall make the accounting under oath and provide the accounting and all documents reviewed in the course of the preparation thereof or otherwise pertaining thereto to the Commission to Jeffrey B. Norris, Securities and Exchange Commission, 801 Cherry Street, 19th Floor, Fort Worth, Texas 76102.
13. That upon the conclusion of the accounting, Max Wayman & Associates shall submit its statement of fees and costs to the parties. If the parties agree to pay an overage of the retainer, they will prepare an agreed order for the Court. In the event there is a disagreement, the parties are free to bring this matter before this Court for resolution.
14. That in the pursuit of the Defendants' personal lives they are permitted to make all payments specifically required by law such as child support and maintenance.
15. That the Defendants shall provide to the Commission a copy of any order relevant to expenses allowed by paragraph B.14.

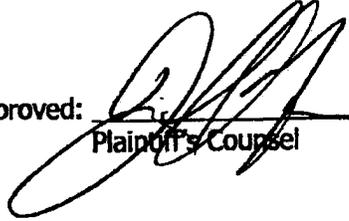
 mw MJT

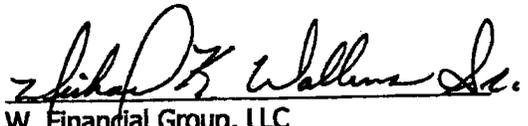
16. That the assets of W Financial Group are to be sold in accordance with the terms of the March 28, 2008 order appointing the Special Master.
17. That the Defendants are permitted to withdraw \$10,000.00 from Wells Fargo Bank account number [327531712] to pay for Case Map software and document management during the litigation of the case.
18. That Defendants may pay reasonable expenses for costs related to the litigation from Wells Fargo account number [327531712], such as: (1) issuance and service of subpoenas; (2) depositions; (3) travel expenses to and from the Court; (4) hotel stays in connection with Court appearances and hearings; and costs of copying.
19. That W Financial may withdraw sufficient funds from the Wells Fargo Bank in the account number [327531712] in the name of W Financial to pay accounting fees in connection with the preparation of W Financial's 2007 federal and state tax returns. Copies of invoices and receipts related to this expense shall be provided to the Commission seven (7) days in advance of payment.
20. That the Plaintiff shall facilitate the release of the following accounts from the asset freeze: (1) Wells Fargo Bank account # 9143020932 in the name of Alternative Investment Services, Inc. d/b/a AIS; and (2) Wells Fargo Bank account # 64523367 in the name of M. Wallens Enterprises, Inc.; provided, however, that the accounts may be used only to conduct the regular and ordinary business transactions of Alternative Investment Services, Inc. and M. Wallens Enterprises, Inc.;

provided, also, that in the event that any withdrawal of funds is made from either of these accounts for the personal benefit of Wallens, Jr., or by Wallens, Jr. for any purpose other than conducting the regular and ordinary business transactions of Alternative Investment Services, Inc. and M. Wallens Enterprises, Inc., the funds shall be deposited in the account created pursuant to Paragraph 6 of this Order and be subject to the limitation that restricts withdrawal from the designated account to what is necessary to pay Wallens, Jr.'s reasonable and ordinary living expenses; and provided, also, that at the conclusion of each month, Wallens, Jr. will provide the Plaintiff with bank statements from Wells Fargo accounts 9143020932 and 64523367.

Signed
ENTERED ON THIS 30 DAY OF July:


David Godbey
DISTRICT JUDGE

Approved: 
Plaintiff's Counsel

Approved: 
W. Financial Group, LLC
By Michael K. Wallens, Sr.



Approved: *Adley Abdulwahab*
Adley H. Abdulwahab

Approved: *Michael K. Wallens Sr.*
Michael K. Wallens, Sr.

Approved: *Michael Wallens Jr.*
Michael K. Wallens, Jr.



John S. Brannon/TKPC
08/19/2008 05:39 PM

To stephen_m_komie@komie-and-associates.com,
jteakell@teakelllaw.com
cc norrisj@sec.gov, "Jones, Vernon"
<Vernon.Jones@GT.com>, randy.williams@tklaw.com
bcc

Fax to

Subject W Financial Notice to Defendants from the Special Master

Gentlemen -

As counsel to the Special Master, I understand from the Special Master that since the 3/28/08 entry of the Agreed Order Appointing Special Master to Monitor the Sale of Assets Held by Defendants, signed by Judge Godbey, docket no. 6 (the "Agreed Order"), a copy of which is attached, the Defendants have repeatedly violated the terms of the Agreed Order by, among other things, failing to provide timely information to, and cooperation with, the Special Master, notwithstanding repeated requests and the specific mandate to provide such information and cooperation as set forth in the Agreed Order.

Under the Agreed Order, the Defendants have various obligations, which, among others, include providing timely information to, and cooperation with, the Special Master. To date, the Defendants' have failed to comply with their obligations under the Agreed Order. Below are specific and numerous examples (although not all) of the Defendants' violations of the Agreed Order. There remain a number of questions relative to the sale or disposition of the W Financial assets for which, even to date, the Special Master has not yet been informed.

I. Ongoing information request. _

The request has been grouped by category of the W Financial assets:

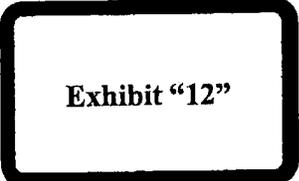
National Power Company ("NPC"):

1. Purchase transaction documentation. The executed Purchase Agreement dated May 1, 2008 between David Barrett and W Financial Group was received on May 7, 2008. However, in a meeting with the W Financial principals on May 21, 2008, in which it was first disclosed that W Financial and its principals had provided financial support to NPC, both prior to and after the closing of the transaction, a number of additional requests were made. These included:

- All supporting documentation relative to the financing of the transaction, including that of W Financial or its principals
- All supporting documentation relative to the closing of the transaction
- All supporting documentation relative to the financial support provided to NPC prior to the closing of the transaction
- All supporting documentation or description of any written or oral agreements that were entered into with David Barrett relative to the transaction
- All supporting documentation reflecting the trail of cash transfers that were executed in order to fund the transaction

Although all of the above information was described by the W Financial principals in that meeting as available and to be provided, the Special Master has yet to receive any other information regarding the NPC purchase transaction since May 21, 2008.

2. NPC's closure. Given that lack of information, it is unclear what the potential impact of NPC's subsequent business failure may have been to W Financial and/or its principals. In particular, there were a number of outstanding NPC customer receivables that may have been collected or were collectible. The Special Master has yet to receive any information regarding NPC's closure and its implications to W Financial.



W Custom Builders:

1. Closing/settlement statements on the first of the three home sales, related to have occurred on April 1 and which sales proceeds were deposited in the Special master account on April 4. Closing statements were received from third parties on the two subsequent home sales. However, in each case, further information was requested and remains outstanding regarding:

- Deductions for amounts apparently paid to subcontractors or others at closings
- All supporting documentation reflecting the trail of cash transfers that were executed in connection with the transactions
- Additional detail and support regarding amounts transferred from W Financial after April 1, 2008 (vs. original W Financial estimate of \$30,000-50,000)

2. Current status of sales activities and any offers on the seven unimproved lots in Bender's Landing.

Texas Auto Pros:

1. As of July 30, an inspection indicated that at least one car lot is still open and in operation (with an estimated inventory of 150 cars). Although there have been sporadic deposits made to the Special Master's account, the Special Master has not received any current information relative to the ongoing operational status of the Texas Auto Pros business or the details of sources of funds of the deposits or deductions that may have been taken from revenues of the business.

2. Status of United Acceptance or any other third party purchase(s). Texas Auto Pros did complete a small sale of certain auto receivables (a portion of the proceeds of which were not deposited into the Special Master's account). However, the Special Master has not received any current information relative to any ongoing receivable sales opportunities.

3. Status of lot leases. The Special Master has not received any documentation or current information relative to the termination of the leases of Texas Auto Pros locations.

4. Status of proposed purchase of the remaining business. The Special Master has not received any current information relative to the ongoing prospects for a purchase of the business.

5. Monthly reporting. Beginning April 1, 2008, the Special Master requested monthly accounting reports on the Texas Auto Pros operations, including detailed listings of inventory levels, loans, and operating expenses. The Special Master has yet to receive any monthly report describing the Texas Auto Pros operations.

Wheeler Street property:

1. Documentation of actual ownership. The Special Master has not received any documentation reflecting W Financial's actual ownership of the property.

2. Lease status. The Special Master has not received copies of lease agreements or any other information relative to the ongoing rental status of the property.

3. Sale status. The Special Master has not received copies of any sale listing agreements or any other information relative to the ongoing sale status of the property.

Death benefit life insurance policy:

1. Status of ownership. The Special Master has not received a copy of the policy.

2. Contingencies and timing to collection. The Special Master has not received any other information relative to the issues that may impact W Financial's ability to collect under the policy.

W Financial:

1. Expense detail. Beginning April 1, 2008, the Special Master requested detailed itemized reports on all W Financial expenses incurred in excess of \$200. The Special Master has yet to receive any report describing W Financial's expenses incurred in excess of \$200.

2. Credit card statements. Beginning April 1, 2008, the Special Master requested copies of all W Financial credit card statements. The Special Master has yet to receive a copy of any W Financial credit card statement.

3. Third party claims or alleged causes of action. The Special Master has not received any current information relative to any claims that W Financial may have against, or alleged by, third parties.

II. Other.

1. Routine Business Expenses.

-Under the Agreed Order, within seven (7) days after the conclusion of each month, the Defendants were to provide the Special Master with an accounting of the Routine Business Expenses (as defined in the Agreed Order).

- Under the Agreed Order, the Defendants were to seek prior approval of the Special Master if the Routine Business Expenses for a month were exceeding \$5,000.

The Special Master has yet to receive any monthly report accounting for the Routine Business Expenses. The Special Master has yet to receive any request for approval of Routine Business Expenses in excess of \$5,000.

2. Information. Under the Agreed Order, the Defendants are to provide the Special Master with all information related to the negotiation of the sale of any of the W Financial assets and all documents related thereto, including agreements in principal, correspondence, emails. As illustrated above and otherwise, the Defendants have not complied with this provision.

3. Cooperation. Under the Agreed Order, the Defendants are to cooperate with the Special Master by promptly and honestly responding to all requests for information regarding W Financial's books and records or assets. As illustrated above and otherwise, the Defendants have not complied with this provision.

Please be advised that if the Special Master has not received the aforementioned missing documents and information by the close of business on Tuesday, August 26, 2008, the Special Master will be filing an emergency motion to show cause why the Defendants should not be held in contempt of the Court's Agreed Order.

John S. Brannon
Partner

Thompson & Knight LLP
One Arts Plaza
1722 Routh Street, Suite 1500
Dallas, TX 75201-2533

ph: (214) 969-1505
fax: (214) 999-1608
John.Brannon@tklaw.com

www.tklaw.com

This message is confidential and may be attorney-client privileged. If received in error, please do not read. Instead reply to me that you have received it in error and then delete the message. Thank you.



John S. Brannon/TKPC
08/19/2008 05:45 PM

To stephen_m_komie@komie-and-associates.com,
jteakell@teakelllaw.com
cc norrisj@sec.gov, "Jones, Vernon"
<Vernon.Jones@GT.com>, randy.williams@tklaw.com
bcc

Fax to

Subject W Financial Notice to Defendants from the Special Master

Gentlemen -

Attached is the copy of Agreed Order referenced in my prior email.



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John S. Brannon
Partner

Thompson & Knight LLP
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John S. Brannon/TKPC
08/19/2008 05:45 PM

To stephen_m_komie@komie-and-associates.com,
jteakell@teakelllaw.com
cc norrisj@sec.gov, "Jones, Vernon"
<Vernon.Jones@GT.com>, randy.williams@tklaw.com
bcc

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John S. Brannon
Partner

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"Joy Nogly"
<Joy_Nogly@Kornie-And-Associates.com>
08/25/2008 05:40 PM

To <John.Brannon@tklaw.com>
cc <jteakell@teakelllaw.com>, "Norris, Jeffrey B." <NorrisJ@SEC.GOV>
bcc
Fax to
Subject

August 25, 2008

via email John.Brannon@tklaw.com

Mr. John S. Brannon
Thompson & Knight LLP
One Arts Plaza
1722 Routh Street, Suite 1500
Dallas, TX 75201-2533

Re: Securities and Exchange Commission vs. W Financial, LLC

Dear Mr. Brannon:

I am writing you today in answer to your letter of August 19, 2008 regarding purported notice to defendants from the Special Master. Our clients vigorously disagree with your contention that they have violated the terms of the agreed order and have failed to provide timely information or cooperation with the Special Master. Therefore, the Defendants do not agree with the contention in your email of August 19, 2008.

Currently, our clients are cooperating fully with the accounting ordered by the court. The documents you requested are currently involved in the account process, therefore, there is no need for the Special Master to become involved. Once the accounting process is complete and there is compliance with the court order I am sure the accounting will become available for the Special Master. This will avoid unnecessary time charges by the Special Master.

Our clients are very concerned the Special Master is exceeding the powers given to him by the agreed order, (Docket number 6) by expending time and money unnecessarily. We are also concerned that his fees are excessive and beyond those charged in the market for the same services. Please alert your client to avoid duplication of work between himself and the accounting firm appointed by the court.

Please note we cannot find in the agreed order an authorization to hire attorneys on the part of the Special Master or for their to be the incurrence or the authorization to incur attorney's fees. Our clients are concerned that this is being used as an opportunity for excessive dipping into the funds of investors which at the end of the day will be a loss to the investors.

Exhibit "13"

APP - 095

Should you have any questions, please feel free to contact me.

Very truly yours,

Stephen M. Komie

KOMIE AND ASSOCIATES

One North LaSalle Street, Suite 4200

Chicago, Illinois 60602

312/263-2800

cc: W Financial, LLC, Mr. Adley Abdulwahab, Mr. Michael Wallens, Sr., Mr. Michael Wallens, Jr., John Teakell, Esq. and Jeffrey B. Norris, Esq.



"Joy Nogly"
<Joy_Nogly@Kornie-And-Associates.com>
08/26/2008 09:25 AM

To "Norris, Jeffrey B." <NorrisJ@SEC.GOV>, <John.Brannon@tklaw.com>
cc <jteakell@teakelllaw.com>

bcc

Fax to

Subject RE:

August 26, 2008

via email

Mr. Jeffrey B. Norris
U.S. Securities & Exchange Commission
801 Cherry Street, 19th Floor
Forth Worth, TX 76102

Re: Securities and Exchange Commission vs. W Financial, LLC, et al

Dear Mr. Norris:

The accounting requirement of the Agreed Interlocutory Order delegates to Mr. Max Wayman the accounting function in the case. That function was not granted to the Special Master in the pursuit of the best price available for the sale of assets. The Special Master's function is separate and apart from that of the accounting for the investments.

The Special Master should be phasing out as most of the property has now been sold and the funds transferred to the Special Master. The Special Master does not have to incinerate the investors' money by chasing after an accounting which will be prepared and filed with the court. While it may be of interest to the Special Master to see the results of the accounting, that is not the same as duplicating the work to produce the accounting.

I believe your August 25, 2008 note has misapprehended the nature of the August 25, 2008 communication which is an attempt to bring down costs and assure a sizeable return to the investors. I am sure the Securities and Exchange Commission wishes to maximize any recovery on behalf of the investors and not spend unnecessarily for duplication of services.

It is my understanding on Tuesday, August 26, 2008 the court-ordered accounting team will be examining books and records in Houston and progressing with the accounting.

I am commencing trial on Tuesday and will be out of the office until the trial concludes sometime this week.

With best wishes for a happy and pleasant Labor Day.

Exhibit "14"

APP - 097

Very truly yours,

Stephen M. Komie
KOMIE AND ASSOCIATES
One North LaSalle Street, Suite 4200
Chicago, Illinois 60602
312/263-2800

cc: W Financial, LLC and John Teakell, Esq.

From: Norris, Jeffrey B. [mailto:NorrisJ@SEC.GOV]
Sent: Monday, August 25, 2008 6:44 PM
To: Joy_Nogly@Komie-And-Associates.com; John.Brannon@tklaw.com
Cc: jteakell@teakelllaw.com
Subject: Re:

Gentlemen:

The accounting requirement of the Agreed Freeze Order DOES NOT relieve the Defendants of their obligation to give full cooperation to the Special Master. One set of obligations does not supplant the other; they exist concurrently. Failure to fulfill obligations under either order may be grounds for contempt proceedings. Upon my return to the office this week, I will be consulting with both Vernon Jones and Max Wayman concerning the Defendants' compliance with both orders and determining the Commission's appropriate responses based on the specific facts.

Jeffrey B. Norris
Senior Trial Counsel

From: Joy Nogly
To: John.Brannon@tklaw.com
Cc: jteakell@teakelllaw.com ; Norris, Jeffrey B.
Sent: Mon Aug 25 18:40:02 2008
Subject:
August 25, 2008

via email John.Brannon@tklaw.com

Mr. John S. Brannon
Thompson & Knight LLP
One Arts Plaza
1722 Routh Street, Suite 1500
Dallas, TX 75201-2533

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Should you have any questions, please feel free to contact me.

Very truly yours,
Stephen M. Komie
KOMIE AND ASSOCIATES
One North LaSalle Street, Suite 4200
Chicago, Illinois 60602
312/263-2800

cc: W Financial, LLC, Mr. Adley Abdulwahab, Mr. Michael Wallens, Sr., Mr. Michael Wallens, Jr., John Teakell, Esq. and Jeffrey B. Norris, Esq.



"Jones, Vernon"
 <Vernon.Jones@GT.com>
 09/02/2008 10:45 AM

To "Norris, Jeffrey B." <NorrisJ@SEC.GOV>
 cc "John Brannon" <John.Brannon@tklaw.com>, <Randy.Williams@tklaw.com>, "Moore, Rob" <Rob.Moore@GT.com>, "Bittner, John"
 bcc
 Fax to
 Subject 9.2.08 W Financial Remaining Property, Values & Liquidation Analysis.xls

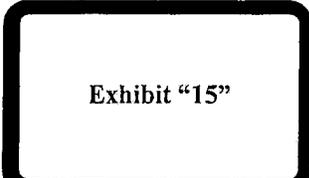
As requested in our call. Unsold/unaccounted for property from the exhibit to the agreed order appointing the Special Master totals about \$1.6 million by my best estimate. It could be as much as \$2 million based on last available defendant estimates.

W Financial Liquidation Analysis Report

09/02/08

Prepared by: Special Master based on 5/13/08 Analysis by W Financial Group Defendants

<u>Exhibit Listing SM Order</u>	<u>Estimated Value After Sales Comm.</u>	<u>Most recent Information</u>
National Power Company	Sold	Potential interest in residual receivables after sham transaction
Texas Auto Pros	\$150,000	Special Master staff verified continued site operations 7.20.08
Bender's Landing House 4302 Balsam Fir Lane 4027 Starling Stream	Sold 4/1/08 Sold Sold	
2506 Wheeler St (4 Unit Rental).	\$167,125	Never listed with an agent, no accounting of rental income
Hartford Life Settlement Policy	\$250,000	Last told in April life expectancy being determined to make it marketable
ERCOT Security Deposit	Sold/Forfeited	
27406 Shores Ct (8)	\$219,650	Last told these unimproved lots were listed with auctioneer in mid May
27403 Shores Ct (8)	\$238,750	Last told these unimproved lots were listed with auctioneer in mid May
27410 Shores Ct (8)	\$191,000	Last told these unimproved lots were listed with auctioneer in mid May



27407 West Balsam Fir Cir (8)	\$95,500	Last told these unimproved lots were listed with auctioneer in mid May
5510 White Birch Run (8)	\$95,500	Last told these unimproved lots were listed with auctioneer in mid May
5706 White Birch Run (8)	\$95,500	Last told these unimproved lots were listed with auctioneer in mid May
5702 White Birch Run (8)	\$71,625	Last told these unimproved lots were listed with auctioneer in mid May
Cash on Hand	\$6,000	Bank Statement of 5/5/08
Remaining Property Value @ 9/2/08	\$1,580,650	
Cash in Special Master Acct. (9)	\$3,853,400	Including earned interest as of 9/1/08
Unpaid Professional Fees Estimate	(\$195,000)	Special Master, Thompson & Knight, Wayman Assocs Fees E: @ 8/30/08
TOTALS	\$5,239,050	
Investor 100% Estimated Return	\$13,184,000 39.7%	

(8) Values are approx. 80% of original purchase prices

(9) Deposits into account opened by Special Master 4-4-08 through 8-5-08 (none since)



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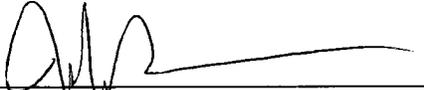
I. Collections to Special Master Account

As of August 31, 2008, the balance in the Special Master W Financial Group, LLC account was \$3,853,399.08. Deposits have been made to the account as follows:

<u>Date</u>	<u>Amount</u>	<u>Transfer from</u>	<u>Description</u>
4/4/08	\$474,040.93	W Custom Builders	Proceeds of home sale that occurred 4/1
4/14/08	\$650,000.00	National Power Co.	Protect excess working capital from use in NPC's failing business by agreement with defendant counsel
4/28/08	\$128,000.00	Texas Auto Pros	Proceeds of auto and loan sales
5/5/08	\$1,000,000.00	UNKNOWN	Transaction of National Power Co.
5/5/08	\$280,000.00	Texas Auto Pros	Proceeds of high quality auto loan sales
5/16/08	\$70,000.00	Texas Auto Pros	Unexplained
6/12/08	\$2,600.00	UNKNOWN	UNEXPLAINED
6/13/08	\$511,418.39	W Custom Builders	Proceeds of home sale (does not reconcile with contracted sale price)
6/16/08	\$500.00	W Custom Builders	Proceeds of home sale
6/27/08	\$498,619.66	W Custom Builders	Proceeds of home sale (does not reconcile with contracted sale price)
07/03/08	\$168,445.64	Texas Auto Pros	Likely sale of loans & inventory (no accounting)
07/07/08	\$44,893.25	Texas Auto Pros	UNEXPLAINED (no accounting)
07/11/08	\$7,935.52	Texas Auto Pros	UNEXPLAINED (no accounting)
08/05/08	\$12,650.78	Texas Auto Pros	UNEXPLAINED (no accounting)
08/29/08	\$4,366.14	Wells Fargo Bank	Interest payment

CERTIFICATE OF SERVICE

I certify that on the 16th day of September, 2008, I served a copy of the
aforementioned pleading by messenger (hand delivery) or federal express overnight, as
reflected below, to the following persons:



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VIA FEDERAL EXPRESS OVERNIGHT

ATTORNEY FOR DEFENDANTS