

ORIGINAL

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

ORIGINAL
U.S. DISTRICT COURT
NORTHERN DISTRICT OF TEXAS
FILED
JUN - 5 2008
CLERK, U.S. DISTRICT COURT
By MS
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.
3:08-CV-0499-N

**APPENDIX IN SUPPORT OF MEMORANDUM IN SUPPORT OF MOTIONS FOR
APPOINTMENT OF A RECEIVER, ORDER FREEZING ASSETS, REPATRIATION
ORDER, ORDER REQUIRING ACCOUNTINGS AND OTHER EQUITABLE RELIEF**

JEFFREY B. NORRIS
Washington, D.C. Bar No. 424258
U.S. SECURITIES & EXCHANGE
COMMISSION
801 Cherry St., 19th Floor
Fort Worth, Texas 76102
Office: (817) 978-6452
Fax: (817) 978-4927
Norrisj@sec.gov

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

SECURITIES AND EXCHANGE COMMISSION :

Plaintiff,

vs.

**Civil Action No.
3:08-CV-0499-N**

**W FINANCIAL GROUP, LLC
MICHAEL K. WALLENS, SR.
MICHAEL K. WALLENS, JR.
ADLEY ABDULWAHAB
a/k/a ADLEY WAHAB**

Defendants,

DECLARATION OF JOHN M. OSES

I, John M. Oses, declare under penalty of perjury (28 U.S.C. § 1746) that the following is true and correct and I am competent to testify to the matters stated below.

1. I am an attorney in the Fort Worth District Office of the Securities and Exchange Commission. I have been employed with the Commission since 1999. I am the attorney responsible for conducting the investigation into defendants W Financial Group, LLC (“WFG”), Michael K. Wallens, Sr. (“Wallens, Sr.”), Michael K. Wallens, Jr. (“Wallens, Jr.”) and Adley Abdulwahab, a/k/a Adley Wahab (“Wahab”).

2. During the Commission’s investigation of the defendants, I reviewed documents obtained during the investigation, including documents produced under subpoena by WFG and its sales agents, bank account records, documents produced by WFG investors, Commission records, public records and information from state agencies.

3. The Commission staff also mailed questionnaires regarding the WFG

SDO investment to all known investors. The staff received over 100 responses from the WFG investors. I reviewed the questionnaires and interviewed many of the investors. A true and correct copy of a returned investor questionnaire, with personal information redacted due to privacy concerns, is attached as **Exhibit 1**.

4. I also interviewed and took testimony from several WFG sales agents.

5. Public corporate records and WFG production indicate that Wahab was the managing member of WFG from its inception until January 18, 2007, when he was replaced by Wallens, Sr. Wahab remains a member of WFG and is involved in all aspects of the company's operations; Wallens, Sr. became the managing member of WFG on January 18, 2007 and is described as its president in offering materials. Wallens, Sr. is involved in all aspects of the company's operations; and Wallens, Jr. is a member of WFG and is involved in many of its activities, including distributing offering materials to sales agents and communicating with investors. WFG corporate information is attached as **Exhibit 2**. A true and correct copy of the WFG organization chart is attached as **Exhibit 3**.

6. In lieu of providing subpoenaed testimony, Wallens, Sr., Wallens, Jr., and Wahab asserted their Fifth Amendment right against self incrimination through the signing of declarations. True and correct copies of their declarations are attached as **Exhibit 4**.

The Commission's investigation shows:

7. There is evidence strongly suggesting that WFG, Wallens, Sr., Wallens, Jr., and Wahab violated Sections 5(a), 5(c) and 17(a) of the Securities Act of 1933 [15 U.S.C. §77q(a)] ("Securities Act") and Section 10(b) of the Securities and Exchange Act of 1934 [15 U.S.C. §78j(b)] ("Exchange Act") and Rule 10b-5 [17 C.F.R. §240.10b-5] thereunder.

8. That from at least September 2006 to February 2007, WFG, Wallens, Sr., Wallens, Jr., and Wahab raised at least \$17.4 million from at least 182 investors through the sale of securities called “Secured Debt Obligation Accounts” or “Collateral Secured Debt Obligations” (collectively “SDOs”).

9. WFG, Wallens, Sr., Wallens, Jr., and Wahab utilized a network of sales agents located in Texas, with one located in Wisconsin, each receiving a 5% commission on their sales of the SDOs.

10. A review of investor questionnaire responses indicates that most of WFG’s clients were elderly and seeking to invest their retirement funds in a safe and secured investment.

11. The SDOs were purportedly secured by automobile financing notes that WFG either purchased or were created when a WFG affiliate, Auto Ace Enterprises, Inc., sold a car on credit. The evidence obtained during my investigation indicates that WFG never maintained enough assets to collateralize the full value of the amount invested. Furthermore, defendants have provided no evidence that any assets were ever legally assigned as collateral to secure specific investments.

12. The SDOs were described as notes guaranteed by WFG and reinsured by two outside AA rated insurance companies. A true and correct copy of WFG’s offering documents are attached as **Exhibit 5**.

13. WFG represented to potential investors that Lloyd’s of London (“Lloyds”) and The Republic Group (“Republic”) were the reinsurers of the SDO. **Exhibit 5**.

14. WFG included background information on these companies as well as a copy of a Republic surety bond and a Lloyd's Certificate, but with pertinent information selectively redacted, in its offering materials. **Exhibit 5.**

15. WFG offering documents stated that they held a single interest bond issued by Lloyds which insured all receivables. **Exhibit 5.**

16. The staff interviewed representatives of Lloyds who provided a signed declaration stating that Lloyd's did not reinsure any investments offered by WFG. A true and correct copy of the declaration is attached as **Exhibit 6.**

17. WFG did have a Single Interest Insurance policy with Lloyd's, but it only covered the collateral (the cars loans are made on) and only had an annual aggregate coverage of \$100,000 per year. **Exhibit 6.**

18. The declaration states the following regarding the true insurance coverage the Lloyd's policy provided to WFG:

(a) The WFG policy covered only physical loss or damage to the vehicles securing the notes held by WFG. It did not insure the receivable from the borrower, and they did not cover the failure of a borrower to pay the receivable.

(b) The WFG policy insured only the interest of the lender in the vehicles collateralizing the loans to the borrower. It did not insure the interest of any person in investments offered by WFG.

(c) The WFG policy specified that the total annual aggregate limit of liability for all coverage purchased under the policy was \$100,000. This means that the total amount that would ever be paid under the policy was \$100,000.

19. WFG offering documents also state that the company holds a Surety Bond through Republic that insures company payables. **Exhibit 5.**

20. I exchanged correspondence with and interviewed representatives of Republic and was told that WFG did purchase a Motor Vehicle Dealer's Surety Bond from Southern Insurance Company, an affiliate of Republic. The bond is required by Texas law to be submitted with any application for a motor vehicle sales license. The bond would only pay for any outstanding unpaid balances related to the purchase of automobiles from other auto dealers. Republic's surety bond did not insure WFG payables and did not provide any coverage that would protect investors against loss or guarantee investors a financial return. In addition, the total amount of coverage from the bond was \$25,000.

21. WFG materials also claimed that the investment offered liquidity to the investors. **Exhibit 5.** In reality, investors could only request a return of up to 25% of their invested principal during their investment term of 2 to 4 years. **Exhibit 5.**

22. WFG claimed in its offering materials that it will keep investor funds "separate and apart" from its property. **Exhibit 5.**

23. My review of WFG's bank account records indicated that investor funds were routinely commingled in WFG accounts and transferred to WFG affiliates' accounts without segregation.

24. WFG represented that at all times, any funds advanced by investors would be held either in cash in the investor's separate account, government or corporate AAA bonds, qualified receivables or insured notes. **Exhibit 5.**

25. My analysis of bank records indicated that cash funds were not maintained in separate investor's accounts and that only a relatively small portion of investor funds have been

used as represented to investors. Rather, WFG invested millions of dollars of investor funds in risky investments, such as a home construction business and a retail power company.

26. WFG materials claim that the company and management group have been conducting business for over 17 years without one customer complaint or late payment. But WFG corporate records indicate that the company has only been in existence since September 5, 2006. WFG corporate filing information is contained in **Exhibit 2**.

27. Most of the investors were lured into their sales agent's office by newspaper advertisements for higher than normal returns on bank certificates of deposit. A true and correct copy of the newspaper advertisements are attached as **Exhibit 7**. 28. Upon meeting with the WFG sales agents, many investors were told that the CD was no longer available or that they were no longer offering CDs, but that they did have another investment that was as good, or better, than the bank CD, the SDO.

29. Almost all of the WFG investors stated that they invested in the SDOs because of the representations that the SDOs were insured by Lloyds and Republic.

30. Many investors stated that their sales agent compared the safety of the SDO to the safety of a FDIC insured bank CD, because of the Lloyds and Republic insurance. Once investors agreed to purchase the SDOs, they elected either to receive "interest" through monthly payments or compound interest and receive it at the maturity of the SDO. My review of investor questionnaires and other documents shows that the majority of investors chose to compound their interest.

31. Investors also were not told about WFG, Wallens, Sr., Wallens, Jr., and Wahab's misappropriation of investor funds. Bank records indicate that the defendants used significant

investor funds in a manner inconsistent with what was represented to investors, including the following: diverting at least \$1.7 million to purchase a controlling interest in a licensed retail energy service provider, National Power Company (“NPC”), an additional \$34.6 million to purchase electricity and operate the company; used \$2.78 million to purchase 10 residential real estate properties and spent at least an additional \$900,000 building homes on several of the properties through W Custom Builders (“W Builders”), a WFG assumed name; and invested at least \$350,000 with a “life-settlement company.” Bank records also indicate that defendants used funds directly for their personal benefit, including \$450,000 for purported salaries and \$2.3 million in purported loans to Wahab and a related company. **Exhibit 13.** Also, as described in Paragraphs 36 through 38 and Exhibits 8, 9 and 10, evidence suggests that Wahab siphoned off a substantial portion of the \$1.7 million purportedly paid by W Financial for the majority of shares in National Power Company, Inc.

32. A search of Commission records indicates that WFG did not register the SDO offering under the Securities Act or the Exchange Act and that WFG is not registered with the Commission in any capacity.

33. The Defendants utilized instrumentalities of Interstate commerce during the fraudulent offering, including, mailing offering materials to investors and sales agents in at least 2 states, sending out-of-state wire transfers and causing investors to wire transfer funds and mail checks from at least one other state to Texas.

34. In early March 2008, the defendants, through counsel, informed the staff that WFG was in the process of liquidating assets to repay investors their initial principal and was willing to enter into an agreement to maintain all sales proceeds in escrow until a distribution

could be made to investors. The staff appreciated the defendants' apparent good faith effort to pay back investors, but we were still concerned that any such agreement, without court involvement, would not adequately protect investors. WFG's counsel argued that placing WFG into receivership would amount to a public announcement that all of the company's assets were now part of a "fire sale." Based on defendants' representations that the company's assets could be sold for close to the amount owed to investors, the staff agreed to petition the court for the appointment of a Special Master to oversee and approve of any sales transactions, authorize the use of company funds to maintain the value of certain assets and to safe keep the proceeds from the sale of assets.

35. At no time during discussions regarding the defendants' representations that their main focus was to pay back their investors did they inform the staff that they had other income sources or other assets not derived from the SDO investor funds, that could be used to make up for any short fall in the amount raised from the sale of WFG's assets.

36. On March 21, 2008, the staff filed an action against the defendants alleging that they collected more than \$17 million from mostly elderly investors through the unregistered, fraudulent offer and sale of securities denominated as Secured Debt Obligations. On the same date, pursuant to the Commission's authorization, the Commission and defendants jointly moved for entry of an Agreed Order Appointing Special Master to Monitor the Sale of Assets Held by Defendants. The Court entered the order appointing the Special Master on March 28, 2008.

37. Several weeks after filing our action, the staff learned that several representations made by the defendants regarding the circumstances surrounding the purchase and valuation of certain assets were not true. Specifically, the staff was informed prior to its filing that WFG paid

\$1.7 million for NPC, but new information, including a lawsuit filed by the previous owners of NPC, raised doubt about the representations made by WFG concerning the NPC purchase. True and correct copies of Plaintiff's Original Petition and Plaintiff's 1st Amended Original Petition are attached as **Exhibit 8**.

38. The staff requested additional information from WFG's bank regarding the \$1.7 million cashiers check WFG claimed was used to purchase NPC. These records indicated that Wahab obtained the \$1.7 million check drawn from WFG's operating account and made out for payment to Lubna, Misba, Shahed and Zahed Lateef, the former majority owners of NPC. The records indicate that Wahab did not provide the check to the Lateefs, but rather deposited the \$1.7 million into the operating account for CA Houston Investment Center, LLC, a company owned and controlled by Wahab. Evidence suggests that that Wahab made a substantial personal profit from this transaction. True and correct copies of the bank records are attached as **Exhibit 9**. CA Houston corporate information is attached as **Exhibit 10**.

39. My review of the CA Houston account indicated that Wahab utilized this account to pay his personal living expenses. In addition, Wahab made at least one transfer of \$373,000 from this account to the Jordan Ahi Bank, for the benefit of A.M. Abdelwahab.

40. On Tuesday, May 27, 2008, WFG's counsel informed that staff that he was no longer representing WFG, Wahab, Wallens, Jr. or Wallens, Sr. in any capacity. No reason was given for his withdrawal as counsel.

41. NPC is a Texas corporation that shares a Houston office with WFG. Wahab, Wallens, Sr. and Wallens Jr. are listed as principals of NPC. **Exhibit 11**. Corporate records indicate that WFG owns 75% of NPC's outstanding stock. **Exhibit 12**. NPC counsel later

informed me that WFG had acquired an additional 10% of NPC's stock from the president of NPC.

42. W Builders is an unincorporated assumed name for WFG's home-building operations. True and correct copies of W Builder's bank account opening records are attached as **Exhibit 14**. According to WFG's organization chart, Wallens, Sr. is president of W Builders. **Exhibit 3**.

I hereby declare under penalty of perjury that the foregoing is true and correct.

Dated: June 4, 2008.


John M. Oses



W FINANCIAL GROUP, LLC (FW-3166)

Investor Questionnaire

Rec'd 10/10/07

I. INFORMATION ABOUT YOU

Your name: JOHN F. EZZELL

Your address: REDACTED

REDACTED

Your telephone number: REDACTED

Best time to reach you: _____

Your age: 76 Your birth date: REDACTED

Your employment (If retired, when and from what occupation):
GENERAL DYNAMICS (RETIRED)

Your education level: COLLEGE DEGREE

The following questions regarding your financial condition relate to the suitability evaluation of your investment and to determine your possible status as an accredited investor under the federal securities laws. If you are uncomfortable providing this information before speaking with someone at the Securities and Exchange Commission, please feel free to contact John M. Oses at 817/978-6461, or proceed to Section II:

Is your net worth or joint net worth with your spouse greater than \$1,000,000?
YES NO

Have you had an individual income in excess of \$200,000 in each of the two most recent years or joint income with your spouse in excess of \$300,000 in each of those two years, and do you have a reasonable expectation of reaching that same income level in the current year? YES NO

Before you invested with W Financial Group, did anyone request any information about your financial status or your previous investment experience? YES NO

Prior to your W Financial investment, what types of investments had you made?
STOCKS, BONDS, MUTUAL FUNDS, 401K IRA



II. INFORMATION ABOUT YOUR INVESTMENTS

Did you invest with or purchase an investment through W Financial Group, LLC.? YES ___ NO ___

How did you first find out about W Financial? Newspaper Advertisement?

What did you believe you were investing in or purchasing from W Financial?

Did you purchase your W Financial investment through a sales agent? Who was it?

What was the date of your investment(s)?

How much money did you invest with W Financial?

\$208,200.00

Did you have to "cash in" or liquidate any of your existing investments in order to invest with W Financial? If so, what investment(s) and how much?

VANGUARD MONEY MARKET

Do you receive monthly return payments or does your interest roll-over into your investment?

MONTHLY INTEREST PAYMENTS

Have you received the return of all or any of your principal you invested with W Financial?

NO

Did you ever speak with anyone at W Financial, such as Mike Wallens, Mike Wallens, Jr. or Adley Wahab, before making your investment?

NO

Prior to investing, what were you told about the investment you were making with W Financial? Were you told how your invested funds would be used to generate the promised returns?

NO

Were you told that your invested funds would be used to make or purchase notes on used cars?

YES

Were you told that your investment was insured? By a specific insurance company? FDIC? Lloyd's of London? The Republic Group? Other insurance?

YES

What were you told, if anything, about the risk of this investment? Was it ever compared to a CD?

YES

What written materials were you given or shown prior to making your investment? Note Agreement? Servicing Agreement? Brochure/Pamphlet?

What, if any, return on your investment were you promised?

9%

How much return have you received? When received?

\$1500⁰⁰ PER MONTH SINCE DEC 2006

What were you told about the background of W Financial or its management and principals?

Were you ever informed that W Financial was, or may in the future, become involved in the retail electric power business? Or home building business?

NO

When was the last time you discussed your investment with your sales agent or any representative of W Financial? What was the name(s) of the person or persons, and what were you told?

When was the last time you received any returns or payments from W Financial?

10/6/07 RECEIVED \$1560.00

Did you make any recordings of conversations you had with your sales agent or any representatives of W Financial concerning your investment?

YES _____ NO

Did you make notes of your conversations with your sales agent or any representatives of W Financial concerning your investment?

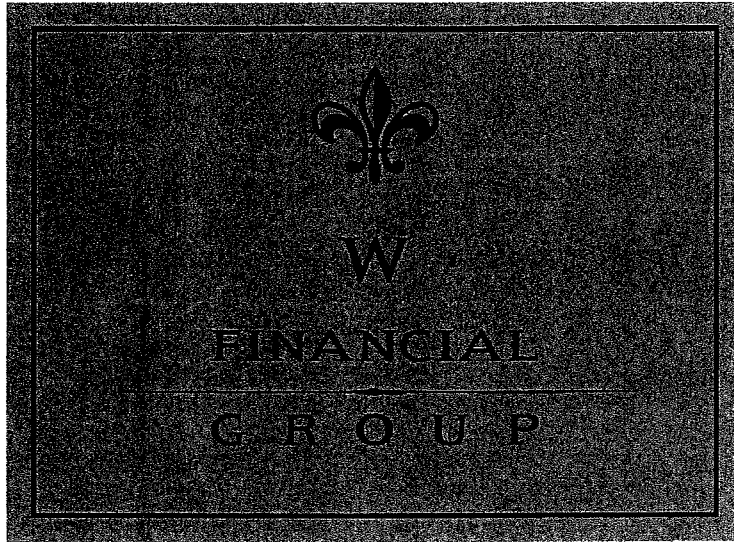
YES _____ NO

Did you keep copies of all documents, offering materials, agreements and contracts you received from your sales agent or any representatives of W Financial concerning your investment?

YES NO _____

Did you keep copies of the checks, wire transfers, or bank payments you sent to or received as returns from your sales agent or W Financial?

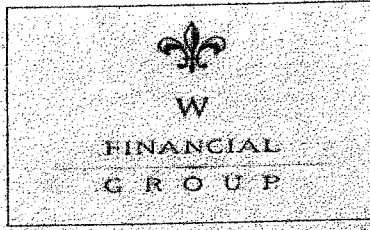
YES NO _____



www.wfinancialgroup.com

616 FM 1960 West, Suite 528 - Houston, Texas 77090

O 1-866-520-9023 | F 1-832-550-2034



- **W Financial Group is regulated by SEC and meets all requirements herein.**
- **All investment principal as well as associated interest rate is guaranteed, insured, and bonded by Lloyds of London.**
- **Reinsures consists of the Republic Group**
- **All accounts are insured up to 1.5 million dollars.**
- **All interest rates are guaranteed for the entire length of the investment.**
- **Client may liquidate all investment principal and interest to date after initial 60 day period.**

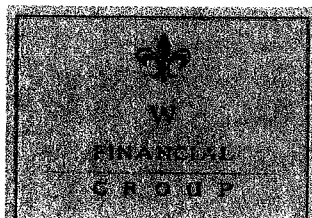
W FINANCIAL GROUP
600 FM 1960 West Suite 808, Houston Texas 77060
T 832 550 9033 | F 832 550 9031

Dear Investor,

We greatly appreciate your interest in investing in the W Financial Group. Your investment is guaranteed not only by the W Financial Group but is also reinsured by two A rated insurance companies. First of all, we hold a single interest bond issued by Lloyd's. London which insures all receivables. Lloyd's is the world's oldest and most well-known insurance exchange which provides specialist reinsurance services to businesses in over 200 countries and territories. Lloyd's is rated "A-" (Excellent) by A.M. Best and carries financial size rating of XV. Secondly, W Financial Group holds a Surety Bond through The Republic Group who insures company payables. The Republic Group was formed in Dallas, Texas in 1903 and has been operated by the same guiding principles imbued by its founders. For over 100 years, integrity, honesty and fairness remain the cornerstone of their corporate values. They too have an investment grade A.M. Best rating of "A-" (Excellent).

Our President Mike Wallens, Sr. has been involved in the automotive and finance industry for over 30 years. During this time he has maintained relationships with some of the highest rated auto, banking, insurance and lending companies in the world. Due to the security of our secured debt obligation account, we feel that it is a suitable investment vehicle for someone in a conservative financial position. Enclosed are the necessary documents to facilitate your investment. If you have any questions or comments regarding the enclosed information, please contact our corporate office for further assistance.

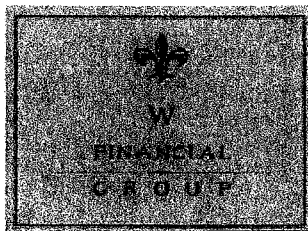
W Financial Group



SECURED DEBT OBLIGATION ACCOUNT

(SDO Account)

- * Collateral Secured Note reinsured by two highly rated insurance companies
- * License issued by the State of Texas; Office of Consumer Credit Commissioner; License Number: 36139
- * Reinsurers consist of Lloyd's, London and the Republic Group which both enjoy A.M. Best A ratings
- * The SDO Account offers a 2, 3, and 4 year term with a one year renewable option to the client
- * Attractive rates as high as 9% APR
- * Offers liquidity and income based on the term that is chosen
- * Interest compounded on a monthly basis
- * Low Initial Deposit: \$25,000 Minimum
- * Qualified and Non-Qualified accounts accepted
- * Parent company and management group have been conducting business for over 17 years without on customer complaint or late payment



SECURED DEBT OBLIGATION TERMS & FEATURES

2 YEAR TERM

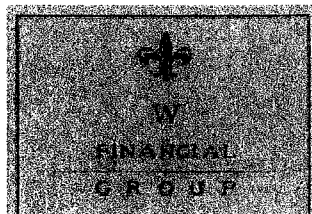
- * Rate: 7%
- * Minimum Deposit: \$25,000
- * Monthly interest earned (Option 1)
- * 25% Liquidity equal to no greater than \$25,000 (Option 2)

3 YEAR TERM

- * Rate: 7.75%
- * Minimum Deposit: \$25,000
- * Monthly interest earned (Option 1)
- * 25% Liquidity equal to no greater than \$25,000 (Option 2)

4 YEAR TERM

- * Rate: 9%
- * Minimum Deposit: \$25,000
- * Monthly interest earned (Option 1)
- * 25% Liquidity equal to no greater than \$25,000 (Option 2)





LLOYD'S CERTIFICATE

This Insurance is offered with certain Underwriters at Lloyd's, London (not incorporated).

This Certificate is issued in accordance with the limited authorization granted to the Correspondent by certain Underwriters at Lloyd's, London whose names and the proportions underwritten by them can be ascertained from office of the intermediary (such Underwriters being hereinafter called "underwriters") and in consideration of the premium specified herein, Underwriters do hereby bind themselves each for his own part, and not one for another, their heirs, executors and administrators.

The Insured is requested to read this certificate, and if not correct, return it immediately to the Correspondent for appropriate alteration.

In the event of a claim under this certificate, please notify the Correspondent via the following intermediary:

Attn: Mr. Steve Travers
Single Interest, Inc.
5049 Clinton Street Road
Batavia, New York 14020
U.S.A.

Direct: (585) 345-1770
Business: (585) 343-8621
Fax: (585) 345-6053



Risk Details

Type: COMPREHENSIVE LENDERS SINGLE PREMIUM INSURANCE

Form: ECS1/2

Assured: W FINANCIAL GROUP LLC, AUTO ACE ENTERPRISES INC.
DBA TEXAS AUTO PROS

Address:

Corp: 616 FM 1960 West, Suite 528, Houston, Texas 77090, U.S.A

Lot: 301 S. First Street, Garland, Texas 75040, U.S.A

Period: From: 7th September 2006
To: 7th September 2007
Both days at 12:01 am Local Standard Time

Interest: As per form

Limit of Indemnity: USD any one vehicle
USD in respect of Coverage D
USD in Annual Aggregate

Deductible: USD 500 each and every Loss

Territorial Limits: United States of America

Conditions: A. All Risks of Physical Damage Installment Loan Insurance Covered
B. Unintended Non-Filing Insurance Covered
C. Skip Insurance Covered
D. Repossession Insurance Covered

Waiver of Subrogation
War & Civil War Exclusion NMA 464
Radioactive Containment Exclusion NMA 1191
Electronic Date Recognition Exclusion NMA 2802
War and Terrorism Exclusion NMA 2918
30 days Notice of Cancellation - as per form
Service of Suit Clause, LMA 5020 naming:
Kevin Salter, Esq.
Bolan, Jahnsen, Salter & Sachs
One Liberty Plaza, 23rd Floor
New York, NY 10006

All Claims to be notified directly to:
Mr. Steve Travers
Single Interest, Inc.
5049 Clinton Street Road
Batavia, New York 14020



Member Companies

Each member company of The Republic Group is separate and distinct from the other companies and is responsible for underwriting its own policies.

The member companies of The Republic Group are:

Republic Underwriters Insurance Company

Southern Insurance Company

Republic Fire and Casualty Insurance Company

Republic-Vanguard Insurance Company

Southern Underwriters Insurance Company

Southern County Mutual Insurance Company

Southern Vanguard Insurance Company

Republic Lloyds

Our History

In 1903, brothers Ike and George Jalonick took on the gargantuan task of organizing a new Texas-owned fire insurance company after others had tried and failed. The brothers formed new stock companies in Dallas, Texas that would later become the companies now known as The Republic Group.

Since inception, The Republic Group has operated by the same guiding principles imbued by its founders. For over 100 years, integrity, honesty and fairness remain the cornerstones of our corporate values.

"You must believe in being fair in the settlement of your losses."

- Ike Jalonick, Founder

Financial Strength

Based on financial condition and operating performance, the A.M. Best Company has assigned our companies a Best's Rating of A- (Excellent), VIII.



The Excellent rating is assigned to companies which have, on balance, excellent financial strength, operating performance and market profile when compared to the standards established by the A.M. Best Company. In the opinion of the A.M. Best Company, these companies have a strong ability to meet their ongoing obligations to policyholders.

(A.M. Best is a leading, world-wide recognized independent rating agency which reports on the financial strength of insurance companies.)



MOTOR VEHICLE DEALER'S SURETY BOND
ISSUED BY SOUTHERN INSURANCE CO. a DIVISION OF THE REPUBLIC GROUP

MOTOR VEHICLE DEALER'S SURETY BOND

Bond Number CD4315

KNOW ALL BY THESE PRESENTS, THAT
Auto Ace Enterprises INC

Name dba Texas Auto Pros

Address(es) 301 S. First Street

City, State, and Zip Garland, TX 75040

COPY

As Principal, whose place of business and any supplemental location(s) operated under the same general distinguishing number is/are located at the address(es) set forth above, and

SOUTHERN INSURANCE COMPANY
Administrative Office
1840 N. Greenville Avenue, Suite 178
Richardson, Texas 75081

as Surety, duly authorized and qualified to do business as a surety company in this State, are held and firmly bound to such persons who shall conduct business with said Principal in its capacity as a motor vehicle dealer in the penal sum of _____ for the payment of which sum, well and truly to be made, we hereby jointly and severally bind ourselves, our heirs, administrators, executors, successors and assigns.

WHEREAS, the above named Principal is applying for a license as a motor vehicle dealer,

AND WHEREAS, said Principal is required by Law (Tex. Transp. Code §503.033) to submit a properly executed surety bond, conditioned as set forth below, with said application for license.

AND WHEREAS, the bond shall run concurrently with the period of the license issued to the Principal.

THE CONDITION OF THIS OBLIGATION is such that if, during the effective period of this obligation the Principal shall pay all valid bank drafts, including checks, drawn by the Principal for the purchase of motor vehicles and transfer good title to each motor vehicle that the Principal purports to sell, then this obligation shall be void; otherwise to remain in full force and effect.

IT IS FURTHER UNDERSTOOD AND AGREED that the above obligation shall extend, without notification to the Surety, to any change of officers of the Principal if the Principal is a corporation, to any additional locations or changes of address of the Principal or to any substitution of business name of the Principal wherein ownership is not changed.

IT IS FURTHER UNDERSTOOD AND AGREED that this bond shall be opesed to successive claims up to the face value of the bond. The Surety shall not be liable for successive claims in excess of the bond amount, regardless of the number of claims made against the bond. Recovery against the bond may be made by a person who obtains a judgment against a dealer assessing damage and attorney's fees for an act or omission on which the bond is conditioned if the act or omission occurred during the term for which the general distinguishing number will be valid. Payment of any judgment by the Surety shall be immediately reported to the Texas Department of Transportation, Motor Vehicle Division, P. O. Box 2293, Austin, Texas 78768.

IN WITNESS WHEREOF said Principal and Surety have executed this bond to be effective on the 1st day of January, 2006, and to expire on the 31st day of December, 2006.

DATED this 4th day of November, 2005

Auto Ace Enterprises INC
dba Texas Auto Pros

Principal

By X _____

COPY

DATED this 4th day of November, 2005

SOUTHERN INSURANCE COMPANY
Surety

By X _____

Attorney-in-Fact

In accordance with Tex. Transp. Code §503.033, this form is prescribed but not furnished by the Texas Department of Transportation as approved by the Attorney General of Texas on July 16, 1985. UCDB9701



STATE OF TEXAS

Motor Vehicle Sales Finance License

Licensed Location

License Number: 4708-36139

Active

Office of
Consumer
Credit
Commissioner

AUTO ACE ENTERPRISES INC
TEXAS AUTO PROS
301 S FIRST ST
GARLAND, TX 75040

2601 N Lamar Blvd
Austin TX 78705
www.occc.state.tx.us
(512)936-7600
Consumer Helpline:
(800) 538-1579

David A. Olsen
Consumer Credit Commissioner

Address Change 06/01/2004

SERVICING AGREEMENT

This SERVICING AGREEMENT (the "Agreement") is entering into this 12 day of October, 2006, by and between W Financial Group, LLC. (W Financial Group, Hereinafter referred to as "Agent"), a privately held Texas Corporation, and John F. Ezell, (Herein referred to as "Owner").

WHEREAS, Owner agrees to provide (W Financial Group) with money to make investments. The relationship between Owner and Agent shall be a relationship of trust in which Agent shall comply with all of the obligations of fiduciary. Agent's duties include, but are not limited to, the duty to keep owner's property separate and apart from Agent's property. Except as specifically authorized by Owner, in all dealings with third parties. Agent shall clearly identify itself as an agent or owner.

WHEREAS, Agent guarantees the entire principal investment of the Owner and agrees to pay the Owner a return equal to 9.0% on the Owner's entire investment. Interest shall be paid if elected by Owner, in monthly installments by no later than the tenth of every month from the date of the agreement. Monthly payments shall be made payable to the Owner and sent directly to Owner at Owner's principal location or any location of Owner's choice or deposited to Owner's account.

WHEREAS, W Financial Group agrees to maintain at all times that any funds advanced by Owner shall be held either in cash in the Owner's separate account, government or corporate AAA bonds, qualified receivables owned to owner and held at a minimum of three percent (3%) discount from face value, or insured notes. For insured notes W Financial Group agrees to keep a fully covered policy on all uninsured receivables at all times by LLOYD'S OF LONDON or any A or better rated company. Agent also agrees to allow Owner, at any reasonable time, to have an audit made of all account books and records pertaining to the management and servicing of the Owner's account.

JFE
Owner's Initials

WHEREAS, the term of this agreement shall be (4) years from the effective date of the contract. The account will automatically renew for one (1) year at the company current rate if the owner does not give a 30 day written notice prior to the maturity date. All requests must be submitted to W Financial Group Corporate office at: 616 FM 1960 West, Suite 528, Houston, Texas, 77090.

IN WITNESS WHEREOF, the parties hereunto set their hands and seals as of the date above stated.

W Financial Group

By: _____

Date: _____

Title: _____

By: _____

Date: _____

Owner: _____



COLLATERAL SECURED DEBT OBLIGATION

For value received, the undersigned, W Financial Group, a Texas Corporation, ("Maker"), hereby promises to pay,

John F Ezell ("Payee") on 11-2010 the principal sum of Two hundred thousand and 00/100 DOLLARS

(\$ 200,000.00), or so much thereof as may be advanced and outstanding, together with interest on the unpaid principal balance from day to day remaining, which shall from day to day be at an annual rate equal to the sum Nine + 00/100 percent (9.0 %) calculated on the basis of a 360 day year. Unpaid principal and interest after the maturity thereof shall bear interest at the maximum rate until paid.

Interest hereon shall be due and payable monthly as it accrues if elected by the Payee, on or before the tenth day of each calendar month commencing and continuing on the tenth day of each successive month thereafter until 11-2010. At which time all accrued but unpaid interest shall be due and payable. Each monthly payment shall be in the amount of \$ 2.

If any installment of principal or interest on this note shall become due on a holiday or weekend, such payment shall be made on the next succeeding day; and such extension of time in such case be included in computing interest in connection with such payment.

Without in any way affecting the demand nature of this note, if default is made in the payment of any installment of principal or interest under this note or under any other note or evidence of indebtedness now or hereafter owing by Maker (or the successors or assignees of Maker) to the holder of this note, or upon the occurrence of any default under any instrument evidencing, securing or relating to this note, then in any such event the holder hereof may, at its option, declare the entire unpaid balance of principal and accrued interest on this note to be immediately due and payable without notice or demand, foreclose all liens and security interests securing the payment of thereof, or any part thereof, and offset against this note any sum or sums owed by the holder thereof to Maker, at the option of the holder of this note. Failure of the holder thereof to exercise any such option shall not constitute a waiver of the right of any holder hereof to exercise the same in the event of any subsequent default.

In the event the maturity of this note is executed as security herefor or in connection herewith, or by voluntary prepayment by maker or otherwise, then earned interest may never include more than the maximum rate, computed from the dates of each advance of the

loan proceeds outstanding until payment. All sums paid or agreed to be paid to the holder of this notice shall be amortized, prorated, allocated and spread throughout the full term of such indebtedness until payment in full so that the actual rate of interest on account of such indebtedness never exceeds the maximum rate of any time during the term thereof.

If from any circumstance any holder of the note shall ever receive interest of any other charges constituting interest or adjudicating as constituting interest which would exceed the maximum rate, the amount, if any, which would exceed the maximum rate shall be applied to the reduction of the principal amount owing on this note or on account of any other principal indebtedness of maker to the holder of this note, and not to the payment of interest; or if such excessive interest exceeds the unpaid balance of principal hereof and such other indebtedness shall be refunded to the Maker.

This note shall be governed by and construed in accordance with the laws of the State of Texas and the applicable laws of the United States of America. The Maker of this note agrees to provide mutually agreeable collateral to secure this note within one month of the date of execution of the note as described in the attached servicing agreement.

Except as provided herein, Maker and each surety, endorser and other party ever liable for payment of any sums of money payable on this note jointly and severally (i) at all times waive presentment, protest, notice and protest and non-payment or dishonor, notice of acceleration, notice of intent to accelerate, notice of intent to demand, diligence and collecting, and grace and consent to all extensions without notice for any period or periods of time and partial payments before or after maturity, without prejudice to the holder, and (ii) subsequent to the last payment date referred to in this note if no demand is sooner made, waive demand and notice of demand. The holder shall similarly have the right to deal in any way, at anytime, with one or more of the foregoing parties without notice to any other party and to grant any such party any extensions of time for payment of any said indebtedness, or to grant any other indulgences or forbearances whatsoever, without notice to any other party and without in any way affecting the personal liability of any party hereunder. If any efforts are made to collect or enforce this note or any installments due hereunder, the undersigned agrees to pay all collection costs and fees, including reasonable attorneys' fees in any amount which shall be not less than 10% of the then unpaid balance of principal and interest due on this note.

Should this note be signed and endorsed by more than one person and/or entity, all of the obligations herein contained shall be considered the joint and several obligations of each maker and endorser hereof.

IN WITNESS WHEREOF, Maker has duly executed this note as of the day and year above first written.

W Financial Group

By: Michael K. Wallens, Sr. - President



Date: _____

**SECURED DEBT OBLIGATION
DEPOSIT APPLICATION**

DATE ACCOUNT OPENED October 12, 2006

SOCIAL SECURITY/FEDERAL ID REDACTED

ACCOUNT REGISTRATION/TITLE John F. Ezell

ACCOUNT TYPE (circle one) Individual Joint Trust IRA Other

OWNER/TRUSTEE John F. Ezell OWNER/TRUSTEE _____

MAILING ADDRESS REDACTED

Street Address/PO Box _____ City TX State _____ Zip Code 76126-4017

TELEPHONE (817) REDACTED DOB REDACTED-3/ DOB _____

Estimated Net Worth (circle one) \$0-50,000 \$50,000-100,000 \$100,000-200,000 \$250,000+

** I acknowledge that all the personal information herein was provided by me and is true and correct.

Client Signature John F. Ezell Date 10-12-06

Client Signature _____ Date _____

AMOUNT OF INITIAL DEPOSIT: \$ 200,000 INT. RATE 9.0 % TERM 4 year(s)

(Check one) *** ONLY ONE OPTION MAY BE CHOSEN *** (check one)

Option 1: Client elects to receive a monthly interest check

Mail to me monthly at address above

Bank Direct Deposit (must attach a voided check)

Special Instructions Hold & reinvest.

Option 2: Client elects to leave monthly interest earnings in account with the option to access up to 25% liquidity upon request equal to or less than \$25,000.

** By my signature below, I authorize W Financial Group to deposit my monthly interest check into the account specified above.

Client Signature: John F. Ezell Date: 10-12-06

Client Signature: _____ Date: _____

BENEFICIARIES / PAYABLE ON DEATH / TRANSFERS ON DEATH

NAME: Billie Ruth Ezell

ADDRESS: REDACTED 76126

SOCIAL SECURITY NUMBER: _____ OWNERSHIP %: 100%

* for additional beneficiaries attach instructions

To be completed by Representative:

Rep Code: _____ Introduced by: _____

Managing Director _____



Date: _____

03166 W Financial
App 027 001322

CLIENT SUITABILITY FORM

Owner Name: John F Ezell Joint Owner's Name: _____
Owner Age: _____ Product Name: _____ Premium Amount: _____

FINANCIAL STATUS

Annual Income
 \$0 - \$49,999 \$50,000 - \$99,999 \$100,000 - \$299,999 \$300,000+

Net Worth
(Net Worth = Net Assets - Net Debts)
 \$0 - \$249,999 \$250,000 - \$499,999 \$500,000 - \$999,999 \$1,000,000+

FEDERAL TAX STATUS

10% 25% 28% 33% 35% Other

FINANCIAL OBJECTIVES

- Your financial objectives in purchasing this product (check all that apply)
 Income Now Flexibility Tax Deferral Growth followed by Income
 Growth, possibly income Pass on to beneficiaries Guarantees Other
- Do you have sufficient cash, liquid assets, or other sources of income for monthly living expenses and emergencies other than the money you plan to use to purchase this contract?
 YES NO
- Do you now own, or have you previously owned, the following financial products? (check all that apply)
 Certificate of Deposit Fixed Annuity Variable Annuity Stock/Bond/Mutual Fund

ACCREDITED INVESTOR WAIVER

I have consulted with my financial advisor, CPA, and/or my attorney and have been informed that I am not an accredited investor but have chosen to go forward with this transaction.

Signature: John F Ezell Date: 10-12-06

NOTE: IF THIS FORM IS NOT COMPLETED AND SIGNED, WE CANNOT CONSIDER YOUR APPLICATION.

Client refused to provide some or all of this information.

I acknowledge that I have read the Client Suitability form and to the best of my knowledge and belief, the information provided above is true and complete.

Agent Signature: _____ Client Signature: John F Ezell

Agent Number: _____ Joint Owner's Signature: _____

Date: _____



SECURED DEBT OBLIGATION ACCOUNT

Customer
 Address
 Account No.
 Terms

 Initial Investment
 Additional Investment
 Additional Investment

 Disbursements

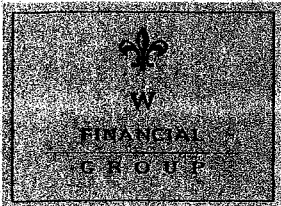
 Total Investment

John F. Ezell
REDACTED
W-001267
4 Years @ 9.00 %
\$ 208,000.00
\$ 1,560.00
\$ 208,000.00

COLLATERAL / DESCRIPTION

Date
 Prior Principle Balance
 Initial Investment-Open Account
 Principle Disbursements
 Principle Balance
 Total YTD.
 Account Value
 Accumulated Annual
 Interest Earned

12/4/2006	
n/a	
\$ 208,000.00	
n/a	
\$ 208,000.00	
\$ 208,000.00	
\$ 1,560.00	



SECURED DEBT OBLIGATION ACCOUNT

Customer
 Address
 Account No.
 Terms
 Initial Investment
 Additional Investment
 Additional Investment
 Disbursements
 Total Investment

John F Ezell
REDACTED
W-001267
4 Year Term at 9%
\$208,000.00
\$0.00
\$0.00
\$1,196.00
\$208,000.00

COLLATERAL/DESCRIPTION

Date
 Prior Principle Balance
 Initial Investment-Open Account
 Principle Disbursements
 Principle Balance
 Total YTD.
 Account Value
 Accumulated
 Interest Paid

01/31/2007
\$208,000.00
\$208,000.00
\$0.00
\$208,000.00
\$208,000.00
\$4,316.00

SECURED DEBT OBLIGATION ACCOUNT

Customer	John F. Ezell
Address	REDACTED
Account No.	W-001267
Terms	4 Years @ 9.00 %
Initial Investment	\$208,000.00
Additional Investment	
Additional Investment	
Disbursements	\$1,560.00
Total Investment	\$208,000.00

COLLATERAL/DESCRIPTION

Date	01/04/2007	
Prior Principle Balance	n/a	
Initial Investment-Open Account	\$208,000.00	
Principle Disbursements	n/a	
Principle Balance	\$208,000.00	
Total YTD. Account Value	\$208,000.00	
Accumulated Annual Interest Earned	\$3,120.00	

SERVICING AGREEMENT

This SERVICING AGREEMENT (the "Agreement") is entering into this 12 day of October, 2006 by and between W Financial Group, LLC. (W Financial Group, Hereinafter referred to as "Agent"), a privately held Texas Corporation, and John F Ezell, (Herein referred to as "Owner").

WHEREAS, Owner agrees to provide (W Financial Group) with money to make investments. The relationship between Owner and Agent shall be a relationship of trust in which Agent shall comply with all of the obligations of fiduciary. Agent's duties include, but are not limited to, the duty to keep owner's property separate and apart from Agent's property. Except as specifically authorized by Owner, in all dealings with third parties. Agent shall clearly identify itself as an agent or owner.

WHEREAS, Agent guarantees the entire principal investment of the Owner and agrees to pay the Owner a return equal to 9.0% on the Owner's entire investment. Interest shall be paid if elected by Owner, in monthly installments by no later than the tenth of every month from the date of the agreement. Monthly payments shall be made payable to the Owner and sent directly to Owner at Owner's principal location or any location of Owner's choice or deposited to Owner's account.

WHEREAS, W Financial Group agrees to maintain at all times that any funds advanced by Owner shall be held either in cash in the Owner's separate account, government or corporate AAA bonds, qualified receivables owned to owner and held at a minimum of three percent (3%) discount from face value, or insured notes. For insured notes W Financial Group agrees to keep a fully covered policy on all uninsured receivables at all times by LLOYD'S OF LONDON or any A or better rated company. Agent also agrees to allow Owner, at any reasonable time, to have an audit made of all account books and records pertaining to the management and servicing of the Owner's account.

JFE
Owner's Initials

WHEREAS, the term of this agreement shall be (4) years from the effective date of the contract. The account will automatically renew for one (1) year at the company current rate if the owner does not give a 30 day written notice prior to the maturity date. All requests must be submitted to W Financial Group Corporate office at: 616 FM 1960 West, Suite 528, Houston, Texas, 77090.

IN WITNESS WHEREOF, the parties hereunto set their hands and seals as of the date above stated.

W Financial Group

By: _____

Date: _____

Title: _____

By: _____

Date: _____

Owner: _____



COLLATERAL SECURED DEBT OBLIGATION

For value received, the undersigned, W Financial Group, a Texas Corporation, ("Maker"), hereby promises to pay,

John F. Ezell ("Payee") on 11-2010 the principal sum of Two hundred thousand and no/100 DOLLARS (\$ 200,000.00), or so much thereof as may be advanced and outstanding, together with interest on the unpaid principal balance from day to day remaining, which shall from day to day be at an annual rate equal to the sum Nine and no/100 percent (9.0 %) calculated on the basis of a 360 day year. Unpaid principal and interest after the maturity thereof shall bear interest at the maximum rate until paid.

Interest hereon shall be due and payable monthly as it accrues if elected by the Payee, on or before the tenth day of each calendar month commencing and continuing on the tenth day of each successive month thereafter until 11-2010. At which time all accrued but unpaid interest shall be due and payable. Each monthly payment shall be in the amount of \$ 0.

If any installment of principal or interest on this note shall become due on a holiday or weekend, such payment shall be made on the next succeeding day; and such extension of time in such case be included in computing interest in connection with such payment.

Without in any way affecting the demand nature of this note, if default is made in the payment of any installment of principal or interest under this note or under any other note or evidence of indebtedness now or hereafter owing by Maker (or the successors or assignees of Maker) to the holder of this note, or upon the occurrence of any default under any instrument evidencing, securing or relating to this note, then in any such event the holder hereof may, at its option, declare the entire unpaid balance of principal and accrued interest on this note to be immediately due and payable without notice or demand, foreclose all liens and security interests securing the payment of thereof, or any part thereof, and offset against this note any sum or sums owed by the holder thereof to Maker, at the option of the holder of this note. Failure of the holder thereof to exercise any such option shall not constitute a waiver of the right of any holder hereof to exercise the same in the event of any subsequent default.

In the event the maturity of this note is executed as security herefor or in connection herewith, or by voluntary prepayment by maker or otherwise, then earned interest may never include more than the maximum rate, computed from the dates of each advance of the

loan proceeds outstanding until payment. All sums paid or agreed to be paid to the holder of this notice shall be amortized, prorated, allocated and spread throughout the full term of such indebtedness until payment in full so that the actual rate of interest on account of such indebtedness never exceeds the maximum rate of any time during the term thereof.

If from any circumstance any holder of the note shall ever receive interest of any other charges constituting interest or adjudicating as constituting interest which would exceed the maximum rate, the amount, if any, which would exceed the maximum rate shall be applied to the reduction of the principal amount owing on this note or on account of any other principal indebtedness of maker to the holder of this note, and not to the payment of interest; or if such excessive interest exceeds the unpaid balance of principal hereof and such other indebtedness shall be refunded to the Maker.

This note shall be governed by and construed in accordance with the laws of the State of Texas and the applicable laws of the United States of America. The Maker of this note agrees to provide mutually agreeable collateral to secure this note within one month of the date of execution of the note as described in the attached servicing agreement.

Except as provided herein, Maker and each surety, endorser and other party ever liable for payment of any sums of money payable on this note jointly and severally (i) at all times waive presentment, protest, notice and protest and non-payment or dishonor, notice of acceleration, notice of intent to accelerate, notice of intent to demand, diligence and collecting, and grace and consent to all extensions without notice for any period or periods of time and partial payments before or after maturity, without prejudice to the holder, and (ii) subsequent to the last payment date referred to in this note if no demand is sooner made, waive demand and notice of demand. The holder shall similarly have the right to deal in any way, at anytime, with one or more of the foregoing parties without notice to any other party and to grant any such party any extensions of time for payment of any said indebtedness, or to grant any other indulgences or forbearances whatsoever, without notice to any other party and without in any way affecting the personal liability of any party hereunder. If any efforts are made to collect or enforce this note or any installments due hereunder, the undersigned agrees to pay all collection costs and fees, including reasonable attorneys' fees in any amount which shall be not less than 10% of the then unpaid balance of principal and interest due on this note.

Should this note be signed and endorsed by more than one person and/or entity, all of the obligations herein contained shall be considered the joint and several obligations of each maker and endorser hereof.

IN WITNESS WHEREOF, Maker has duly executed this note as of the day and year above first written.

W Financial Group

By: Michael K. Wallens, Sr. - President



Date: _____

**SECURED DEBT OBLIGATION
DEPOSIT APPLICATION**

DATE ACCOUNT OPENED October 12, 2006

SOCIAL SECURITY/FEDERAL ID REDACTED

ACCOUNT REGISTRATION/TITLE John F Ezell

ACCOUNT TYPE (circle one) Individual Joint Trust IRA Other

OWNER/TRUSTEE John F Ezell OWNER/TRUSTEE _____

MAILING ADDRESS REDACTED

Street Address/PO Box _____ City _____ State _____ Zip Code _____

TELEPHONE (REDACTED) - DOB _____ DOB _____

Estimated Net Worth (circle one) \$0-50,000 \$50,000-100,000 \$100,000-200,000 \$250,000+

** I acknowledge that all the personal information herein was provided by me and is true and correct.

Client Signature John F Ezell Date 10-12-06

Client Signature _____ Date _____

AMOUNT OF INITIAL DEPOSIT: \$ 200,000.00 INT. RATE 9.0 % TERM 4 year(s)

(Check one) *** ONLY ONE OPTION MAY BE CHOSEN *** (check one)

- Option 1: Client elects to receive a monthly interest check
 - Mail to me monthly at address above
 - Bank Direct Deposit (must attach a voided check)
- Special Instructions Hold & Reinvest.
- Option 2: Client elects to leave monthly interest earnings in account with the option to access up to 25% liquidity upon request equal to or less than \$25,000.

** By my signature below, I authorize W Financial Group to deposit my monthly interest check into the account specified above.

Client Signature: John F Ezell Date: 10-12-06

Client Signature: _____ Date: _____

BENEFICIARIES / PAYABLE ON DEATH / TRANSFERS ON DEATH

NAME: Billie D. Ezell REDACTED

ADDRESS: _____

SOCIAL SECURITY NUMBER: _____ OWNERSHIP %: 100%

* for additional beneficiaries attach instructions

To be completed by Representative:

Rep Code: _____ Introduced by: _____



Managing Director

Date: _____ 03166 W Financial

App 034 001334

CLIENT SUITABILITY FORM

Owner Name: John F. Ezell Joint Owner's Name: _____
Owner Age: _____ Product Name: _____ Premium Amount: _____

FINANCIAL STATUS

Annual Income
 \$0 - \$49,999 \$50,000 - \$99,999 \$100,000 - \$299,999 \$300,000+

Net Worth
(Net Worth = Net Assets - Net Debts)
 \$0 - \$249,999 \$250,000 - \$499,999 \$500,000 - \$999,999 \$1,000,000+

FEDERAL TAX STATUS

10% 25% 28% 33% 35% Other

FINANCIAL OBJECTIVES

- Your financial objectives in purchasing this product (check all that apply)
 Income Now Flexibility Tax Deferral Growth followed by Income
 Growth, possibly income Pass on to beneficiaries Guarantees Other
- Do you have sufficient cash, liquid assets, or other sources of income for monthly living expenses and emergencies other than the money you plan to use to purchase this contract?
 YES NO
- Do you now own, or have you previously owned, the following financial products? (check all that apply)
 Certificate of Deposit Fixed Annuity Variable Annuity Stock/Bond/Mutual Fund

ACCREDITED INVESTOR WAIVER

I have consulted with my financial advisor, CPA, and/or my attorney and have been informed that I am not an accredited investor but have chosen to go forward with this transaction.

Signature: John F. Ezell Date: 10-12-2006

NOTE: IF THIS FORM IS NOT COMPLETED AND SIGNED, WE CANNOT CONSIDER YOUR APPLICATION.

Client refused to provide some or all of this information.

I acknowledge that I have read the Client Suitability form and to the best of my knowledge and belief, the information provided above is true and complete.

Agent Signature: _____ Client Signature: John F. Ezell

Agent Number: _____ Joint Owner's Signature: _____

Date: _____





TEXAS

DEPARTMENT OF PUBLIC SAFETY
DRIVER LICENSE



CLASS: C
DOB:
EXPIRES: 02-05-07
REST: A
END:

RELAC

HT: 5-11
EYES: GRY
SEX: M



00354155438

REDACTED

EZELL JOHN FRANK

