

Republic Group:

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.

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.)



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.occ.state.tx.us
(512)936-7600
Consumer Helpline:
(800) 538-1579

J. Phillip H. Kelly
COMMISSIONER, CREDIT COMMISSION

Address Change 06/01/2004

21460

SERVICING AGREEMENT

This **SERVICING AGREEMENT** (the "Agreement") is entered into this _____ day of _____, 20____, by and between W Financial Group, LLC. (W Financial Group), (Hereinafter referred to as "Agent"), a privately held Texas Corporation, and _____ (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 of owner.

*WHEREAS, Agent guarantees the entire principal investment of the Owner and agrees to pay the Owner a return equal to _____ 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 this agreement. Monthly payments shall be made payable to the Owner and sent directly to Owner at owner's principal location or any address 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 owed 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 single interest coverage policy on all uninsured receivables at all times by LLOYDS 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.

Client initials

*WHEREAS, the term of this agreement shall be (_____) years from the effective date of the contract. The account will automatically renew for 1 year at the company current term 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 first stated.

W Financial Group

By

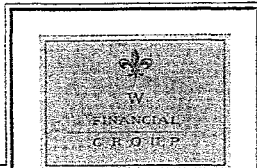
Date

Title

By

Date

Owner



COLLATERAL SECURED DEBT OBLIGATION

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

("Payee") on _____ the principal sum of _____ DOLLARS (\$ _____), 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 percent (_____ %) 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 Payee, on or before the tenth day of each calendar month commencing and continuing on the tenth day of each successive calendar month thereafter until _____. At which time all accrued but unpaid interest hereon shall be due and payable. Each monthly payment shall be in the amount of \$ _____.

If any installment of principal or interest on this note shall become due on holiday or weekend, such payment shall be made on the next succeeding day; and such extension of time shall 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 here for 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 at any time during the term thereof.

If from any circumstance any holder of the note shall ever receive interest or 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 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 this note as described in the attached servicing agreement.

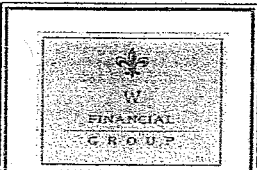
Except as provided herein, Maker and each surety, endorser and other party ever liable for payment of any sums of money payable on this note jointly and severally (i) at all times waiver presentment, protest, notice of protest and non payment or dishonor, notice of acceleration, notice of intent to accelerate, 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 part, and to grant any such party any extensions of time for payment of any of 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 or 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.

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

W Financial Group:

Michael K Wallens Sr. President



Date

**SECURED DEBT OBLIGATION
DEPOSIT APPLICATION**

DATE ACCOUNT OPENED

SOCIAL SECURITY/ FEDERAL ID

ACCOUNT REGISTRATION/TITLE

ACCOUNT TYPE (circle one) Individual Joint Trust IRA Other

OWNER/TRUSTEE _____ OWNER/TRUSTEE _____

MAILING ADDRESS

Street Address/PO Box

City

State

Zip Code

TELEPHONE () _____

DOB / /

DOB / /

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

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

Client Signature

Date

Client Signature

Date

AMOUNT OF INITIAL DEPOSIT: \$ _____ INT. RATE _____ % TERM _____ year(s)

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

Option 1: I elect to receive a monthly interest check

Mail to me monthly at address above
Bank Direct Deposit (must attach a voided check)

Special Instructions

Option 2: Client elects to leave monthly interest earnings in account with the option to access 25% liquidity upon request equal to no greater 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

Date

Client Signature

Date

BENEFICIARIES / PAYABLE ON DEATH / TRANSFER ON DEATH

NAME

ADDRESS & TELEPHONE NUMBER

SOCIAL SECURITY NUMBER

OWNERSHIP %

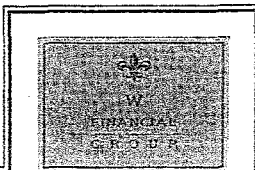
*** for additional beneficiaries attach instructions**

To be completed by Representative:

Rep Code:

Introduced by

Managing Director



Date

CLIENT SUITABILITY FORM

Owner name _____ 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 = total assets-total debts.*

\$0 - \$249,999 \$250,000 - \$499,999 \$500,000 - \$1,000,000 \$1,000,000+

FEDERAL TAX STATUS

10% 25% 28% 33% 35% Other

FINANCIAL OBJECTIVES

1 Your financial objective in purchasing this product (*check all that apply*)

Income now Flexibility Tax Deferral Growth followed by income
 Growth, possible income Pass on to beneficiaries Guarantees provided Other

2 Do you have sufficient available 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

3 Do you now own, or have you previously owned, the following financial products? (*check all that apply*)

Certificates of Deposit Fixed annuities Variable Annuities Stocks/Bonds/Mutual Funds

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 _____ Date _____

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

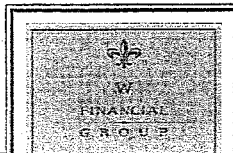
Client refused to provide some or all of the information.

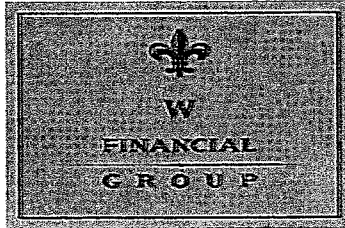
I acknowledge that I have read the Client Suitability form and to the best of my knowledge and belief, the information above is true and complete.

Agent Signature _____ Owner's Signature _____

Rep Code: _____ Joint Owner's Signature _____
(if applicable)

Date _____





ASSIGNMENT AND CONSENT TO ASSIGNMENT

This Assignment and Consent to Assignment is entered and effective as of the ___ day of June, 2007, by and between _____ (the AAssignor@); _____ (the AAssignee@) and W Financial Group, LLC ("W Financial Group")

Whereas Assignor desires to assign that certain Collateral Secured Debt Obligation Contract (the "Contract") dated November 14, 2006 between Assignor and W Financial Group to Assignee; and

Whereas W Financial Group has consented to the assignment of the Contract from Assignor to Assignee; and

Whereas the parties desire to memorialize their agreement by this Agreement.

Now, therefore, in consideration of the mutual promises contained herein and other good and valuable consideration, the sufficiency of which is hereby acknowledged, the parties, intending to be legally bound hereby, do hereby agree as follows:

Assignor hereby and by these presents GRANTS, SELLS, ASSIGNS AND TRANSFERS to Assignee all of Assignor's right and interest in and to the Contract.

Assignee hereby accedes to and assumes and undertakes any and all obligations, terms, rights as set forth and established in the Contract. Assignee hereby represents and warrants to W Financial Group that Assignee consents and agrees to all the agreements, terms and obligations of Assignor in any way relating to the Contract.

W Financial Group expressly consents and agrees to the assignment of the Contract to Assignee.

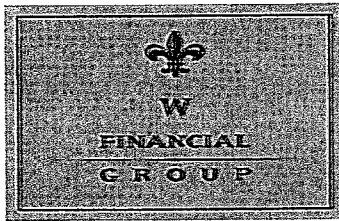
Assignee and Assignor hereby agree to indemnify and hold W Financial Group harmless from any and all liability which may arise from this Assignment from any person or entity claiming by or through Assignee or Assignor.

Executed and effective as of the date first above written.

ASSIGNOR:

ASSIGNEE:

W FINANCIAL GROUP, LLC:



DISTRIBUTION REQUEST FORM

W FINANCIAL GROUP (SDO)

This form may be used to complete a 25% partial distribution of original premium not to exceed \$25,000 from a W Financial Group SDO option 2 account. Please send the completed distribution form to: W Financial Group, LLC, 616 FM 1960 West Suite 528 Houston, TX 77090.

A) NAME AND ACCOUNT INFORMATION

NAME OF ACCOUNT OWNER (FIRST, MIDDLE INTIAL, LAST) _____

ADDRESS _____

CITY _____ STATE _____ ZIP CODE _____

TELEPHONE NUMBER _____ SS# _____ DOB (MM/DD/YYYY) _____

E-MAIL ADDRESS _____

B) REASON FOR DISTRIBUTION

Please explain:

C) LIQUIDATIONS (INDICATE ACCOUNT NUMBER(S) AND WITHDRAWL AMOUNT

*25% Liquidity of investment premium equal to but not greater than \$25,000 (Option 2)

ACCOUNT NUMBER(S) TERM & RATE % OF WITHDRAWL

Client Initials: _____

D) PAYEE / BANK DETAILS

1. _____ Wire funds to the bank indicated below: If you choose this method, the proceeds will usually be wired on the next business day. A fee of \$10.00 will be deducted from the disbursement.

2. Cashiers check

PAYEE OR BANK NAME

BANK ROUTING NUMBER

BANK ACCOUNT NUMBER

CHECKING

OR

SAVINGS (CHECK ONE)

NAME 1 ON BANK ACCOUNT

NAME 2 ON BANK ACCOUNT

PAYEE OR BANK ADDRESS

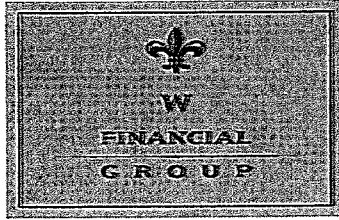
CITY

STATE

ZIP CODE

Please note: A cancelled cheque or recent bank statement must accompany this application. Any changes to the banking details must be forwarded in writing to W Financial Group, together with proof. Payments will not be made to third-party accounts.

www.wfinancialgroup.com
616 FM 1960 West Suite 528, Houston Texas 77090
1-866-526-9023 | F 832-550-2021



EARLY TERMANATION FORM

W FINANCIAL GROUP (SDO)

This form may be used to effect an early cancellation/termination of a W Financial Group SDO account.

Please send the completed surrender form to: W Financial Group, LLC, 616 FM 1960 West Suite 528 Houston, TX 77090.

A) NAME AND ACCOUNT INFORMATION

NAME OF ACCOUNT OWNER (FIRST, MIDDLE INTIAL, LAST)

ADDRESS

CITY

STATE

ZIP CODE

TELEPHONE NUMBER

SS#

DOB (MM/DD/YYYY)

E-MAIL ADDRESS

B) REASON FOR CANCELLATION/TERMINATION REQUEST

Please explain:

C) CANCELLATION/TERMINATION DETAILS

I/We hereby request a cancellation/termination, subject to the terms and conditions set out herein.

*By canceling/terminating an account earlier than the set maturity date, the account owner(s) will incur a 15% surrender charge of the total amount invested.

- 1 -

*www.wfinancialgroup.com
616 FM 1960 West Suite 528, Houston Texas 77090
1-966-520-9023 | 1-832-556-2021*

ACCOUNT NUMBER TERM & RATE (\$) AMOUNT OF INVESTMENT

Initial: _____ Early Cancellation/Termination (Results in the cancellation/termination of the SDO account)

D) PAYEE / BANK DETAILS

1. _____ Wire funds to the bank indicated below: If you choose this method, the proceeds will usually be wired on the next business day. A fee of \$10.00 will be deducted from the disbursement.

2. _____ Cashiers check

PAYEE OR BANK NAME BANK ROUTING NUMBER

BANK ACCOUNT NUMBER CHECKING OR SAVINGS (CHECK ONE)

NAME 1 ON BANK ACCOUNT

NAME 2 ON BANK ACCOUNT

PAYEE OR BANK ADDRESS

CITY STATE ZIP CODE

Please note: A cancelled cheque or recent bank statement must accompany this application. Any changes to the banking details must be forwarded in writing to W Financial Group, together with proof. Payments will not be made to third-party accounts.

E) TERMS OF EARLY CANCELLATION/TERMINATION

1. Account Owner understands and acknowledges that the W Financial Group SDO account precludes any option for early cancellation/termination. Account owner understands and acknowledges that W Financial Group, LLC has agreed to the early cancellation/termination strictly as a once time accommodation.

2. Account Owner understands and acknowledges that the early cancellation/termination of the account will result in a fifteen percent (15%) early cancellation/termination charge. Account Owner waives any objection to the early cancellation/termination charge.

3. Account Owner warrants that he/she/they is/are the legal owner of the account, that the Account Owner is solvent to the best of my knowledge and belief, and does hereby further warrant that the said account is still the bona fide property of the Account Owner.

4. Account Owner further warrants that Account Owner that I have fully reviewed this Agreement and the terms contained herein and that Account Owner understands the implications of the early cancellation/termination.

5. Account Owner further warrants that Account Owner has the full power and authority to enter into this Agreement.

6. This Agreement contains the entire agreement between the parties and supersedes all prior agreements, written or oral, in any way relating hereto.

7. This Agreement may be amended only by a written instrument signed by all the parties hereto.

8. The parties hereby waive any further claims that they may have against the other arising here from or relating in any agreement between the parties.

9. This Agreement shall be governed and construed in accordance with the laws of Texas applicable to agreements made and to be performed entirely within such state. Furthermore the parties agree that venue for any dispute arising here from shall vest in Harris County, Texas. In addition, any dispute arising hereunder or in any way related hereto shall be resolved via binding arbitration through the American Arbitration Association.

10. This Agreement is not assignable except by operation of law.

11. Effective as of the dates set forth below.

ACCOUNT OWNER:

_____/_____/_____
SIGNATURE OF AUTHORIZED PERSON DATE (MM/DD/YYYY)

(Printed Name and Title)

W FINANCIAL GROUP, LLC:

_____/_____/_____
SIGNATURE OF AUTHORIZED PERSON DATE (MM/DD/YYYY)

(Printed Name and Title)



DECLARATION OF JOHN MARKS

I, John Marks, declare under penalty of perjury under the laws of the United States of America (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 a resident of Welwyn Garden City, England. I underwrite insurance products for the Small Business Consortium ("SBC"), which underwrites on behalf of syndicates which trade at Lloyd's of London ("Lloyd's"). I am 66 years of age.

2. I joined Lloyd's in 1958, and I have been an underwriter at Lloyd's since 1964.

3. Lloyd's is not an insurance or reinsurance company; it is an insurance market of members. Lloyd's members conduct their insurance business in syndicates, each of which is run by a managing agent. Among other functions, managing agents employ underwriters, such as SBC, to accept or decline risks for the syndicate.

4. SBC underwrites on behalf of Syndicate 727, which trades at Lloyd's. S.A. Meacock & Company, Ltd. is the managing agent for Syndicate 727, and manages SBC.

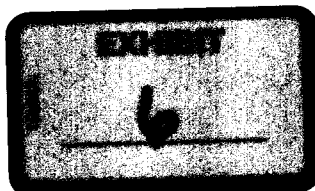
5. Syndicate 727 issued a Lender's Single Interest Policy, Lloyd's Certificate No. NL000530f, for the period September 11, 2006 through September 11, 2007, to W Financial Group LLC Auto Ace Enterprises Inc., DBA Texas Auto Pros (the "2006 Policy"). A true and accurate copy of the 2006 Policy is attached as **Exhibit A**. The schedule, which is the second page of **Exhibit A** ("2006 Policy Schedule"), reflects the coverage of the policy and the limits of liability under the policy.

6. I was the underwriter for the 2006 Policy. I made the determination to accept the risk covered by the 2006 Policy based solely on the application for that policy. I relied on the accuracy of the information contained in the application and did not speak with anyone at W Financial Group LLC Auto Ace Enterprises Inc., DBA Texas Auto Pros regarding the application. A true and accurate copy of the application for the 2006 Policy is attached as **Exhibit B**.

7. The 2006 Policy was renewed by a Lender's Single Interest Policy, Lloyd's Certificate No. NL000530g, for the period of September 11, 2007 through September 11, 2008, issued to W Financial Group LLC Auto Ace Enterprises Inc., DBA Texas Auto Pros (the "2007 Policy"). A true and accurate copy of the Schedule for the 2007 Lender's Single Interest Certificate is attached as **Exhibit E**.

8. The 2006 Policy and 2007 Policy (collectively "Lender's Policies") are Lender's Single Interest Policies. The Policies Schedules specify that the policy provides coverage for vehicles securing loans in four instances:

- a. **COVERAGE A: All Risk Physical Damage Installment Loan Insurance**



This covers the impairment of the loan should the borrower cancel, non-renew, or not have physical loss or damage coverage in place when a loss occurs.

b. **COVERAGE B: Unintentional Non-filing Insurance**

This covers the unintentional non-filing of the instrument by the financial institution which impairs the loan.

c. **COVERAGE C: Skip Insurance**

This covers loss of the vehicle when neither it nor the borrower can be located, and the borrower essentially has stolen the vehicle.

d. **COVERAGE D: Repossession Insurance**

This covers all risks of physical loss or damage to the repossessed vehicles within 30 days of repossession, such as while they are on a lot prior to being sold at auction.

9. The Lender's Policies cover only physical loss or damage to the vehicles. They do not insure the receivable from the borrower, and they do not cover the failure of a borrower to pay the receivable.

10. The Lender's Policies insure only the interest of the lender in the vehicles collateralizing the loans to the borrower. They do not insure the interest of any person in investments offered by W Financial Group LLC, Auto Ace Enterprises Inc., DBA Texas Auto Pros, or any of its affiliates.

11. The Lender's Policies Schedules specify that the maximum liability of the underwriter on any one loan is \$5,000, and the total annual aggregate limit of liability for all coverage purchased under each the policy is \$100,000. This means that the total amount that would ever be paid under the two Lender's Policies is \$200,000.

12. In its application for the 2006 Policy, W Financial Group LLC Auto Ace Enterprises Inc., DBA Texas Auto Pros represented that it had outstanding exposures on 150 vehicles with a total aggregate value of \$450,000. In the application, the company estimated that it would have 700 new loans in the twelve months following the application.

13. I have reviewed the following documents:

- a. A document, with W Financial Group's logo at the bottom, titled "Secured Debt Obligation Account (SDO Account)," which references reinsurance of the SDO account by Lloyd's. A true and correct copy of that document is attached as **Exhibit C** hereto.
- b. A Lloyd's Certificate and Risk Details page purportedly reflecting coverage for the 2006 Policy. A true and accurate copy of this document is attached as **Exhibit D** hereto.

14. **Exhibit C** describes the Secured Debt Obligation Account investment as a collateral secured note reinsured by two outside A rated insurance companies, and it states that Lloyd's of London is one of the two reinsurers. This is not a true statement. Lloyd's does not reinsure investments in collateral secured notes as described in **Exhibit C**, and it does not provide coverage against the investment risks inherent to the collateral secured notes. Lloyd's does not provide any coverage to W Financial Group that would protect investors against loss or guarantee investors a financial return.

15. **Exhibit D** is not a copy of the 2006 Policy nor is it a copy of the 2007 Policy. **Exhibit D** does not reflect the limitations on liability on the Lender's Policies, and it does not include all of the endorsements on the policies.

16. I have searched the records of the SBC and can find no additional policies, other than the 2006 Policy and the 2007 Policy mentioned above, underwritten by the SBC providing coverage for W Financial Group LLC Auto Ace Enterprises Inc., DBA Texas Auto Pros.

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

Executed on (date): 18-1-08



John Marks

COPY



LLOYD'S CERTIFICATE

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

This Certificate is issued in accordance with the limited authorisation 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:- Heidi Kendall
Single Interest, Inc
5049 Clinton Street Road
Batavia
New York 14020
United States of America

Exhibit A

B
12/09/06

**LENDERS SINGLE INTEREST CERTIFICATE
SCHEDULE**

CERTIFICATE NO. NL000530f		PREVIOUS CERTIFICATE NO. N/A	
Item 1:	Certificate Holder: W Financial Group, LLC Auto Ace Enterprises Inc. DBA Texas Auto Pros	Named Assured & Address:	W Financial Group, LLC Auto Ace Enterprises Inc. DBA Texas Auto Pros Corp. 616 FM 1960 West, Suite 528, Houston, TX 77090, U.S.A. Lot 301 S. First St., Garland, TX 75040, U.S.A.
The undernoted Insurance is effective with Certain Underwriters At Lloyd's, London, England.		Percentage:	100%
		Contract No:	NE084690002
Item 2:	Certificate Period From: 11 September 2006 to 11 September 2007 12.01 a.m. Standard Time at the Address of the Named Certificate Holder stated herein.		
Item 3 a)	Limit of Liability & Rate of Premium Calculation: The limit of Underwriters' liability shall be as stated below and in the certificate conditions.		
	Maximum Limit of Liability Any One Loan	Type of Loan	Premium Per Loan
	USD 5,000	AUTO	USD 99.00 plus 4.85% Surplus Lines Tax and Stamping Fee of 0.10%
Item 3 b)	Maximum Occurrence limit in respect of Coverage D:		USD 35,000
Item 3 c)	Annual Aggregate limit of liability in respect of all coverage purchased under this certificate:		USD 100,000
Item 3 d)	Deductible amount applicable each and every loss each and every loan		USD 500
Item 4	The insurance afforded by the Underwriters is only with respect to the following coverages which are specifically indicated as "Covered" subject to all terms and conditions of this certificate having reference thereto.		
	A. All Risks Physical Damage Instalment Loan Insurance		COVERED
	B. Unintentional Non-Filing Insurance		COVERED
	C. Skip Insurance		COVERED
	D. Repossession Insurance		COVERED
Item 5	WORDING:	ECS1:2	
	ENDORSEMENT:	NMA 1191 - Radioactive Contamination Exclusion Clause Physical Damage Direct NMA 2802 - Electronic Date Recognition Exclusion Waiver of Subrogation Endorsement NMA 2918 - War and Terrorism Exclusion Clause Financial Guarantee Exclusion Clause	
Item 6	(i) PREMIUM COMPUTATION - DEPOSIT PREMIUM:	NIL	
	(ii) AUDIT PERIOD:	MONTHLY	
	(iii) MINIMUM MONTHLY PREMIUM	USD 700	
Item 7	Service of Suit may be made upon:	Attn:	Kevin Salter, Esq. Bolan, Johnson, Salter & Sachs One Liberty Plaza, 23 rd Floor New York, NY 10006
	Notice of Loss shall be given to:	Attn:	Steve Travers Single Interest, Inc. 5049 Clinton Street Road Batavia, New York 14020 Tel: 585 345 1770 Fax: 585 345 6053

SUBJECT TO ALL TERMS AND CONDITIONS AS PER THE ATTACHED CERTIFICATE

This document is evidence that insurance has been effected.

Date: 25 August 2006


Authorised Signatory


Authorised Signatory

TRLSIC

CERTIFICATE PROVISIONS

This Insurance is effected 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 the 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 Assured is requested to read this certificate, and if not correct, return it immediately to the Correspondent for appropriate alteration.

- 1. Signature Required.** This certificate shall not be valid unless signed by the Correspondent on the attached Schedule.
- 2. Correspondent Not Insurers.** The Correspondent is not an Insurer hereunder and neither is nor shall be liable for any loss or claim whatsoever. The Underwriters hereunder are those individual Underwriters at Lloyd's London whose names can be ascertained as hereinbefore set forth.
- 3. No Flat Cancellation.** If this certificate provides for cancellation and this certificate is cancelled after the inception date, earned premium must be paid for the time the insurance has been in force.
- 4. Assignment.** This certificate shall not be assigned either in whole or in part without the written consent of the Correspondent endorsed hereon.
- 5. Attached Conditions Incorporated.** This certificate is made and accepted subject to all the provisions, conditions and warranties set forth herein, attached or endorsed, all of which are to be considered as incorporated herein.

INSURED WITH

100.000% UNDERWRITERS AT LLOYD'S

UNDERWRITERS AT LLOYD'S

75.00%	SYNDICATE NO. 9056)	SAM 727	33.34%
)	KLN 510	33.33%
)	AFB 2623	26.00%
)	AFB 623	7.33%

17.857% SYNDICATE NO. 1225

7.143% SYNDICATE NO. 1007

100.000%

VENDORS CONSUMER, SINGLE INTEREST INSURANCE

IN CONSIDERATION for the payment of the premium and, in reliance upon the statements made in the written application, ~~a copy of which is annexed hereto and incorporated herein and in the Schedule made a part hereof.~~ and subject to all of the terms of this certificate, the Underwriters agree with the Assured as follows:

INSURING CLAUSES

COVERAGE A - All Risks of Physical Damage Installment Loan Insurance - To indemnify the Assured against all risks of physical loss or damage sustained during the term of this certificate from all external cause to Vehicles, except as hereinafter excluded, pledged to the Assured as collateral for an installment or deferred payment loan under an Instrument that is reflected on a Monthly Report;

but only in the event that the Assured shall have in good faith and in the usual course of business taken, received, made advances on, made loans against, or extended credit upon such Instrument as security for a loan to a customer of the Assured.

COVERAGE B - Unintentional Non-filing Insurance - To indemnify the Assured against any direct loss which the Assured may sustain during the term of this certificate by reason of having in good faith, and in the usual course of business, taken, received, made advances on, made loans against or extended credit upon an Instrument (reflected on a Monthly Report) pledging Vehicle, except as hereinafter excluded, to the Assured as security for a loan to a customer of the Assured, or purchased such Instrument from a customer of the Assured, but only in so far as the Assured is damaged solely through being prevented from enforcing its rights under such Instrument or obtaining the proceeds thereof SOLELY because the Assured has UNINTENTIONALLY not recorded or filed the Instrument with the proper public officer or public claims office, or has not had the proper public officer or public claims office record such Instrument to show the encumbrance of the Assured thereon (if the Instrument be a certificate of title or such other as requires the showing of the encumbrance of the Assured thereon): PROVIDED FURTHER, HOWEVER, that it is expressly understood that the failure of the Assured to file a proof of claim in the United States Bankruptcy Court, whether intentional or unintentional, is not covered.

COVERAGE C - Skip Insurance - To indemnify the Assured for any direct loss that the Assured may sustain during the term of this certificate by reason of the inability of the Assured to locate neither the borrower, nor any co-borrower or guarantor, nor Vehicle which the Assured holds as collateral for an installment or deferred payment loan under an Instrument reflected on a Monthly Report, whether such inability is occasioned by Skip:

but only in the event that the Assured shall have in good faith and in the usual course of business taken, received, made advances on, made loans against, or extended credit upon such Instrument as security for a loan to a customer of the Assured, or purchased such Instrument from a customer of the Assured.

COVERAGE D - Repossession Insurance - To indemnify the Assured, subject to the maximum Occurrence limit stated in the Schedule for this coverage, against all risks of physical loss or damage sustained during the term of this certificate from any external cause to Repossessed Vehicles that occurs within thirty (30) days of the date of the Assured repossessing such Vehicles.

NOTE IN RESPECT OF ALL COVERAGES - Unless otherwise provided for herein, an Instrument executed before natural expiry or other termination of this certificate shall be automatically deemed identified in a Monthly report for a period not to exceed thirty-one (31) days after execution, if any only if, the Assured actually accounts for such loans on the Monthly Report that corresponds to the month in which the Assured first makes such loan.

DEFINITIONS

For the purpose of this insurance, the following terms wherever used herein shall be held to mean:

- (a) **ACTUAL CASH VALUE** - "Actual Cash Value" means the average trade-in (NADA book) at time of loss of the collateral, less the salvage value, if any.
- (b) **ASSURED** - "Assured" means the Assured named in the Schedule and shall be a lending institution organized, licensed and empowered to engage in business by a Federal or State agency having jurisdiction thereof.
- (c) **DATE OF LOSS** - The "Date of Loss" under Coverage A, except as to Unrecovered Theft, shall mean the date on which the actual physical loss or damage occurred to the collateral insured hereunder. If such date is undeterminable, the "Date of Loss" shall be the date the Vehicle is repossessed. "Undeterminable" means reasonably undeterminable by investigation of the condition of the collateral at the time it was stored or towed, it being expressly understood that where the collateral was damaged when towed or stored, it shall be conclusively presumed that the damage or loss occurred on the date so stored or towed. The Date of Loss under Coverage A as to Unrecovered Theft shall be the date that the appropriation of the Vehicle is first reported to law enforcement authorities.

The "Date of Loss" under Coverage B shall mean the date on which (without subsequent repeal) the adverse party filed its lien on collateral insured hereunder, which lien is legally superior to that of the Assured.

The "Date of Loss" under Coverage C shall mean the date on which the first delinquency occurs.

The "Date of Loss" under Coverage D shall mean the date in which the actual physical loss or damage occurred to the Repossessed Vehicle.
- (d) **INSTRUMENT** - The word "Instrument" means: a chattel mortgage; a security agreement; a conditional bill of sale; a conditional sales contract; a chattel trust deed; a trust deed; a trust receipt; a deed of trust or a bill of sale to secure debt; or a lease creating or reserving a lien in chattels which are held as collateral for a loan that is reflected on a Monthly Report made by the Assured and scheduled for payment which does not exceed the number of months shown in Item 3a) of the Schedule as "maximum term of eligible loans."
- (e) **MONTHLY REPORT** - "Monthly Report" means a report completed and signed by the Assured and made part hereof, as required by Condition No. 30 of this certificate.
- (f) **OCCURRENCE** - "Occurrence" means an accident, including repeated or continuous exposure to the same generally harmful conditions.
- (g) **REPOSSESSED VEHICLES** - "Repossessed Vehicles" means any "Vehicle" pledged as collateral for an installment or deferred payment loan under an Instrument reflected on a Monthly Report and as to which the Assured is in physical possession, peacefully or through legal process, by virtue of a legal right to such possession arising out of failure to make payment(s) to the Assured in accordance with the terms of such Instrument;

but only in the event that the Assured shall have in good faith and in the usual course of business taken, received, made advances on, made loans against, or extended credit upon such Instrument as security for a loan to a customer of the Assured, or purchase such Instrument from a customer of the Assured.

- (h) **UNRECOVERED THEFT** - "Unrecovered Theft" means appropriation of the Vehicle without permission of the purchaser or borrower which appropriation has been reported to law enforcement authorities. The term Unrecovered Theft shall not apply until the covered Vehicle is unlocated for a period of thirty (30) days following the report of its appropriation to law enforcement authorities.
- (i) **VEHICLE** - "Vehicle" means: a four wheeled land motor vehicle of the private passenger type, including walk-in type vans, and pick-up trucks with a load capacity of no more than 2,000 pounds, which have been licensed for road use through the motor vehicle commissioner or through the appropriate licensing authority of a State or possession of the United States. "Vehicle" does not include Recreational Vehicles, Mobile Homes, or Watercraft.

EXCLUSIONS

This insurance shall not indemnify the Assured in respect of any loss or losses:

- (a) resulting from Instruments effected and losses occurring prior to the effective date of this certificate:
- (b) resulting directly or indirectly from any dishonest, fraudulent or criminal act of any officer or employee of the Assured or of any dealer from whom the Assured acquired the Instrument or of any officer or employee of such dealer, the Borrower, Lessee, or anyone acting in any capacity as agent for the Assured in obtaining a loan;
- (c) resulting from forgery or use of an alias;
- (d) resulting from any lien, encumbrance or defect in title, which existed at the time the loan was made by the Assured;
- (e) under Coverage A and Coverage D caused by or resulting from wear and tear, gradual deterioration, obsolescence, rust, corrosion, latent defect, inherent vice, freezing or overheating;
- (f) under Coverage A and Coverage D caused by or resulting from any repairing or restoration or remodelling process, structural, mechanical or electrical breakdown or failure unless fire or other accident ensued therefrom and then for the loss or damage by such fire or accident;
- (g) to any Vehicle held as collateral under any floor plan or field warehouse type of financing;
- (h) to a Vehicle designed for racing or modified for use a public livery vehicle;
- (i) resulting from the failure of the Assured to initiate an attempt to repossess the security (collateral) within ninety (90) days after the account becomes delinquent;
- (j) under Coverages A, B and C, related to any existing or future loan or loans made to a borrower who is or who was responsible for a claim under such coverages being reported to Underwriters or their agent whether or not the claim reported was paid;
- (k) directly or indirectly caused by or resulting from war, acts of foreign enemies, invasion, hostilities (whether war be declared or not), civil war, rebellion, revolution, riot, insurrection, military or usurped power or martial law or confiscation by order of any Government or public authority (except to the extent that Coverage C is provided and is so indicated in the schedule) and risks of transported contraband or illegal transportation or trade;
- (l) resulting from any loan made to a dealership;
- (m) to Repossessed Vehicles owned by the Assured for use in its business;

- (n) to Repossessed Vehicles rented or leased to others:
- (o) to Repossessed Vehicles sold by the Assured subject to any security interest of the Assured:
- (p) Resulting from any loan made for an amount more than the maximum stated liability on the certificate. Interest, credit life, miscellaneous fees and charges are not to be counted in the total:
- (q) Resulting from any loan made for an amount more than the retail value of the insured Vehicle but in no event more than the amount stated in the applicable contract of sale for the Vehicle at the time of the making of the loan agreement. Interest, credit life, miscellaneous fees and charges are not to be counted in the total:
- (r) Resulting from any loan made exceeding the maximum term stated in the Schedule;
- (s) Resulting from any loan made for which satisfaction is by its terms to be made with a single payment.
- (t) Caused by or resulting from pre-existing damage that existed on the inception date of an instrument.

CONDITIONS

(Unless otherwise noted, these conditions apply to all coverages).

1) **CERTIFICATE PERIOD, TERRITORY**

This certificate applies only to loss during the certificate period, as shown on the Schedule or as otherwise amended, within the United States of America, its territories or possessions.

2) **NOTICE OF LOSS**

The Assured shall as soon as practicable report to Underwriters every loss or damage which may become a claim under this certificate and shall also file with Underwriters within the number of days after the Date of Loss as herein noted for coverages as follows, a detailed sworn proof of loss:

- (a) For Coverages A, B' and D ninety (90) days; and
- (b) For Coverages C, one hundred and eighty (180) days; after the Date of Loss for each of the above coverages; and

3) **PROOF OF LOSS**

At time of loss to a vehicle subject to this security agreement, the borrower must provide proof of inforce insurance showing the Assured as loss payee. Failure to provide such insurance is a violation of the conditions of this Certificate and would void the coverage for said claim. A binder does not constitute inforce coverage.

4) **EXAMINATION UNDER OATH**

The Assured shall submit, and so far as is within his, her, or their power, shall cause all other persons interested in the Vehicle insured and members of the household and employees to submit examinations under oath by any persons named by Underwriters or their agent, relative to any and all matters in connection with a claim and subscribe the same; and shall produce for examination all books of Account, bills, invoices, and other vouchers or certified copies thereof if originals be lost, at such reasonable time and place as may be designated by Underwriters or their agent or their representative, and shall permit extracts and copies thereof to be made.

5) **VALUATION**

Unless otherwise provided, Underwriters shall not be liable beyond the Actual Cash Value of the Vehicle at the time any loss or damage occurs and the loss or damage shall be ascertained or estimated according to such Actual Cash Value with proper deduction for depreciation, however caused, and shall in no event exceed what it would then cost to repair or replace the same with material of like kind and quality.

6) SETTLEMENT OF CLAIMS

All adjusted claims shall be paid or made good to the Assured no later than ninety (90) days after presentation and acceptance of satisfactory proof of interest and loss at the office of Underwriters or their agent. No claim shall be paid hereunder if the Assured can collect the same from others, including but not limited to, primary or other insurance, co-makers, guarantors or other collaterals, nor unless the Assured shall have fully complied with all terms and conditions hereof.

7) NO BENEFIT TO BAILEE

This insurance shall in no way inure directly or indirectly to the benefit of any carrier, bailee, borrower or any person or entity other than the Assured.

8) SUBROGATION

In the event of any payment under this certificate, Underwriters shall be subrogated to all the Assured's rights of recovery therefore against any person or organisation and the Assured shall execute and deliver instruments and papers and do whatever else is necessary to secure such rights. The Assured shall do nothing after loss to prejudice such rights.

9) PARTS

In case of loss or injury to any part of the insured Vehicle consisting, when complete for sale or use, of several parts. Underwriters shall be liable only for the insured value of the part lost or damaged.

10) SUE AND LABOR

In case of loss or damage, it shall be lawful and necessary for the Assured, his, her or their factors, servants and assigns, to sue, labor, and travel for, in and about the defense, safe guard and recovery of the Vehicle insured hereunder, or any part thereof and to collect from others, whether by lawsuit or otherwise, including without limitation actions for non-discharge in Bankruptcy Proceeding without prejudice to this insurance; nor shall the acts of the Assured or the Underwriters, in recovering, saving and preserving the Vehicle insured in case of loss or damage, be considered a waiver or acceptance of abandonment to the charge whereof the Underwriters will contribute according to the rate and the quality of the sum herein insured.

11) SUIT AGAINST COMPANY

No suit, action or proceeding for the recovery of any claim under this certificate shall be sustainable in any Court of law or equity unless the same be commenced within twelve (12) months next after the discovery of the Assured of the occurrence which gives rise to the claim. Provided, however, that if by the laws of the State within which this certificate is issued such limitation is invalid, than any such claim(s) shall be void unless such action, suit or proceedings be commenced within the shortest limit of time permitted by the laws of such State to be fixed herein.

12) APPRAISAL

If the Assured and Underwriters or their agent fail to agree as to the amount of the loss, each shall, on the written demand of either, made within sixty (60) days after receipt of proof of loss by the Underwriters, select a competent and disinterested appraiser, and the appraisal shall be made at a reasonable time and place. The appraisers shall first select a competent and disinterested umpire and, failing for fifteen (15) days to agree upon such umpire, then on the request of the Assured or Underwriters such umpire shall be selected by a judge of a court of records in the State in which such appraisal is pending.

The appraisers shall then appraise the loss, stating separately Actual Cash Value at the time of loss and the amount of loss, and failing to agree shall submit their differences to the umpire. An award in writing of any two shall determine the amount of loss. The Assured and the Underwriters shall bear equally the other expenses of the appraisal and the umpire. The Underwriters shall not be held to have waived any of their rights by any act relating to appraisal.

13) CONFIRMITY TO STATUTE

Terms of this certificate which are in conflict with the statutes of the State wherein this certificate is issued are hereby amended to conform to such statutes.

14) CHANGES

Notice to any agent or knowledge possessed by any agent or by any other person shall not affect a waiver or change in any part of this certificate to stop the Underwriters from asserting any right under the terms of this certificate, nor shall the terms of this certificate be waived or changed, except by endorsement issued to form a part of this certificate.

15) DECLARATIONS

By acceptance of this certificate, the Assured named in the Schedule agrees that the statements made in the proposal are his or her agreements and representations, that this certificate is issued in reliance upon the truth of such representations and this certificate, together with any application(s) or representations in connection therewith, embodies all agreements existing between himself or herself and Underwriters or any of their agents relating to this insurance.

16) PRIMARY INSURANCE - COVERAGE A

It is understood and agreed that the Assured will require all borrowers to agree to carry physical damage insurance with loss payable clause in favor of the Assured, for such insurance and in such amounts as normally would be required had not this insurance been effected. This agreement must be in writing and will require the following information from the borrower:

- (1) The name of the primary insurance company providing physical damage insurance to the borrower, with loss payable clause in favor of the insured, and
- (2) The Certificate or binder number of said primary physical damage insurance, and
- (3) The name of the insurance agent writing said primary physical damage insurance.

Failure on the part of the borrower to provide such insurance over three thousand dollars (USD 3,000) shall not be deemed a violation of this certificate provided the Assured has obtained this agreement from the borrower to carry insurance and that all reasonable and practicable efforts have been made to verify the information provided as to the above-enumerated elements of the required written agreement(s) which efforts are memorialised in writing(s) signed and dated by the Assured and maintained as part of the Assured's file(s) on the relevant borrower, Vehicle and Instrument.

17) **IMPAIRMENT OF INTEREST**

Under no circumstances will any payment be made for a loss under this certificate unless the interest of the Assured is impaired by reason of the borrower having defaulted in his obligation to the Assured.

18) **LOCATION OF PROPERTY - COVERAGE A**

As respects damage, it shall be necessary for the Assured to locate and to take title to the collateral or be in a position to convey good title to the Underwriters upon demand, before any loss shall be paid under this coverage. Except as to Unrecovered Theft, it is a strict condition precedent to recovery under this coverage that the collateral shall have been repossessed.

19) **LOCATION OF PROPERTY - COVERAGE B**

There shall be no liability under this certificate unless at the time the claim is made the Vehicle represented by the Instrument has been located by the Assured or by the person, persons or corporation who has title to the Vehicle has been located by the Assured and it definitely has been determined that such person, persons or corporation has claim or title lawfully superior to the lien held by the Insured. The Underwriters shall not be liable for the expenses of the Assured in locating the person or Vehicle determining the status of title described above.

20) **LOCATION OF PROPERTY - COVERAGE C - LOSSES ONLY**

Before the Assured shall make claim under this certificate, every reasonable and practicable effort shall be made to locate the Vehicle represented by the Instrument and to repossess such Vehicle, and to locate the borrower, co-borrower or guarantor of the Instrument, and collect for the balance due to the Assured. If the Assured is successful in either event, there shall be no claim under this certificate.

When the Assured determines that a "SKIP" has occurred within the meaning of this certificate, as distinguished from a borrower who is merely delinquent in his or her obligation to the Assured, prompt written notice shall be given to the Underwriters or their agents setting forth all circumstances concerning the loss and particularly the efforts that have been made pursuant to the paragraph above. The Underwriters shall then have ninety (90) days in which to locate either the Vehicle represented by the Instrument or any obligee of the Instrument.

Subject to the terms of the paragraph immediately following this one, if the Underwriters locate the Vehicle represented by the Instrument prior to payment of the claim, their maximum liability shall be 100% of the reasonable expense of locating and returning the Vehicle to the office of the Assured, subject however to a maximum limit of liability to the Underwriters of USD 300.00.

In the event that Underwriters locate such Vehicle and advise the Assured of its location in order that the Assured repossess same, the Assured shall make every reasonable and practicable effort to immediately, but in no event more than forty eight (48) hours after such notice, repossess such Vehicle.

21) **LOCATION OF VEHICLE - COVERAGE D**

As respects damage, it shall be necessary for the Assured to take title to the collateral or be in a position to convey good title to Underwriters upon demand, before any loss shall be paid under this coverage.

22) VEHICLES HELD AS COLLATERAL

With regard to Vehicles held as collateral for loans, it is agreed that:

- (a) The Assured will hold the certificate of title with its record until the loan has been satisfied:
- (b) The Assured will properly file or record its lien with the motor vehicle commissioner or with the appropriate authority of a state or possession of the United States, except if Coverage B is purchased and is applicable to any unintentional error or omission in filing a lien with the motor vehicle commissioner or appropriate authority of a state or possession of the United States.

23) LIMITS OF LIABILITY

The Underwriters shall not be liable under this certificate for:

- A) An amount exceeding the lowest of the following minus the deductible amount stated in Item 3 d) of the Schedule:
 - (1) The amount stated in Item 3a) of the Schedule; or
 - (2) Cost of repair or replacement of the Vehicle; or
 - (3) The Actual Cash Value of the Vehicle at time of loss or damage; or
 - (4) The amount of any impairment of the interest of the Assured as represented by his borrower's unpaid balance not more than ninety (90) days past due less interest, insurance, finance, and other carrying charges, computed as of the Date of Loss. Such carrying charges shall be deemed to accrue under the Rule of "78's" on the payment dates fixed by the purchase contract or loan agreement and shall not include penalties or other charges which may have been added to such unpaid balance after the inception date of the purchase contract or other Instrument.
- B) More than the balance due the Assured as loss payee less the amount due under all other valid insurance plus any applicable deductible amount on the damaged or destroyed Vehicle, whether collectable or not, by solvent or insolvent insurers; also less any amount recoverable by the Assured plus any applicable deductible under any specific insurance on the Vehicle not payable to the Assured.
- C) The deductible amount stated in Item 3 d) of the Schedule, which loss amount shall be borne by the Named Assured before Underwriters shall have any liability under this certificate.

24) PAYMENT OF LOSS

The Underwriters shall have the option of paying the loss in money or may repair or replace the collateral or damaged part thereof with other of like, kind and quality, with deduction for depreciation, or may return any stolen Vehicle with payment for any resultant damage thereto at any time before the loss is paid or the Vehicle is replaced, or may take all or such part of the collateral at the agreed or appraised value, but there shall be no abandonment to Underwriters.

25) EXCESS INSURANCE

Coverage under this certificate is excess insurance over any other insurance or indemnity whether collectable or not and shall not be treated as contributing with any other insurance or indemnity.

26) ASSISTANCE AND CO-OPERATION OF THE ASSURED

The Assured shall use due diligence and do and concur in doing all things reasonable and practicable to avoid or diminish any loss covered under this insurance; unintentional failure to record or file an Instrument with the proper public officer or public office, as a requisite to perfection of a security interest, shall not be considered as failure by the Assured to use due diligence; failure to timely file a proof of claim with the United States Bankruptcy Court shall be deemed a failure by the Assured to use due diligence.

27) EXTENSION OF MATURITY

The Assured may grant extensions of maturity without the consent of Underwriters as it may be deemed advisable in the regular course of business, without prejudice to the rights of the Assured hereunder, but in no event shall the total period of the loan including extensions, exceed the applicable Maximum Term of Eligible Loans as set forth in Item 3 (a) of the Schedule by not more than two (2) calendar months in all, provided that this limitation shall apply to any extension which involves any increase in the balance due before interest and carrying charges, it being agreed that such extension shall be considered a new loan and that premium thereon shall be paid accordingly.

It is further agreed that, if a loan made prior to the effective date of the certificate shall be renegotiated subsequent thereto, such renegotiated loan shall be considered to be a new loan and premium thereon shall be paid accordingly.

28) SETTLEMENT OF ASSURED, INVALID

Any settlement made by or for the Assured on any loan secured by an Instrument in respect of which there is a claim under this insurance without written authority from the Underwriters or their representatives to make such settlement, shall render this insurance void as to any loss in respect of that loan.

Underwriters expressly reserve the right to inspect any Vehicle prior to the Assured effecting repair or replacement for which claim is made or is to be made under Coverage A or Coverage D of this certificate.

29) CANCELLATION CLAUSE

This certificate may be cancelled by the Assured by surrender of the certificate to the Underwriters or their authorized agent or by mailing written notice to the Underwriters stating therein the date cancellation shall be effected, provided, however, that the Underwriters have not made a prior election in writing to cancel the coverage. This certificate may be cancelled by the Underwriters or their agent by mailing, to the Assured at the address shown in the certificate written notice stating when not less than thirty (30) days thereafter (or as required by local law) such cancellation shall be effective; provided that, if the Assured fails to discharge any of its obligations when due in connection with the payment of premium directly to the Underwriters or their agent or indirectly under any premium finance plan or extension of credit, this certificate may be cancelled by the Underwriters by mailing to such Assured written notice stating when not less than ten (10) days thereafter such cancellation shall be effective.

In the event of cancellation, the premium paid shall be fully earned. As of the effective date of cancellation, the company shall have no future liability for losses sustained after the date of cancellation.

30) MAINTENANCE OF RECORDS, REPORTS AND PREMIUM

As a condition precedent to coverage afforded hereunder, the Assured agrees to maintain written records of all transactions involving Instruments having collateral of a type covered herein as normally processed, purchased, or made by the Assured.

The Assured shall render to Underwriters or their authorised representatives, on forms provided by Underwriters, a Monthly Report indicating transactions required for determination of premiums not later than the fifteenth (15th) day of the month following the close of each audit period as specified in the Schedule. On this day, the premium is due and payable.

Coverage is renewed each month with the reporting of all eligible loans and payment of premiums. A minimum of five loans or an equivalent amount must be reported each month to keep the insurance in force on reported loans.

Premium for this certificate shall be computed in accordance with Underwriters' rules, rates and rating plans applicable to the insurance afforded herein.

PREMIUM IS DEEMED FULLY EARNED ON THE DATE THAT IT IS DUE AND PAYABLE.

31) AUDIT AND INSPECTION

As a condition to coverage afforded hereunder, the Assured agrees to allow Underwriters or their representatives to audit and inspect the records maintained by the Assured at any reasonable time during business hours in order to verify the amount of premium due to Underwriters under this insurance and/or to verify the identity of any loan, Instrument or Vehicle that is reflected in a Monthly Report.

32) MISREPRESENTATION AND FRAUD

This certificate shall be void from inception if the Assured has concealed or is represented any material fact or circumstance concerning this insurance or the subject thereof or in case of any fraud, attempted fraud or false swearing by the Assured touching any matter relating to this insurance or the subject thereof, whether before or after a loss.

33) PAIR OR SET

In the event of any loss to any articles which are a part of a pair or set, the measure of loss of such article or articles shall be a reasonable and fair proportion of the total value of pair or set, giving consideration to the importance of said article or articles, but in no event shall such loss be construed to mean total loss of the pair or set.

34) SERVICE OF SUIT

It is agreed that in the event of the failure of the Underwriters hereon to pay any amount claims to be due hereunder, the Underwriters hereon, at the request of the Assured (or Reinsured), will submit to the jurisdiction of a Court of competent jurisdiction within the United States. Nothing in this Clause constitutes or should be understood to constitute a waiver of Underwriters' rights to commence an action in any Court of competent jurisdiction in the United States, to remove an action to a United States District Court, or to seek a transfer of a case to another Court as permitted by the laws of the United States or of any State in the United States. It is further agreed that service of process in such suit may be made upon the firm shown under item 7 of the Schedule and that in any suit instituted against any one of them upon this contract, Underwriters will abide by the final decision of such Court or of any Appellate Court in the event of an appeal.

The above-named are authorised and directed to accept service of process on behalf of Underwriters in any such suit and/or upon the request of the Assured (or Reinsured) to give a written undertaking to the Assured (or Reinsured) and that they will enter a general appearance upon Underwriters' behalf in the event such a suit shall be instituted.

Further, pursuant to any statute of any state, territory or district of the United States which makes provision therefore, Underwriters hereon hereby designate the Superintendent, Commissioner or Director of Insurance or other officer specified for that purpose in the statute, or his successor or successors in office, as their true and lawful attorney upon whom may be served any lawful process in any action, suit or proceeding instituted by or on behalf of the Assured (or Reinsured) or any beneficiary hereunder arising out of this contract of insurance (or reinsurance), and hereby designate the above-named as the person to whom the said officer is authorized to mail such process or a true copy thereof.

ENDORSEMENT

**RADIOACTIVE CONTAMINATION EXCLUSION CLAUSE -
PHYSICAL DAMAGE - DIRECT**

This Certificate does not cover any loss or damage arising directly or indirectly from nuclear reaction nuclear radiation or radioactive contamination however such nuclear reaction nuclear radiation or radioactive contamination may have been caused *NEVERTHELESS if Fire is an insured peril and a Fire arises directly or indirectly from nuclear reaction nuclear radiation or radioactive contamination any loss or damage arising directly from that Fire shall (subject to the provisions of this Certificate) be covered EXCLUDING however all loss or damage caused by nuclear reaction nuclear radiation or radioactive contamination arising directly or indirectly from that Fire.

* NOTE - If Fire is not an insured peril under this Certificate the words from "NEVERTHELESS" to the end of the clause do not apply and should be disregarded.

All other terms and conditions of this Certificate remain unchanged.

This endorsement forms part of and is for attachment to the following described Certificate issued by certain UNDERWRITERS AT LLOYD'S, LONDON, ENGLAND and takes effect on the effective date of said Certificate, unless another effective date is shown below, at the hour stated in said Certificate and expires concurrently with said Certificate.

COMPLETE ONLY WHEN THIS ENDORSEMENT IS NOT PREPARED WITH THE CERTIFICATE OR IS NOT TO BE EFFECTIVE WITH THE CERTIFICATE		
Certificate No.	Issued To.	Effective Date

LL-12(NMA 1191)
TR/LL11

ENDORSEMENT

ELECTRONIC DATE RECOGNITION EXCLUSION (EDRE)

This Certificate does not cover any loss, damage, cost, claim or expense, whether preventative, remedial or otherwise, directly or indirectly arising out of or relating to:

- a) the calculation, comparison, differentiation, sequencing or processing of data involving the date change to the year 2000, or any other date change, including leap year calculations, by any computer system, hardware, programme or software and/or any microchip, integrated circuit or similar device in computer equipment or non-computer equipment, whether the property of the insured or not; or
- b) any change, alteration, or modification involving the date change to the year 2000, or any other date change, including leap year calculations, to any such computer system, hardware, programme or software and/or any microchip, integrated circuit or similar device in computer equipment or non-computer equipment, whether the property of the insured or not.

This clause applies regardless of any other cause or event that contributes concurrently or in any sequence to the loss, damage, cost, claim or expense.

All other terms and conditions of this Certificate remain unchanged.

This endorsement forms part of and is for attachment to the following described Certificate issued by certain UNDERWRITERS AT LLOYD'S, LONDON, ENGLAND and takes effect on the effective date of said Certificate, unless another effective date is shown below, at the hour stated in said Certificate and expires concurrently with said Certificate.

COMPLETE ONLY WHEN THIS ENDORSEMENT IS NOT PREPARED WITH THE CERTIFICATE OR IS NOT TO BE EFFECTIVE WITH THE CERTIFICATE		
Certificate No.	Issued To.	Effective Date

EDRE

NMA 2802 (17/12/1997)
Form approved by Lloyd's Underwriters' Non-Marine Association Limited

LENDERS COMPREHENSIVE SINGLE INTEREST
WAIVER OF SUBROGATION AMENDATORY ENDORSEMENT

In consideration of the premium charged, it is agreed that:

- a) Condition 7 "No Benefit to Bailee" is amended with the deletion of the phrase "or indirectly" from the paragraph.
- b) Condition 8 "Subrogation" is hereby deleted in its entirety and replaced with the following:

The Underwriters agree that they will not exercise a right to subrogation under this Certificate. However, in the event the Insured recovers any part of a covered loss, the Insured agrees to reimburse the Underwriters in pro rata proportion to the respective loss of each party to this contract.

All other terms and conditions of this Certificate remain unchanged.

This endorsement forms part of and is for attachment to the following described Certificate issued by certain UNDERWRITERS AT LLOYD'S, LONDON, ENGLAND and takes effect on the effective date of said Certificate, unless another effective date is shown below, at the hour stated in said Certificate and expires concurrently with said Certificate.

COMPLETE ONLY WHEN THIS ENDORSEMENT IS NOT PREPARED WITH THE CERTIFICATE OR IS NOT TO BE EFFECTIVE WITH THE CERTIFICATE		
Certificate No.	Issued To.	Effective Date

DATE:
TVA/SIEND

COUNTERSIGNED: _____

ENDORSEMENT

WAR AND TERRORISM EXCLUSION ENDORSEMENT

Notwithstanding any provision to the contrary within this insurance or any endorsement thereto it is agreed that this insurance excludes loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any of the following regardless of any other cause or event contributing concurrently or in any other sequence to the loss:

- (1) war, invasion, acts of foreign enemies, hostilities or warlike operations (whether war be declared or not), civil war, rebellion, revolution, insurrection, civil commotion assuming the proportions of or amounting to an uprising, military or usurped power; or
- (2) any act of terrorism.
For the purpose of this endorsement an act of terrorism means an act, including but not limited to the use of force or violence and/or the threat thereof, of any person or group(s) of persons, whether acting alone or on behalf of or in connection with any organisation(s) or government(s), committed for political, religious, ideological or similar purposes including the intention to influence any government and/or to put the public, or any section of the public, in fear.

This endorsement also excludes loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any action taken in controlling, preventing, suppressing or in any way relating to (1) and/or (2) above.

If the Underwriters allege that by reason of this exclusion, any loss, damage, cost or expense is not covered by this insurance the burden of proving the contrary shall be upon the Assured.

In the event any portion of this endorsement is found to be invalid or unenforceable, the remainder shall remain in full force and effect.

All other terms and conditions of this Certificate remain unchanged.

This endorsement forms part of and is for attachment to the following described Certificate issued by certain UNDERWRITERS AT LLOYD'S, LONDON, ENGLAND and takes effect on the effective date of said Certificate, unless another effective date is shown below, at the hour stated in said Certificate and expires concurrently with said Certificate.

COMPLETE ONLY WHEN THIS ENDORSEMENT IS NOT PREPARED WITH THE CERTIFICATE OR IS NOT TO BE EFFECTIVE WITH THE CERTIFICATE		
Certificate No.	Issued To.	Effective Date

NMA2918
08/10/2001

FINANCIAL GUARANTEE EXCLUSION CLAUSE

This Policy does not cover any form of Financial Guarantee, Surety or Credit Indemnity.

B

LENDERS COMPREHENSIVE SINGLE INTEREST DATA FORM

**W FINANCIAL GROUP
AUTO ACE ENTERPRISES INC.**

Business Name: DBA: TEXAS AUTO PROS
LOT: 301 S. FIRST ST. GARLAND, TX 75040

Address: ~~201 S. FIRST ST. GARLAND, TX 75040~~
~~1000 S. FIRST ST. GARLAND, TX 75040~~

Owner or Manager: MICHAEL WALKERS SR. Title: PRES. Date: 9-5-06

Contact Person: MICHAEL WALKERS JR. Title: PRES. LOT MGR. JOHN STEWART

Phone: 214-212-1437 Fax: 281-377-7208

Management years in this type of business: 20

1. Your outstanding exposures:	Number	Total Dollar Amount
A: Automobiles / Trucks	<u>150</u>	<u>450k</u> <i>Just sold off over 300 loans</i>
B: Other	<u>0</u>	<u>0</u>

2. Estimated number of new loans for the next twelve months: 700

3. Maximum term of loans: 18 Months
Average term of loans: 14 Months

4. Do you have an insurance to name you as loss payee?

Yes No

5. Do you have an insurance follow-up program? Yes No

6. Past experience:

A: Average loan delinquency rate (expresses as a percentage of total loans):

YTD:	30 Days <u>9</u>	60 Days <u>6</u>	90 Days <u>2</u>
Last Year:	30 Days <u>9</u>	60 Days <u>5</u>	90 Days <u>1</u>

B: Number of repossessions:

YTD: 1 Last Year: 1 Prior Year: 0

C: Repossession deficiency total (difference between sale price and Outstanding loan balance):

Exhibit B

VTD: 0 Last Year: 0 Prior Year: 0

D: Physical damage cost total incurred on repossessed vehicles:

YTD: 0 Last Year: 0 Prior Year: 0

E: Number of skips (vehicles charged off due to skips):

VTD: 0 Last Year: 0 Prior Year: 0

F: Loss on skips (amount charged off due to skips):

YTD: 0 Last Year: 0 Prior Year: 0

7. Please provide a cross section of vehicle types in your portfolio:

Private passenger:	<u>94</u> %
Vans:	<u>5</u> %
Pick-Ups:	<u>1</u> %
Other:	<u>0</u> %

Is coverage desired on other than autos? (Circle yes or no for each)

Boats: Yes No Rec. Veh.: Yes No Other Prop.: Yes No

8. Date VSI coverage required: 9-7-06

Please fax and mail original data form with a one time application fee of \$195.00.

Signature of Corporate Officer: Michael Wallens

Please Print Name, Title and date: MICHAEL WALLENS Pres/9-5-06

SINGLE INTEREST INSURANCE, INC
 5049 Clinton Street Road
 Batavia, New York 14020
 585-345-1770
 Fax 585-345-6053

*NSKed
9/7/06*

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 Lloyds of London and The Republic Group which both enjoy A.M. Best A ratings
- ✦ The SDO Account offers a 2, 3 & 4 year term with a 1 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 & Non-Qualified accounts accepted
- ✦ Parent company and management group have been conducting business for over 17 years without one customer complaint or late payment



Exhibit C



LLOYD'S CERTIFICATE

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

This Certificate is issued in accordance with the limited authorisation 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

Exhibit D