

example, defendants had insisted on the need to use proceeds from the liquidation of WFG assets to provide working capital for NPC and other companies created with investor funds. Furthermore, there had been extensive discussions about the propriety of paying defendants' attorneys fees with proceeds from the WFG assets; again, defendants expressed their need for funds to retain counsel. At no time during these discussions did defendants disclose that they had access to millions of dollars of purportedly "personal funds" to contribute to these expenses.

29. At the meeting on May 21, Wahab disclosed that he had contributed \$1.75 million, while Wallens Jr. and Wallens Sr. supplied \$800,000. During the same meeting, I suggested that I should have been informed about this information before the sale, so that I could have had the opportunity to object on the ground that the funds wasted on the additional investment in NPC could instead have been transferred into the Special Master account to preserve for investor relief. Wahab became belligerent and asked why I thought he should give all his money to investors. This response increased my concerns and suspicions about defendants' desire to cooperate in good faith in an effort to provide monetary relief to investors.

30. As anticipated, without the diversion of funds from another source, such as WFG investors, NPC was unable to continue operations as determined by state utility regulators. On May 28, 2008, NPC closed its doors and its customers were switched to other retail electric companies.

31. During the course of discussions with defendants, I discovered examples of self-dealing by defendants in the connection with the liquidation process. For example, I learned that the wife of Michael Wallens, Sr. was the listing real estate agent for the real estate properties acquired with investor funds. After discussions with the SEC, it was agreed that Mr. Wallens' wife would continue to handle the listing, but would waive any commission.

32. The buy/sell agreement between WFG and Barrett stated that Wallens Sr. would remain for a six month period to provide consulting services. Ten days after the closing of the NPC sale, I asked Wahab whether Wallens Sr. was receiving compensation for this role. After Wahab answered with an unequivocal "Yes," I expressed my opinion that this arrangement was likely improper under the Special Master Order. At the final meeting with defendants on May 21, however, Wahab denied stating that Wallens, Sr. would be compensated and Wallens, Sr. stated he was not accepting compensation for the consulting he was doing at NPC.

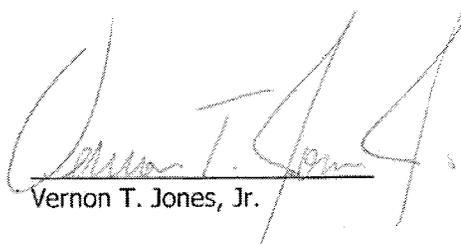
33. The events described in this declaration represent continual and material mismanagement, or worse, of assets represented by defendants as derived WFG investor funds. Defendants took many of these actions in spite of my direct advice and warnings to the contrary. At the meeting on May 21, 2008, my counsel and I informed defendants that we considered them to be in default of the terms and spirit of the Special Master Order and announced our intent to recommend that the SEC ask the Court for the appointment of a receiver. The resignation of defendants' counsel substantially increases the need to relieve defendants of direct control over assets.

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34. In my opinion, the numerous omissions, misrepresentations and mismanagement by the defendants make clear the need for a receiver to be appointed by the Court to take immediate control of the remaining property and liquidation process. Moreover, the sources of funds used by defendants to provide financing to David Barrett's purchase and subsequent "propping-up" of NPC should be investigated fully for possible links to the original WFG investor monies.

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

Executed on the 3rd day of June 2008.


Vernon T. Jones, Jr.

PURCHASE AND SALE AGREEMENT

This Purchase and Sale Agreement (the "Agreement") is entered into and effective as of this 1st day of May, 2008, by and between DAVID BARRETT ("Purchaser") and W FINANCIAL GROUP, LLC ("Sellers")

Whereas, Purchaser desires to purchase from Seller the Company, and Sellers desire to sell 100% of the ownership in and to the Company to Purchaser, upon the terms and conditions contained herein.

Now therefore, in consideration of, and in reliance upon, the representations, warranties, covenants and conditions therein contained, the parties hereto agree as follows:

ARTICLE 1

Certain Definitions and Rules of Construction

1.1 Certain Definitions. As used in this Agreement, the following terms have the respective meanings set forth below:

"Accounts Receivable" shall mean the accounts and/or notes receivable, together with any unpaid interest or fees accrued thereon or other amounts due with respect thereto, and any security or collateral therefore including recoupage advances and deposits.

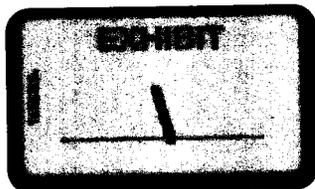
"Accounts Payable" shall mean accounts and/or notes payable, together with any unpaid interest or fees accrued thereon or other accounts due with respect thereof, and any security or collateral therefore, including payable advances and deposits.

"Affiliate" for the purposes of this agreements shall mean any entity affiliated with a party or the Company.

"Applicable Law" means, with respect to any Person, any domestic or foreign, federal state or local statues, law, ordinance, rule administrative interpretation, regulation, order, writ, injunction directive, judgment decree or other requirement of any Governmental Authority which is applicable to such Person or its properties, Assets, or activities.

"Assets" shall mean the properties and assets, (whether real, personal, mixed, tangible or intangible and shall include any funds on deposit with ERCOT and any and all deposits of any kind).

"Books and Records" shall mean originals or copies of all books records filed and papers of the Company, whether in hard copy or computer format, including bank account records, books of account, invoices, engraving information, sale and promotional literature, manuals, sale



and purchase correspondence and lists of supplies, customers and documentation used for account, marketing (other than Tax Returns, reports, forms documents or memoranda).

“Business” shall mean the Business of the Company.

“Purchaser” shall have the meaning set forth in the Preamble.

“Claims” shall mean rights, claims credits, causes of action or rights of set-off against third parties, whether liquidated or unliquidated, fixed or contingent, including rights under or pursuant to or warranties, representations and guarantees made by supplies, manufacturers, contractors or other third parties in connection with products or services purchased by or furnished to the Business, which are owned by the Company and which are used held or used in connection with the Business, other than with respect to Taxes and any Insurance Policies of Seller.

“Closing” shall have the meaning set forth in subparagraph 3.1 hereof

“Closing Date” shall have the meaning set forth in subparagraph 3.1 hereof

“Company” shall mean National Power Company, Inc.

“Company Plan” means any retirement plan, profit sharing plan, pension plan, health or medical benefits plan, disability plan, dental plan, or other employee benefit plan and each bonus, incentive, deferred compensation, severance, termination, retention, change of control, stock option, stock appreciation, stock purchase or other employee or retiree benefit or compensation plan program arrangement, agreement, policy of understanding whether written or unwritten, that provides or may provide benefits or compensation in respect of any employee or former employee of any of the Company.

“Contracts” shall mean contracts, agreements, options, leases, licensees, sales or purchase orders, commitments, or other obligations and undertakings of any kind, whether written or oral, entered into by the Company.

“Debts” shall mean any and all loans, debts under credit facilities to the Company and any other debt and/or liability not included in either the Contingent Liabilities or Accounts Payable, except for the liabilities reflected in any Exhibit attached hereto.

“Employee” shall mean employees of the Company who are employed on the Closing Date.

“Governmental Authority” means any foreign, domestic, federal, state or local governmental authority, quasi-governmental authority, instrumentality, court, government or self regulatory organization, commission, tribunal or organization, or any regulatory administrative or other agency, or political or other subdivision, department or branch of any of the foregoing.

"Income Taxes" shall mean all national, local and foreign income or franchise taxes, including interest, penalties and additions to tax relating thereto.

"Indemnitee" shall mean a Person entitled to indemnification under Article 9 hereof.

"Indemnitor" shall mean the party required to provide indemnification under Article 9 hereof or as the case may be.

"Lien" shall mean with respect to any Asset, any lien, pledge, encumbrance, lease, or other charge or security interest in or on such asset.

"Material Adverse Effect" means any material or adverse change in or any material or adverse effect upon (i) the Business or (ii) the Purchased Shares taken as a whole.

"Notice" shall have the meaning set forth in subparagraph 11.3 hereof.

"Person" shall mean an individual, partnership (general or limited), corporation, joint venture, business trust, limited liability company, cooperative, association, or other form of business organization (whether or not regarded as a business entity under applicable law), trust, estate or any other entity.

"Proceedings" shall have the meaning set forth in subparagraph 4.14 hereof.

"Purchase Price" shall have the meaning set forth in subparagraph 2.3 hereof.

"Purchased Shares" shall have the meaning set forth in subparagraph 2.2 hereof.

"Tax Returns" shall have the meaning set forth in subparagraph 4.15 hereof.

"Taxes" means all income, franchise, excise, real and personal property, sales, use, value added, payroll, withholding, social security and other taxes imposed by any Governmental Authority, together with all interest, penalties and additions imposed with respect to such amounts.

ARTICLE 2

Purchase and Sale

2.1 Agreement of Purchase and Sale. Subject to the terms and conditions set forth in this Agreement, Seller sells herewith and Purchaser purchases herewith, and on the Closing Date, and Seller shall transfer to Purchaser, or cause to be transferred to Purchaser and Purchaser shall accept, free and clear of all Liens, the Purchased Shares.

2.2 The Purchased Shares. As used in this Agreement, the term "Purchased Shares" means those shares, membership units, partnership units, ownership rights in and to the Company and all rights to acquire same. Purchaser is purchasing 100% of all shares and ownership rights to shares and/or to the Company including all the Company's Assets.

2.3 Purchase Price. The Purchaser Price for the Purchased Shares shall be One Million and No/100 Dollars (\$1,000,000.00) which shall be paid at Closing.

2.4 Debts Owed to Seller. As an inducement to Purchaser to purchase the Purchased Shares and the Company, Seller hereby releases and absolves the Company from any debts owed by the Company to Seller, their affiliates and shareholders.

ARTICLE 3

Closing

3.1 Place and Date. The Transfer of the Purchased Shares pursuant hereto (the "Closing") shall take place (i) on or before May 1, 2008 (the "Closing Date") at the offices of National Power Company, Inc., 616 FM 1960 West, Suite 700, Houston, Texas 77090 at 3:00 p.m. or as may be agreed to by the parties hereto.

3.2 Actions by Seller. At Closing, the parties shall have present and deliver, or shall cause to have present and deliver such instruments of transfer and assignment as may be required in order to transfer to Purchaser all of the Purchased Shares.

ARTICLE 4

Representations and Warranties of Seller

Seller hereby represents and warrants to Purchaser effective as of the Closing Date as follows:

4.1 Existence. The Company is duly organized, validly existing and in good standing with the State of Texas and have all of the powers required to carry on its respective businesses. Seller shall deliver to Purchaser all of the organizational documents of the Company as currently in effect.

4.2 Authority. The execution and delivery by Seller of this Agreement, the consummation of the transactions contemplated hereby and thereby, and the performance of Seller of the respective obligations hereunder and hereunder, are within the powers of Seller. This Agreement constitutes, when executed and delivered by Seller pursuant to this Agreement, a legal, valid and binding obligation of the Seller, its affiliates and shareholders and the Company's shareholders (as the case may be) in accordance with its terms, except as limited by applicable bankruptcy, insolvency, reorganization, moratorium or other laws now or hereinafter in effect relating to or affecting creditor's rights generally, and subject to the limitations imposed by general equitable principles (regardless whether such enforceability is considered in a proceeding at law or in equity).

4.3 Consents. Seller will ensure that the required consent or approval of, or filing with any Governmental authority or other Person, if required, will happen in a timely manner.

4.4 Non-contravention. The execution and delivery by Seller of this Agreement, the performance by them of their respective obligations hereunder and hereunder, and the consummation of the transactions contemplated hereby and thereby, do and will not (with or without the giving of notice of the passage of time) (a) (i) contravene or conflict with any of the organizational documents of the Companies (ii) contravene or conflict with or constitute a violation of any provision of Applicable Law (iii) result in a breach, conflict, violation or constitute a default under or give rise to any right of termination, cancellation or acceleration of, or a loss of any benefit to which the Company is entitled under any contract.

4.5 Financial Statements and Financial Data. Seller shall deliver to Purchaser at time of Closing all of the financial statements and financial data related to the Company.

4.6 Absence of Undisclosed Liabilities. Except for liabilities and obligations, individually or in the aggregate, have not or would not reasonably be expected to have a Material Adverse Effect, the Seller represents and warrants that the Company has no liabilities or obligations of any nature whatsoever, whether accrued, absolute, contingent or otherwise, which have not been disclosed to Purchaser.

4.7 Books and Records. The Books and Records of the Company have all been made available to Purchaser and are complete and correct and have been maintained in accordance with sound business practices. The minute books of the Company, at time of Closing shall be complete and delivered to Purchaser.

4.8 Title to Assets. The Company owns all Assets and reflected in the Books and Records of the Company and reflected on any current financial statements of the Company, including but not limited to any and all deposits with ERCOT and any and all other deposits of any kind. All Assets are free and clear of all Liens.

4.9 Accounts Receivable. All Accounts Receivable of the Company represent valid obligations arising from the ordinary course of business of the Company.

4.10 Accounts Payable. All Accounts Payable, other than those in the ordinary course of business of the Company, have been disclosed to Purchaser.

4.11 Inventory. All inventory of the Company, whether or not reflected on any current balance sheets or financial statements of the Company, consists of quality and quantity usable and saleable in the ordinary course of business.

4.12 No Material Adverse Change. The Seller represents and warrants that from April 27, 2008 through the Date of Closing that there has not been any material adverse change in the

business, operations, properties, prospects, Assets, or condition of the Company, and no event has occurred or circumstance exists that may result in such material adverse change.

4.13 Employee Benefits. There are no Employee benefit plans or Company Plans for the Company.

4.14 Legal Proceedings. There are no actions, suits hearings, arbitration, proceedings (public or private) or governmental investigations pending by or against or involving the Company or to the knowledge of Sellers, threatened against the Company, or involving Seller with respect to the Business or that may otherwise relate to or may affect the Business (collectively the "Proceedings") except as disclosed by Seller to Purchaser prior to the Closing Date. There are no outstanding orders, judgments or decrees (other than those of general application) of any Governmental Authority which are binding upon the Company or upon Sellers with respect to the Business, or that prohibits or limits the Company of any Employee, consultant, advisor or contractor in engaging in any activity relating to the Business. Notwithstanding the foregoing, Seller advises Purchaser that W Financial Group, LLC and Winfred Fields are currently involved in or under investigation by the Securities Exchange Commission.

4.15 Taxes. The Company has filed in accordance with any Applicable Laws all material returns, statements, reports, estimates, declarations and forms (collectively the "tax Returns") required to be filed by the Company with respect to Taxes. The Company has paid all Taxes shown to have become due pursuant to such Tax Returns and paid all Taxes for which a notice of, or assessment or demand for, payment has been received, other than Taxes which are being contested in good faith.

4.16 Insurance. All insurance policies to which the Company is a party or that provide coverage to either Seller or the Company, are (i) valid, outstanding and enforceable (ii) are issued by an insurer that is financially sound (iii) taken together, provide adequate insurance coverage for the Assets and the operations of the Company for all risks normally insured by a Person carrying on the same business or businesses as the Company (iv) will continue in full force and effect following the consummation of the transactions contemplated herein (v) the Company is current in the payment of all premiums due.

4.17 Certain Payments. The Seller represents and warrants that the Company nor any director, officer, agent or employee of the Company, or to the Knowledge of Seller or any other Person associated with or acting for or on the behalf of any of the Company, has directly or indirectly (a) made any contribution, gift, bribe, rebate, payoff, influence payment, kickback or other payment to any Person, private or public, regardless of form, whether in money, property or

services (i) to obtain favorable treatment in securing business (ii) to pay for a favorable treatment for business secured (iii) to obtain special concessions or for special concessions already obtained, for or in respect of the Company, or (iv) in violation of any Applicable Law or (b) established or maintained any fund or asset that has not been recorded in the Books and Records of the Company.

4.18 Advisory Fees. No person acting on behalf of the Company or under the authority of Seller is or will be entitled to a financial advisory fee, brokerage commission or other like payment in connection with any of the transaction contemplated hereby.

ARTICLE 5

Representations and Warranties of Purchaser

Purchaser hereby represents and warrants to Seller as follows:

5.1 Consents. The execution and delivery by Purchaser of this Agreement requires no action by, consent or approval of or filing with any Governmental Authority or other Person.

5.2 There are no proceedings pending, or to the Purchaser's knowledge threatened, against Purchaser which seek to enjoin or rescind any of the transactions contemplated by this Agreement or otherwise prevent Purchaser from complying with any of the terms and provisions of this Agreement.

5.3 Advisory Fee. No person acting on behalf of Purchaser, or under authority of Purchaser is or will be entitled to a financial advisory fee, brokerage commission or other like payment in connection with any of the transactions contemplated hereby.

5.4 Disclaimer. Purchaser to the best of its knowledge acknowledges that Purchaser has conducted his own investigation of the Business of the Company and its Affiliates and except for the presentations and warranties of Seller expressly contained herein (and upon which he has relied) it has relied on the disclosure, representations and warranties given before and by means of this Agreement by Seller, but on not other representation or warranty, express or implied, including, without limitation, implied warranties of merchantability and fitness for use or a particular purpose.

ARTICLE 6

Certain Covenants

6.1 Further Assurances. At any time and from time to time after the Closing Date, the Parties shall each execute and deliver all such documents and instruments, and do all such acts, as the other may reasonable request in order to: (i) transfer, assign, deliver and convey to

the Purchaser all such shares, membership units, partnership units and other documents of title to the Company and its assets free and clear of any and all liens (ii) implement provisions of the Ancillary Agreements and (iii) otherwise carry out the intent of the parties under this Agreement and the Ancillary Agreements.

6.2 Public Announcements. The terms of the Agreement and the Ancillary Agreements shall not be disclosed by any of the parties hereto except as may be required by Applicable Law. However, the Purchaser may announce the acquisition of the Company after the Closing Date.

ARTICLE 7

Certain Tax Matters

7.1 Refunds. Any and all refunds including but not limited to refunds regarding Income Taxes, franchise taxes paid in connection with the Business by Seller for any period ending on or before the Closing Date shall be for the benefit of the Company.

7.2 Cooperation. After the Closing Date, Purchaser shall, upon Seller's request, complete all such financial and reporting information reasonably required by Seller, to prepare and file Tax Returns with respect to the Business.

ARTICLE 8

Employment

8.1 Employment by Purchaser. Purchaser will in principle cause the Company to continue the employment after the Closing Date of all Employees, except in the case of termination pursuant to employment contracts with an agreed termination date. This subparagraph does not affect the Company's authority to terminate employment of any at will employee.

8.2 Consultant Agreements. Purchaser shall retain Michael Wallens, Sr, as a consultant, for a period of six (6) months pursuant to a Consulting Contract which shall be negotiated upon completion of this Agreement included as Seller Ancillary Agreements. Purchaser shall have the right to early terminate any such consulting contract at its sole option.

ARTICLE 9

Survival; Indemnification

9.1 Each representation and warranty contained in this Agreement or any of the Ancillary Agreements shall survive the Closing Date and remain in full force and effect in accordance with their respective terms.

9.2 Subject to the terms and conditions herein contained, from and after the Closing Date, the Seller shall indemnify and hold Purchaser harmless for any damage or costs (hereinafter referred to as the "Damage") that the Purchaser, the Company and/or the Affiliates may suffer in connection with: (i) any breach by Seller of any representation or warranty made by it in this Agreement; (ii) any failure by Seller to perform any of their respective obligations contained in this Agreement, to any and all limitations upon and qualifications with respect to the liability of a respective Seller which may be set forth therein (Such breach, inaccuracy, incompleteness, or non-performance hereinafter individually and/or jointly referred to as "Failure" respectively "Failures").

9.3 Subject to the terms and conditions herein contained, from and after the Closing Date, the Purchaser shall indemnify and hold Seller harmless for any damage or costs (hereinafter referred to as the "Damage") that the Seller may suffer in connection with: (i) any breach by Purchaser of any representation or warranty made by it in this Agreement; (ii) any failure by Purchaser to perform any of their respective obligations contained in this Agreement, to any and all limitations upon and qualifications with respect to the liability of Purchaser which may be set forth therein (iii) the conduct of the Business of the Company and its Affiliates after the Closing Date. (Such breach, inaccuracy, incompleteness, or non-performance hereinafter individually and/or jointly referred to as "Failure" respectively "Failures").

ARTICLE 10

Conditions to Closing

10.1 Conditions to Obligations of Purchaser. Purchaser shall deliver, on or before closing, the Purchase Price in certified funds or via wire transfer to such person or entity acting as escrow agent for the Closing.

10.2 Deliveries. Seller shall have delivered or caused to be delivered to Purchaser such other documents and instruments required to be delivered by Seller pursuant hereto.

ARTICLE 11

General Provisions

11.1 Termination. This Agreement, once fully executed by all of the parties hereto, shall not be subject to termination, unless otherwise agreed to, in writing, by all of the parties hereto.

11.2 Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same document, and shall become effective when one or more counterparts have been signed by each of the parties hereto and delivered to each of the other parties hereto.

11.3 Notices. All notices, requests, demands and other communications given hereunder shall be in writing and shall be deemed to have been duly given (i) on the date of delivery, if delivered personally or by messenger, (ii) on the third business day following the date of the timely deposit with Federal Express or other similarly reputed overnight courier service, if sent by such courier specifying next day delivery, (iii) upon receipt of confirmation of transmission, in transmitted by telecopier and (iv) on the seventh day after mailing, if mailed by registered or certified mail (postage prepaid, return receipt requested). All such notices, requests, demands and other communications shall be directed to the address of telecopier number (if any) set forth below or to such other address or telecopier number as any party hereto may designate to the other party hereto by like notice:

If to Purchaser: David Barret
 616 FM 1960 West, Suite 700
 Houston, Texas 77096

If to Seller: W Financial Group, LLC
 616 FM 1960 West, Suite 700
 Houston, Texas 77096

11.4 Amendment. This Agreement may only be amended or modified by a written instrument executed by all of the parties hereto.

11.5 Entire Agreement. This Agreement constitutes the entire agreement of the parties hereto with respect to the subject matter hereof, and supersedes all prior agreements and understandings among the parties hereto, oral and written, with respect to the subject matter hereof.

11.6 Applicable Law and Venue. This Agreement shall be governed by and construed in accordance with the laws of the State of Texas, without regard to the principals of conflicts of law thereof. Venue for any dispute arising from this Agreement shall be in Harris County, Texas.

11.7 Any dispute arising under or in connection with this Agreement shall be submitted at the request of either party to the American Arbitration Association, the rules of which shall govern in resolving such dispute. Venue of any such Arbitration proceeding shall be in Houston, Harris County, Texas. The parties hereby agree that the result of any arbitration proceeding shall be binding

11.8 Headings. The headings contained herein are for the sole purpose of convenience of reference, and shall not in any way limit or affect the meaning or interpretation of any of the provisions of this Agreement.

11.9 Assignment. Prior to Closing, a party this Agreement may assign any of that parties rights, interests or obligations created hereunder; provided, however, that any such assignment shall not relieve the assigning party of any of the assigning parties obligations created hereunder. This Agreement shall inure to the benefit of, and be binding upon, the parties hereto and their respective successors and permitted assigns.

11.10 Waiver. The failure of any of the parties hereto to at any time enforce any of the provisions of this Agreement shall not be deemed or construed to be a waiver of any such provision, nor to in any way affect the validity of this Agreement or any provision hereof or the right of any of the parties hereto to thereafter enforce each and every provision of this Agreement. No waiver of any breach of any of the provisions of this Agreement shall be effective unless set forth in a written instrument executed by the party against which enforcement of such waiver is sought; and no waiver of any such breach shall be construed or deemed to be a waiver of any other or subsequent breach.

11.11 Expenses. Except as otherwise specifically provided in this Agreement all costs and expenses incurred in connection with this Agreement and the transactions contemplated hereby shall be paid by the party incurring such costs or expenses, whether or not the transactions contemplated hereby are consummated.

11.12 Severability. In the event that any provision hereof would, under Applicable Law, be invalid or unenforceable in any respect, such provision shall (to the extent permitted under Applicable Law) be construed by modifying or limiting it so as to be valid and enforceable to the maximum extent compatible with, and possible under, Applicable law. The provisions hereof are severable, and in the event any provision hereof should be held or declared invalid or

11.6 Applicable Law and Venue. This Agreement shall be governed by and construed in accordance with the laws of the State of Texas, without regard to the principals of conflicts of law thereof. Venue for any dispute arising from this Agreement shall be in Harris County, Texas.

11.7 Any dispute arising under or in connection with this Agreement shall be submitted at the request of either party to the American Arbitration Association, the rules of which shall govern in resolving such dispute. Venue of any such Arbitration proceeding shall be in Houston, Harris County, Texas. The parties hereby agree that the result of any arbitration proceeding shall be binding

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11.10 Waiver. The failure of any of the parties hereto to at any time enforce any of the provisions of this Agreement shall not be deemed or construed to be a waiver of any such provision, nor to in any way affect the validity of this Agreement or any provision hereof or the right of any of the parties hereto to thereafter enforce each and every provision of this Agreement. No waiver of any breach of any of the provisions of this Agreement shall be effective unless set forth in a written instrument executed by the party against which enforcement of such waiver is sought; and no waiver of any such breach shall be construed or deemed to be a waiver of any other or subsequent breach.

11.11 Expenses. Except as otherwise specifically provided in this Agreement all costs and expenses incurred in connection with this Agreement and the transactions contemplated hereby shall be paid by the party incurring such costs or expenses, whether or not the transactions contemplated hereby are consummated.

11.12 Severability. In the event that any provision hereof would, under Applicable Law, be invalid or unenforceable in any respect, such provision shall (to the extent permitted under Applicable Law) be construed by modifying or limiting it so as to be valid and enforceable to the maximum extent compatible with, and possible under, Applicable law. The provisions hereof are severable, and in the event any provision hereof should be held or declared invalid or

unenforceable in any court of competent jurisdiction, it shall not invalidate, render unenforceable or otherwise affect any other provision hereof.

11.13 Liability. Seller is jointly and severally liable for any and all claims and obligations resulting from the Agreement and its execution.

IN WITNESS WHEREOF each of the parties hereto has caused this Agreement to be duly executed as of the date first above written.

PURCHASER:

DAVID BARRETT

SELLERS:

W FINANCIAL GROUP, LLC:

By: _____

NO. 2007-67491

SHAHED LATEEF, MISBA LATEEF,
ZAHED LATEEF, AND LUBNA LATEEF

VS.

RUSSELL MACKERT,
ADLEY WAHAB, AND
HOUSTON INVESTMENT CENTERS, L.L.C.

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IN THE DISTRICT COURT OF

HARRIS COUNTY, TEXAS

295 JUDICIAL DISTRICT

PLAINTIFF'S ORIGINAL PETITION

TO THE HONORABLE JUDGE OF SAID COURT:

COMES NOW, SHAHED LATEEF, MISBA LATEEF, ZAHED LATEEF, and LUBNA LATEEF, Plaintiffs, complaining of RUSSELL MACKERT, ADLEY WAHAB, and HOUSTON INVESTMENT CENTERS, L.L.C., Defendants, and for cause of action would show unto the Court the following:

**I.
PARTIES**

1. Plaintiffs Shahed Lateef and Misba Lateef are individuals residing in Houston, Harris County, Texas. Plaintiffs Zahed Lateef and Lubna Lateef are individuals who presently reside in Bangalore, India.

2. Defendant RUSSELL MACKERT is an attorney licensed and practicing in Houston, Harris County, Texas, and may be served with process at his place of business located at 5555 West Loop South, Suite 300, Bellairc, Harris County, Texas, 77401.

3. Defendant ADLEY WAHAB is an individual and may be served with process at 3007 East Lake Falls Circle, Spring, Montgomery County, Texas, 77386.



4. Defendant HOUSTON INVESTMENT CENTERS, L.L.C. is a Texas limited liability company with its principal place of business located at 616 FM 1960 W., Suite 528, Houston, Harris County, Texas, and may be served with process by serving its registered agent Adley Wahab at that same address.

II. VENUE

5. Plaintiff alleges that a portion or all of the various causes of action upon which this petition is based accrued in Houston, Harris County, Texas.

6. Venue is proper in Harris County, Texas, pursuant to Section 15.001, *et seq.* of the Texas Civil Practice & Remedies Code.

III. BACKGROUND FACTS

7. Plaintiffs bring suit to recover damages suffered as a result of Defendants' conduct in connection with the sale of Plaintiffs' interest in National Power Company, Inc. (hereafter "NPC") to Defendant Adley Wahab (hereafter "WAHAB"). Russell Mackert (hereafter "MACKERT"), former general counsel, officer and director for NPC, as well as lawyer and long time friend of the Plaintiffs, breached his fiduciary duty and conspired with WAHAB to fraudulently cause Plaintiffs to transfer their interest in NPC, and for significantly less than fair value, as follows.

8. The Plaintiffs formed NPC on April 2, 2003, when its Articles of Incorporation were filed with the Texas Secretary of State by their lawyer, Russell Mackert. The company was formed in response to deregulation of the Texas electric energy industry by the State legislature. NPC became licensed as an aggregator for retail energy and operated as such until approximately December of 2004, when NPC began taking steps necessary to become a Retail Energy Provider

("REP"). NPC was certified as an REP by the Public Utility Commission of Texas in April 2005, and is licensed to sell electricity in every deregulated area throughout the State of Texas.

9. MACKERT had been Plaintiffs' lawyer for several years, representing Plaintiffs or their interests in many transactions. He served as general counsel, officer, and director for several corporations he formed at the Plaintiffs' request. Plaintiffs even provided MACKERT an office at their principal place of business located at 3 Riverway, Suite 1900, Houston, Texas, 77056. His responsibilities and duties included, but were not limited to, maintaining corporate formalities, insuring regulatory compliance, and handling litigation.

10. On March 31, 2005, MACKERT filed an amendment to NPC's application to the state Public Utility Commission identifying, among other things, the officers and directors of NPC. According to the document prepared, certified and filed by MACKERT, the officers and directors of NPC as of March 31, 2005, were as follows.

Zahed Lateef	President/Director
Russell Mackert	Vice-President/Secretary/Treasurer/Director
Shahed Lateef	Director

According to documents filed with the Secretary of State's office, Plaintiffs Misba Lateef and Lubna Lateef were later added as directors as well.

11. NPC began building its customer base during the summer of 2006. NPC's operations and sales office was located at 10850 Richmond Ave., Suite 190, Houston, Texas, 77042. By the end of December 2006, NPC had over 20 employees and approximately 4000 customers.

12. As the company grew, so did its cash flow needs. NPC sought short term financing in order to address those needs. In approximately September of 2006, MACKERT began arranging

for short-term financing through WAHAB and his company, Defendant HOUSTON INVESTMENT CENTER, L.L.C. (hereafter "HIC"). However, instead of a promissory note or other type of business loan agreement, MACKERT drafted a "Factoring Agreement" between NPC and HIC, wherein NPC agreed to convey an interest in its accounts receivable in exchange for the loan. MACKERT advised Plaintiff Shahed Lateef (hereinafter "Lateef") to execute the Factoring Agreement on behalf of NPC, notwithstanding the fact that MACKERT was fully aware that NPC's accounts receivable were already pledged to secure its power purchases from another company. Relying upon the advice and counsel of MACKERT, his long-time friend, attorney, and the general counsel for NPC, Lateef executed the Factoring Agreement on behalf of the company and obtained the loan. The loan was paid back according to its terms.

13. NPC sought a second loan in December 2006. MACKERT approached WAHAB and HIC again, this time seeking \$250,000 in short term financing. MACKERT structured the loan similar to way he had the first loan, utilizing a Factoring Agreement which conveyed an interest in NPC's accounts receivable which were already pledged to secure power purchases from another company. The Factoring Agreement also included a personal guaranty by Shahed Lateef, Winfred Fields, and MACKERT, jointly and severally, guaranteeing prompt payment of the indebtedness, obligations and liabilities of any kind of NPC to HIC arising under the terms of the Factoring Agreement. Pursuant to the Agreement, NPC had five (5) months to pay \$273,750.00 in order to repurchase the receivables. Again, relying upon the advice and counsel of MACKERT, Lateef executed the Factoring Agreement on behalf of the company and obtained the loan. The loan funded on or about December 22, 2006.

14. Based upon information and belief, Plaintiffs allege that MACKERT and WAHAB began concocting a scheme to force Plaintiffs to sell their interest in NPC to WAHAB. The company was growing rapidly as was its value. MACKERT and WAHAB wanted to take control of the company. Additionally, Plaintiffs allege that, at some point, WAHAB obtained a commitment from two investors to purchase at least ½ of the outstanding shares in NPC for \$2,000,000. First, however, MACKERT and WAHAB had to cause 100% of the shares or share interest in NPC to be transferred to WAHAB. MACKERT and WAHAB concocted a scheme whereby NPC's conveyance of previously pledged accounts receivable would be used as a means of fraudulently inducing and forcing Plaintiffs to sell. Moreover, MACKERT would use his influence over the Plaintiffs as their attorney and long time friend, to advise Plaintiffs that they had no choice, and secure the deal for WAHAB, for which MACKERT would be handsomely rewarded.

15. On Thursday, January 25, 2007, at approximately 11:13 a.m., MACKERT notified Lateef by e-mail that he spoke with WAHAB and "got my ass chewed this morning." The e-mail did not indicate the substance of the conversation, only that WAHAB was going to contact MACKERT sometime after lunch with his intentions. Later that afternoon, MACKERT appeared in Lateef's office. He was panicked and informed Lateef that WAHAB was upset about the NPC accounts receivable being pledged to another company. He offered Lateef only two alternatives to resolve the problem: either pay back the \$250,000 before the close of business, or sell WAHAB the company. MACKERT emphasized that the failure to meet WAHAB's demands would result in a complaint and criminal charges being filed with the Harris County District Attorney. Knowing and anticipating that NPC and Lateef could not raise the \$250,000 on such short notice, MACKERT presented Lateef with a "Stock Purchase Agreement" for consideration.

16. Lateef was stunned by the sudden and apparent controversy. MACKERT advised Lateef that WAHAB would buy the company and that Plaintiffs had no choice but to sell. MACKERT began pleading with Lateef to take the deal. MACKERT told Lateef that he would lose his law license and they were going to jail if Lateef did not agree to sell. MACKERT reminded Lateef that he was his lawyer and friend, and that in his opinion they had no alternative. Lateef was hesitant and did not understand how or why he was suddenly being forced to sell the company. Lateef contacted WAHAB by phone to discuss and attempt to resolve the problem. WAHAB was belligerent and obnoxious, shouting obscenities and vulgarities at Lateef. Notwithstanding Mr. Lateef's effort to discuss the matter in a mature and professional manner, WAHAB would not engage in a constructive dialogue, but continued his barrage of profanity along with threats of criminal prosecution. WAHAB ended the telephone call abruptly and without resolution. MACKERT advised Lateef that he would call WAHAB to see what could be done in terms of WAHAB purchasing the company.

17. For the next two days MACKERT continued his effort of influencing Plaintiffs to sell NPC to WAHAB. He repeatedly reminded Plaintiffs of the impending threat of criminal prosecution. He effected his influence over Plaintiffs under the guise of providing legal advice as their lawyer and the general counsel for NPC. He negotiated the sale as if he were negotiating a settlement on the Plaintiffs' behalf when, in fact, he was engaged in self dealing with WAHAB. Ultimately, relying completely upon the legal advice and counseling of MACKERT, Plaintiffs took the deal. Plaintiffs succumbed to the advice of their lawyer and, on January 30, 2007, agreed to sell their interest in NPC to WAHAB for \$500,000.

18. The Stock Purchase Agreement is dated January 30, 2007. The deal funded on January 31, 2007. Based upon information and belief, Plaintiffs allege that the Dallas investors closed their deal with WAHAB the same day. Based upon information and belief, Plaintiffs allege that WAHAB received approximately \$2,000,000 from the Dallas investors for a percentage of the company. Plaintiff's further allege that MACKERT received at least \$50,000 cash and stock in NPC in exchange for his effort.

19. MACKERT never returned to the office that he previously maintained with the Plaintiffs. Once the sale was completed, he abandoned Plaintiffs completely. On January 31, 2007, he wrote a letter of resignation to Shahed Lateef with respect to all matters he was handling on their behalf. Based upon information and belief, Plaintiffs allege that WAHAB and MACKERT continue to be officers, directors, and shareholders of NPC. It is believed that NPC has now grown to over 14,000 customers with annual gross revenue of over \$14,000,000.

IV. CAUSES OF ACTION

A. BREACH OF FIDUCIARY DUTY

20. Incorporating the allegations made herein above as if fully set forth herein, Plaintiffs allege that Plaintiffs and MACKERT had a fiduciary relationship. MACKERT was under a duty, created by law or contract, to act on or give advice for the benefit of Plaintiffs within the scope of his duties as their attorney and as the general counsel, officer, and director of NPC. Defendant breached his fiduciary duty to Plaintiffs and such breach resulted in an injury to Plaintiffs and a benefit to Defendant.

21. WAHAB and HIC knowingly induced MACKERT to breach the fiduciary duty he owed to Plaintiffs and/or participated in the breach. WAHAB and HIC, therefore, are liable as joint tortfeasors, and are jointly and severally liable for the damages suffered by Plaintiffs.

22. Generally, Defendants' breach of fiduciary duty includes, but is not necessarily limited to, the following:

- a. Breach of the duty of loyalty and utmost good faith;
- b. Breach of the duty of candor;
- c. Breach of the duty to refrain from self dealing;
- d. Breach of the duty to act with integrity of the strictest kind;
- e. Breach of the duty of fair and honest dealing;
- f. Breach of the duty of full disclosure;
- g. Breach of the duty to preserve client confidences;
- h. Breach of the duty to represent the client with undivided loyalty; and,
- l. Breach of the duty to act with absolute perfect candor, openness, honesty, and without any concealment or deception.

B. FRAUD

23. Incorporating the allegations contained herein above as if fully set forth hereinafter, Plaintiffs allege that Defendants withheld material facts and/or made material false representations to Plaintiffs that they knew to be false and with the intent that the Plaintiffs act on said representations and/or omissions. Plaintiffs relied on said false representations and/or omissions to their detriment, and have suffered injury as a result.

24. Further, each of the Defendants is vicariously liable for the fraudulent acts of the other. Each of the Defendants personally benefitted from the fraudulent transaction and had knowledge of the fraud committed.

25. Further, incorporating the allegations contained herein above as if set forth fully, hereafter, Plaintiffs allege that Defendants' fraudulent conduct includes fraud in the inducement. Defendants committed fraud with the expectation that Plaintiffs would enter into the binding stock purchase agreement based upon the material omissions of fact and/or material false representations.

26. Further, Defendants knew and acted with the intent that Plaintiffs rely on the special knowledge of their attorney, MACKERT, and follow his advice and counsel with respect to their rights and the law. Defendants used that special relationship and MACKERT's ability to influence Plaintiffs and their decision, in order to perpetrate a fraud on Plaintiffs and cause them to enter into the Stock Purchase Agreement.

C. FRAUD BY NONDISCLOSURE

27. Incorporating the allegations contained herein above as if fully set forth hereinafter, Plaintiffs allege that MACKERT owed Plaintiffs a duty to disclose information. MACKERT concealed from or failed to disclose certain facts to Plaintiffs that he had a duty to disclose. The facts were material and MACKERT knew that Plaintiffs were ignorant of the facts and that Plaintiffs did not have an equal opportunity to discover the facts. MACKERT was deliberately silent when he had a duty to speak and, by failing to disclose the facts, MACKERT intended to induce Plaintiffs to enter into the Stock Purchase Agreement with WAHAB. Plaintiffs relied on MACKERT's nondisclosure and suffered injury as a result of acting without knowledge of the undisclosed facts.

28. Further, each of the Defendants is vicariously liable for the fraudulent acts of the other. Each of the Defendants personally benefitted from the fraudulent transaction and had knowledge of the fraud committed.

D. STATUTORY FRAUD

29. Incorporating the allegations contained herein above as if fully set forth hereinafter, Plaintiffs allege that Defendants conduct amounts to statutory fraud. This was a transaction involving the sale of stock in a corporation. During the transaction, Defendants made false representations of fact and/or benefitted by not disclosing that a third party's representation or promise was false. Defendants' false representations were made for the purpose of inducing Plaintiffs to enter into the Stock Purchase Agreement with WAHAB. Plaintiffs relied upon the false representations by entering into the Agreement and, thereby, have suffered injury and damages.

30. Further, each of the Defendants is vicariously liable for the fraudulent acts of the other. Each of the Defendants personally benefitted from the fraudulent transaction and had knowledge of the fraud committed.

E. CONSPIRACY

31. Incorporating the allegations contained herein above as if fully set forth hereinafter, Plaintiffs allege that Defendants conduct amounts to civil conspiracy. The Defendants in this case combined together to accomplish an unlawful purpose or a lawful purpose by unlawful means (i.e. fraud or breach of fiduciary duty): the Defendants conspired to cheat Plaintiffs out of their shares or share interest in NPC. The Defendants had a meeting of the minds on the object or course of action and one of its members, MACKERT, committed an unlawful, overt act to further the object or course of action. Plaintiffs have suffered injury as a proximate result of the wrongful act.

32. The Defendants are jointly and severally liable for all acts done by any one of them in furtherance of the conspiracy.

F. AIDING & ABETTING

33. Incorporating the allegations contained herein above as if fully set forth hereinafter, Plaintiffs allege that the conduct of Defendants WAHAB and HIC amounts to aiding and abetting, for which they may be held jointly liable. WAHAB and HIC gave assistance and encouragement to MACKERT with respect to his commission of a variety of torts against the Plaintiffs as outlined herein above. Such assistance and encouragement by WAHAB and HIC was a substantial factor in causing MACKERT to commit the torts and, therefore, WAHAB and HIC are considered tortfeasors and are responsible for the consequences of MACKERT's torts.

34. MACKERT conduct amounts to various torts including, but not limited to, breach of fiduciary duty and fraud, which are outlined above and incorporated herein. WAHAB and HIC knew that MACKERT's conduct would be in violation of the duty he owed to Plaintiffs, amounting to breach of fiduciary duty and fraud among other things. It was WAHAB and HIC's intent to assist MACKERT in committing these torts. WAHAB and HIC gave MACKERT assistance and encouragement which was a substantial factor in causing the tort(s). Therefore, WAHAB and HIC are jointly and severally liable for the acts and tortious conduct of MACKERT.

**VII.
DAMAGES**

35. Further, incorporating the allegations contained herein above as if fully set forth hereinafter, Plaintiff is entitled to each of the following elements of damages:

- a. actual damages, direct and consequential;

- b. equitable relief;
- c. punitive damages;
- d. attorney's fees;
- e. expert fees and deposition costs;
- f. prejudgment interest;
- g. post-judgment interest; and
- h. costs of court.

36. Additionally, incorporating the allegations contained herein above as if fully set forth hereafter, the harm and/or damages suffered by Plaintiffs are the result of fraud and/or malice by the Defendant(s). Therefore, Plaintiffs are entitled to recover exemplary damages pursuant to §41.001, et seq., of the Texas Civil Practices and Remedies Code.

37. Further, incorporating the allegations contained herein above as if fully set forth hereafter, Plaintiffs allege that Defendant(s) conduct constitutes a felony pursuant to §32.46 of the Texas Penal Code (securing execution of document by deception). Therefore, pursuant to §41.008(c)(13) of the Texas Civil Practice and Remedies Code, Plaintiffs seek exemplary damages in excess of the statutory limitations imposed by said statute, and in an amount to be determined by a jury.

VIII INTEREST

38. Plaintiffs are entitled to recover all prejudgment and post-judgment interest which has and will accrue in accordance with law. Therefore, Plaintiffs hereby seek recovery of all prejudgment and post-judgment interest at the maximum rate of interest allowed by law.

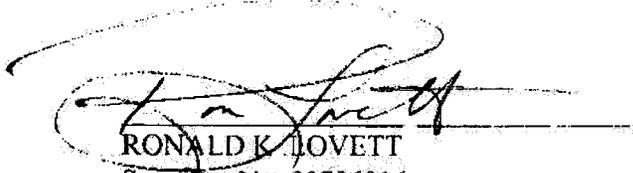
**IX
DEMAND FOR JURY TRIAL**

39. Plaintiffs demand a jury trial in this matter.

WHEREFORE, PREMISES CONSIDERED, Plaintiff prays that Defendants be cited to appear and answer and that upon final trial, Plaintiff have judgment against Defendants including actual damages, direct and consequential, equitable relief, punitive damages, attorney's fees, expert fees and deposition costs, prejudgment and post-judgment interest at the maximum rate allowed by law, costs of court, and such other and further relief to which Plaintiff may be justly entitled.

Respectfully submitted,

RON LOVETT, P.C.



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ATTORNEY FOR PLAINTIFFS

5. Defendant, National Power Company, hereinafter referred to as NPC, a Texas corporation and may be served with process by serving its attorney of record, Valerie J. Eissler, of McKinney & Cooper, L.L.P., Three Riverway, Suite 500, Houston, Texas 77056.

C. Facts

Plaintiffs D. & W. Fields

6. On or about March 17, 2006, the Plaintiffs D. & W. Fields entered into a binding Participation Agreement with NPC, wherein it was agreed that NPC was to pay the Plaintiffs D. & W. Fields \$18,333.33, collectively, per month beginning March 15, 2006. See Attached **Exhibit A**, Participation Agreement. On May 9, 2007, Plaintiffs D. & W. Fields, were terminated from their positions from NPC. See **Exhibit B**, Termination Letter. Plaintiff D. Fields, however, was not paid the salary that she was contracted for in the Participation Agreements for the Months of April, May, June and July of 2006 and a portion of August of 2006 and May of 2007. Defendant W. Fields was not paid the money owed to him under the participation agreement for the months of April, May, June, July, August, September, October, November and December of 2006; January of 2005 and a portion of May 2007.

Plaintiff Fast Track

7. Fast Track entered into an exclusive independent sales agreement with NPC on June 1, 2006 to market the services of NPC through July 2016. See **Exhibit D**, Sales Representative Agreement. The agreement provided that the Defendant Fast Track would obtain customers for NPC (Fast Track obtained approximately the first 3,000.00

customers that received electrical services from NPC) and that NPC would then provide electricity to those customers. As per the terms of the Agreement Fast Track was to be paid .015 cents per kilowatt hour of electrical usage on the first day of each month and as is therefore owed \$62,886.57 through May 9, 2007. The contract also contained a provision that Fast Track was to continue being paid as long as the customers that it brought to NPC remained NPC customers. See **Exhibit E, Letter from Executive Vice President of NPC**, outlining the amount of money owed to Fast Track from NPC.

D. Suit for Breach of Contract

Plaintiffs D. & W. Fields

8. NPC breached the contract by failing to pay the money owed to Plaintiffs D. & W. Fields as per the terms of the contract. The Plaintiffs D. & W. Fields performed and were performing, as per the terms of the contract when their employment contract was terminated. Specifically, all of the goals set forth in the participation agreement (See Exhibit A) were reached by the Plaintiffs D. & W. Fields.

9. The breach was material because NPC did not substantially perform their material obligation to pay Plaintiffs D. & W. Fields as required under the contract. The contract required NPC to pay D. Fields and W. Fields collectively an annual salary of \$220,000.00 per year.

10. Plaintiff's injury was a natural, probable, and foreseeable consequence of the NPC's breach of contract.

Plaintiff Fast Track

NPC breached the contract by failing to pay the money owed to Fast Track as per the terms of the contract between NPC and Fast Track. Fast Track performed and was performing, as per the terms of the contract when their services were terminated. Specifically, the first customers (approximately 3,000.00) were obtained exclusively by Fast Track.

11. The breach was material and involved a extreme degree of risk because NPC did not substantially perform their material obligation to pay Fast Track as required under the contract.

12. Fast Track has been injured as it has not been able to pay the Sales Representatives in its employ because of NPC failure to pay Fast Track. Fast Track's inability to pay its employees was a natural, probable, and foreseeable consequence of the NPC's breach of contract. NPC knew that from the inception of contract between NPC and Fast Track, that Fast Track was the sole source of customers for NPC. However, NPC failed to compensate Fast Track for the customers that NPC profited from and placed Fast Track in a position of being sued by its Sales Representatives.

G. Count 2 - Suit for Quantum Meruit

Plaintiffs D. & W. Fields

13. In the alternative to other counts, Plaintiff pleads for recovery under the doctrine of quantum meruit. Plaintiff D. & W. Fields at the time of their dismissal, as per the terms of their contract, were performing valuable services for NPC from the time that they entered into their contractual agreement with NPC. NPC accepted the services that Plaintiffs D. & W. Fields performed and partially paid Plaintiffs D. & W. Fields as per

the terms of their agreement. Based on Plaintiffs D. & W. Field's contract with NPC and the services rendered by Plaintiff D. & W. Fields, NPC should have reasonably expected that Plaintiffs D. & W. Fields should have been paid as per terms of their agreement.

Plaintiff Fast Track

14. In the alternative to other counts, Fast Track pleads for recovery under the doctrine of quantum meruit. Fast Track, from the date of their contract with NPC, through the time that NPC terminated the contract between the parties, was obtaining customers for NPC. NPC accepted the customers brought to them by Fast Track, billed the customers brought to them by Fast Track and received money from the customers brought to them by Fast Track. Fast Track was NPC's initial, sole source of customers. Consequently, NPC should have reasonably expected that Fast Track should have been paid for their services as per terms of the written agreement between Fast Track and NPC.

H. Count 3 - Suit for Promissory Estoppel

Plaintiffs D. & W. Fields

15. In the alternative to other counts, Plaintiffs D. & W. Fields also pleading for recovery under the doctrine of promissory estoppel. Under the terms of the participation agreement, NPC promised to pay Plaintiffs D. & W Fields per the terms of the agreement. Plaintiffs D. & W. Fields relied on that promise and performed their services as per terms of the agreement. Because Plaintiffs D. & W. Fields have not been paid according to the terms of the agreement, Plaintiffs D & W. Fields have been caused to suffer financially.

16. In the alternative to other counts, Fast Track is also pleading for recovery under the doctrine of promissory estoppel. Under the terms of the contract between Fast Track

and NPC, NPC promised to pay Fast Track .015 cents per kilowatt hour of electrical usage, on each customer that Fast Track brought to NPC, on the first day of each month. Fast Track relied on that promise, signed a non-compete, exclusive contract valid until 2016 and performed the services required of them as per terms of the contract. Because Fast Track has not been paid as per the contract, Fast track has suffered financially. Because NPC has not paid Fast Track, Fast track has been threatened with a lawsuit by its former Sales Representative and vendors for breach of contract because Fast Track has not paid its Sales Representatives or vendors. Consequently, Fast Track may be forced into bankruptcy.

I. Damages

Plaintiffs D. & W. Fields

17. NPC's breach of the contract caused the Plaintiffs D. & W. Fields' to suffer

General Damages:

18. NPC's breach of the contract caused the Plaintiffs D. & W. Fields' the following

Special Damages:

- a. Expectancy damages
- b. Reliance damages; and
- c. Restitution damages

19. Plaintiffs D. & W. Fields' seek un-liquidated damages in an amount that is within the jurisdictional limits of the court.

Plaintiff Fast Track

19. NPC's breach of the contract caused Fast Track to suffer General Damages:

20. NPC's breach of the contract caused Fast Track the following Special Damages:

- a. Expectancy damages
- b. Reliance damages
- c. Restitution damages
- d. Benefit of the Bargain
- e. Out-of Pocket
- f. Lost Profits
- g. Loss of good will
- h. Exemplary damages

21. Plaintiffs D. & W. Fields' seek un-liquidated damages in an amount that is within the jurisdictional limits of the court.

K. Attorney Fees

Plaintiffs D. & W. Fields

23. Plaintiffs D. & W. Fields are entitled to recover reasonable and necessary attorney fees under Texas Civil Practice & Remedies Code chapter 38 because this is a suit on written contract, which is listed in Section 38.001(8). Plaintiffs D. & W. Fields retained counsel, who presented Plaintiff's D. & W. Fields claim(s) to NPC's attorney. NPC did not tender the amount owed within 30 days of the date the claim was presented.

Plaintiff Fast Track

24. Plaintiff Fast Track is entitled to recover reasonable and necessary attorney fees under the provisions of the written contract as set out in paragraph {number}. By that agreement, Plaintiff Fast Track is entitled to attorney fees if it is the prevailing party in this suit.

L. Conditions Precedent- Plaintiffs D. & W. Fields and Plaintiff Fast Track

25. All conditions precedent have been performed or have occurred.

F. Prayer - Plaintiffs D. & W. Fields and Plaintiff Fast Track

26. For these reasons, Plaintiffs asks that Defendant be cited to appear and answer and the court declare a Declaratory Judgment in favor of the Plaintiffs, allowing W. Fields and Fast Track to retain the funds in their possession and to a determination that the salary and monies owed under the participation and the Sales Representative Agreement be paid to the Plaintiff's. In addition, plaintiff asks for the following damages:

- a. Actual damages.
- b. Exemplary damages
- b. Prejudgment and post judgment interest.
- c. Attorney fees.
- d. Costs of suit.
- e. All other relief, in law and in equity, to which plaintiff may be entitled.

Respectively Submitted,