

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

SECURITIES AND EXCHANGE
COMMISSION

Plaintiff,

v.

W FINANCIAL GROUP, LLC, *et al.*,

Defendants.

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

FINAL JUDGMENT

The Securities and Exchange Commission filed a Complaint against Defendants W Financial Group, LLC (“WFG”), Adley H. Abdulwahab a/k/a Adley Wahab (“A. Wahab”), Michael K. Wallens, Sr. (“Wallens Sr.”), and Michael K. Wallens, Jr. (“Wallens Jr.”) on March 21, 2008. (Docket No. 1). Each defendant entered a general appearance and consented to the Court's personal and subject-matter jurisdiction. The Court entered an Interlocutory Judgment By Consent Granting Interlocutory Injunction and Other Equitable Relief on July 25, 2008 as to all defendants. (Docket No. 73). The Commission moved for summary judgment as to the amount of monetary relief on January 16, 2009 (Docket No. 149). The Court orally granted the motion for summary judgment at a hearing on June 16, 2009. (See Docket Minute Entry of June 16, 2009). Then, the Court issued a written order granting summary judgment dated October 16, 2009. (Docket No. 296). In the written Order Granting Summary Judgment, the Court ordered the Commission to prepare a final judgment

incorporating the terms of the previously entered permanent injunctions and the written summary judgment order.

I.

IT IS HEREBY ORDERED, ADJUDGED, AND DECREED that Defendants and Defendants' agents, servants, employees, attorneys, and all other persons in active concert or participation with them who receive actual notice of this Final Judgment, by personal service or otherwise, are permanently restrained and enjoined from violating Section 10(b) of the Securities Exchange Act of 1934 (the "Exchange Act") [15 U.S.C. § 78j(b)], and Rule 10b-5 [17 C.F.R. § 240.10b-5], by using any means or instrumentality of interstate commerce, or of the mails, or of any facility of any national securities exchange, in connection with the purchase or sale of any security:

- (a) to employ any device, scheme, or artifice to defraud;
- (b) to make any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading; or
- (c) to engage in any act, practice, or course of business which operates or would operate as a fraud or deceit upon any person.

II.

IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that Defendant and Defendants' agents, servants, employees, attorneys, and all other persons in

active concert or participation with him who receive actual notice of this Final Judgment, by personal service or otherwise, are permanently restrained and enjoined from violating Section 17(a) of the Securities Act of 1933 (the “Securities Act”) [15 U.S.C. § 77q(a)], by, in the offer or sale of any security by the use of any means or instruments of transportation or communication in interstate commerce, or by the use of the mails, directly or indirectly:

- (a) to employ any device, scheme or artifice to defraud;
- (b) to obtain money or property by means of any untrue statement of a material fact or any omission to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading; or
- (c) to engage in any transaction, practice, or course of business which operates or would operate as a fraud or deceit upon any purchaser.

III.

IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that Defendant and Defendants’ agents, servants, employees, attorneys, and all other persons in active concert or participation with them who receive actual notice of this Final Judgment, by personal service or otherwise, are permanently restrained and enjoined from violating Section 5 of the Securities Act [15 U.S.C. § 77e], by directly or indirectly, in the absence of any applicable exemption:

- (a) Unless a registration statement is in effect as to a security, making use of any means or instruments of transportation or communication in

interstate commerce or of the mails to sell such security through the use or medium of any prospectus or otherwise;

- (b) Unless a registration statement is in effect as to a security, carrying or causing to be carried through the mails or in interstate commerce, by any means or instruments of transportation, any such security for the purpose of sale or for delivery after sale; or
- (c) Making use of any means or instruments of transportation or communication in interstate commerce or of the mails to offer to sell or offer to buy through the use or medium of any prospectus or otherwise any security, unless a registration statement has been filed with the Commission as to such security, or while the registration statement is the subject of a refusal order or stop order or (prior to the effective date of the registration statement) any public proceeding or examination under Section 8 of the Securities Act [15 U.S.C. § 77h].

IV.

IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that each of the Defendants, jointly and severally, pay disgorgement of \$12,794,207, representing profits gained as a result of the conduct alleged in the Complaint, together with prejudgment interest thereon in the amount of \$1,712,242, for a total of \$14,506,449. Defendants shall satisfy this obligation by paying \$14,506,449 within thirty (30) business days to the Court-appointed Receiver in this case, in care of his attorney of record, John S. Brannon,

Thompson & Knight LLP, One Arts Plaza, 1722 Routh Suite 1500, Dallas, Texas 75201, phone (214) 969-1505, together with a cover letter identifying W Financial Group, LLC, Adley H. Abdulwahab a/k/a Adley Wahab, Michael K. Wallens, Sr., and Michael K. Wallens, Jr. as defendants in this action; setting forth the title and civil action number of this action and the name of this Court; and specifying that payment is made pursuant to this Final Judgment. Defendants shall simultaneously transmit photocopies of such payment and letter to the Commission's counsel in this action. By making this payment, Defendants relinquish all legal and equitable right, title, and interest in such funds, and no part of the funds shall be returned to Defendants.

V.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that Defendants shall each pay a civil penalty in the amount of \$500,000 pursuant to Section 20(d) of the Securities act and Section 21(d)(3) of the Exchange Act. Defendants shall make this payment within ten (10) business days after entry of this Final Judgment by certified check, bank cashier's check, or United States postal money order payable and delivered to the Court-appointed Receiver in this case, in care of his attorney of record, John S. Brannon, Thompson & Knight LLP, One Arts Plaza, 1722 Routh Suite 1500, Dallas, Texas 75201, phone (214) 969-1505, and shall be accompanied by a letter identifying W Financial Group, LLC, Adley H. Abdulwahab a/k/a Adley Wahab, Michael K. Wallens, Sr., and Michael K. Wallens, Jr. as a defendant in this action; setting forth the title and civil action number of this action and the name of this Court; and specifying that payment is made pursuant to this Final Judgment.

Defendants shall pay post-judgment interest on any delinquent amounts pursuant to 28 USC § 1961.

VI.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that the Stipulation and Consent (Docket No. 74) is incorporated herein with the same force and effect as if fully set forth herein, and that Defendants shall comply with all of the undertakings and agreements set forth therein.

VII.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that this Court shall retain jurisdiction of this action for all purposes, including for purposes of entertaining any suitable application or motion by the Commission for additional relief within the jurisdiction of this Court, including but not limited to the relief requested by the Commission in its Complaint in this action.

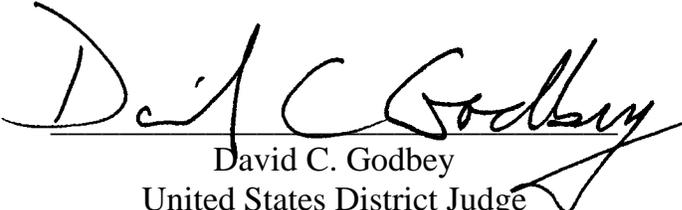
VIII.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that this Court shall retain jurisdiction of this matter for the purposes of enforcing the terms of this Final Judgment.

IX.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that this Final Judgment may be served upon Defendants in person or by mail either by the United States marshal, the Clerk of the Court or any member of the staff of the Commission.

Signed January 25, 2010.


David C. Godbey
United States District Judge