

**ORIGINAL**

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

CLERK US DISTRICT COURT  
NORTHERN DIST. OF TX  
FILED

2010 DEC 15 PM 12:16

DEPUTY CLERK NT

UNITED STATES OF AMERICA

v.

ADLEY HUSNI ABDULWAHAB  
a/k/a Adley H. Wahab

§  
§  
§  
§  
§  
§

No.

**3 - 10CR 351 - M**

**INDICTMENT**

The Grand Jury Charges:

**Introduction**

1. Starting no later than September 2006 and continuing until in or about February 2007 ("the Relevant Period"), in the Dallas Division of the Northern District of Texas and elsewhere, the defendant, **Adley Husni Abdulwahab** ("the Defendant") knowingly, willfully, and with intent to defraud, used and employed, and conspired with others to use and employ, schemes, artifices, devices, and contrivances to defraud investors in connection with sales of investments called Collateral Secured Debt Obligations ("CSDOs") that were issued by W Financial Group ("WFG").

2. In so doing, the Defendant conspired with, aided and abetted, and was aided and abetted by Michael Wallens, Sr. and Michael Wallens, Jr., individuals who are not named as defendants in this Indictment but have separately pleaded guilty to criminal charges of securities fraud based on their involvement in sales of the CSDOs.

3. The CSDOs were securities, as defined by the United States securities laws, Section 77b(a)(1) of Title 15 of the United States Code, because they were promissory notes. They also were a type of security known as an investment contract, because the investors contributed money to a common enterprise, and in exchange, they expected to earn investment returns from the entrepreneurial efforts of persons associated with WFG.

4. As more fully set forth hereafter, the Defendant, Wallens Jr., and Wallens Sr. (together "the conspirators") conspired to defraud and did defraud investors by deceiving them about the safety of the CSDOs and the ways in which money invested in CSDOs had been and would be used.

#### **Manner and Means**

5. During the Relevant Period, in the Dallas Division of the Northern District of Texas and elsewhere, the conspirators, aided and abetted by each other, employed the following manner and means in furtherance of their conspiracy to defraud investors.

6. Acting both personally and through sales agents operating in the Northern District of Texas and elsewhere, the conspirators offered and sold CSDOs with a total face value of over \$17 million to approximately 180 investors.

7. In connection with those sales, the conspirators sent and caused to be sent to investors and prospective investors, by way of the U.S. mail and private commercial interstate carriers, written offering materials, copies of investment agreements, correspondence, checks, account statements, and other items related to the CSDOs.

8. Both through the written offering materials and through other communications, the conspirators misrepresented and caused to be misrepresented to investors and prospective investors a number of material facts.
9. The conspirators claimed that the insurers Lloyd's of London and Republic Group "reinsured" the CSDOs, when in fact, as the conspirators well knew, the CSDOs were not insured.
10. The conspirators represented that investors' money would be held in cash, government or corporate bonds, automotive receivables, or insured notes, when in fact, as the conspirators well knew, they had spent and intended to spend the investors' money in other ways that they did not disclose to investors. The conspirators used investor money to purchase Wallens Sr.'s used car dealership from him for over \$300,000; to purchase residential lots; and to invest in a home building company and a power company.
11. The conspirators claimed that WFG would enter into a "relationship of trust" with each investor, in which WFG would "comply with all of the obligations of [a] fiduciary." In reality, however, as the conspirators well knew, they had betrayed and intended to betray the investors' trust by using investor money for unauthorized purposes.
12. The conspirators represented that "the parent company and management company" behind the CSDOs had been in business "for over 17 years without on[e] customer complaint or late payment." In fact, however, as the conspirators well knew, no entity associated with WFG had been issuing CSDOs for more than a few months.

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COUNTS ONE through FIVE

Securities Fraud and Aiding and Abetting

(15 U.S.C. §§ 78j(b) and 78ff, 17 C.F.R. § 240.10b-5, and 18 U.S.C. § 2)

As to each of Counts One through Five listed below, in the Dallas Division of the Northern District of Texas and elsewhere, the Defendant, **Adley Husni Abdulwahab** willfully and knowingly, with intent to defraud, by use of the mails and means and instrumentalities of interstate commerce, directly and indirectly, in connection with the sale of a CSDO to the investor identified on or about the date stated:

- employed devices, schemes and artifices to defraud;
  - made untrue statements of material facts and omitted to state material facts that were necessary in order to make statements that were made not misleading in light of the circumstances under which the statements were made; and
  - engaged in acts, practices and courses of business that operated and would operate as a fraud and deceit on a person,
- and also aided and abetted, and was aided and abetted by, Michael Wallens, Sr. and Michael Wallens, Jr. in so doing, as alleged in Paragraphs 1 through 12 above.

<u>Count</u>	<u>Date</u>	<u>Investor</u>
1	September 20, 2006	E.R.I.
2	October 12, 2006	W.J.K.
3	October 17, 2006	B.R.E.
4	January 16, 2007	A.E.B.
5	January 22, 2007	K.S.

Each in violation of 15 U.S.C. §§ 78j(b) and 78ff, 17 C.F.R. § 240.10b-5, and 18 U.S.C. § 2.

COUNT SIX  
Conspiracy  
(18 U.S.C. §371)

Starting no later than September 2006 and continuing until in or about February 2007, in the Dallas Division of the Northern District of Texas and elsewhere, the defendant, **Adley Husni Abdulwahab** ("the Defendant") did unlawfully, willfully, and knowingly combine, conspire, confederate and agree with Michael Wallens, Sr. and Michael Wallens, Jr. (coconspirators who are not named as defendants in this Indictment but have separately pleaded guilty to criminal charges of securities fraud based on their involvement in the conspiracy alleged herein) to commit offenses against the United States, specifically Securities Fraud and Aiding and Abetting, in violation of 15 U.S.C. §§ 78j(b) and 78ff, 17 C.F.R. § 240.10b-5, and 18 U.S.C. § 2.

Manner and Means

The Grand Jury adopts, re-alleges, and incorporates herein by reference all allegations set forth in Paragraphs 5 through 12 above as the Manner and Means of the conspiracy to commit Securities Fraud and Aiding and Abetting.

Overt Acts

As overt acts done to further the objects of the conspiracy, the Grand Jury re-alleges and incorporates by reference the substantive offenses of Securities Fraud and Aiding and Abetting alleged in Counts One through Five of this Indictment.

All in violation of 18 U.S.C. § 371.

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**FORFEITURE NOTICE**  
(18 U.S.C. §§ 981(a)(1)(C) and 28 U.S.C. § 2461(c))

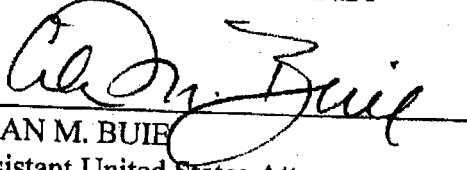
Upon conviction for any of the offenses alleged in Counts One through Six of this Indictment, the defendant, **Adley Husni Abdulwahab** ("the Defendant") shall forfeit to the United States any property, real or personal, constituting or derived from proceeds traceable to the respective offense, pursuant to 18 U.S.C. § 981(a)(1)(C) and 28 U.S.C. § 2461(c).

Pursuant to 21 U.S.C. § 853(p), as incorporated by 18 U.S.C. § 982(b), if any of the above property subject to forfeiture, as a result of any act or omission of the Defendant, cannot be located upon the exercise of due diligence; has been transferred or sold to, or deposited with, a third person; has been placed beyond the jurisdiction of the Court; has been substantially diminished in value; or has been commingled with other property which cannot be subdivided without difficulty, it is the intent of the United States of America to seek forfeiture of any other property of the Defendant up to the value of the above described property subject to forfeiture.

A TRUE BILL

  
\_\_\_\_\_  
FOREPERSON

JAMES T. JACKS  
UNITED STATES ATTORNEY

  
\_\_\_\_\_  
ALAN M. BUIE  
Assistant United States Attorney  
Texas State Bar No. 00783751  
1100 Commerce Street, Third Floor  
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Facsimile: 214.767.4104  
alan.buie@usdoj.gov

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

THE UNITED STATES OF AMERICA

v.

ADLEY HUSNI ABDULWAHAB

**3. - 10CR 351-M**

INDICTMENT

15 U.S.C. §§ 78j(b) and 78ff, 17 C.F.R. § 240.10b-5, and 18 U.S.C. § 2  
Securities Fraud and Aiding and Abetting

18 U.S.C. § 371  
Conspiracy

18 U.S.C. §§ 981(a)(1)(C) and 28 U.S.C. § 2461(c)  
Forfeiture Notice

6 Counts

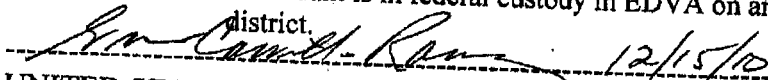
A true bill rendered

DALLAS

  
FOREPERSON

Filed in open court this 14<sup>th</sup> day of December 2010

Warrant to Issue - Defendant is in federal custody in EDVA on an unrelated indictment in that  
district.

 12/15/10

UNITED STATES DISTRICT/MAGISTRATE JUDGE

No Criminal Case Pending



**ORIGINAL**  
**UNITED STATES DISTRICT COURT**  
**NORTHERN DISTRICT OF TEXAS**

**Related Case Information**

Superseding Indictment:  Yes  No

New Defendant:  Yes  No

Pending CR Case in NDTX:  Yes  No (If yes, CR #:3:10-CR-274-L)

Search Warrant Case Number: \_\_\_\_\_

Rule 20 from District of: **8 - 10CR 351-M**

Related Cases: CR #:3:10-CR-314-M

1. **Defendant Information**

Juvenile:  Yes  No

Matter to be sealed:

Yes  No

Defendant Name

**ADLEY HUSNI ABDULWAHAB**

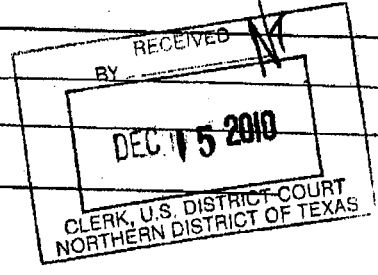
Alias Name

a/k/a "Adley H. Wahab"

Address

County in which offense was committed:

Dallas



2. **U.S. Attorney Information**

Alan Buie

Bar # 00783751

3. **Interpreter**

Yes  No

If Yes, list language and/or dialect: \_\_\_\_\_

4. **Location Status**

Please issue warrant

- Already in Federal Custody
- Already in State Custody
- On Pretrial Release

5. **U.S.C. Citations**

Total # of Counts as to This Defendant: 6

Petty  Misdemeanor  Felony

Citation	Description of Offense Charged	Count(s)
15 U.S.C. §§ 78j(b) and 78ff, 17 C.F.R. § 240.10b-5, and 18 U.S.C. § 2	Securities Fraud and Aiding and Abetting	1-5
18 U.S.C. § 371	Conspiracy	6
18 U.S.C. §§ 981(a)(1)(C) and 28 U.S.C. § 2461(c)	Forfeiture Notice	

Date 10 Dec 10

Signature of AUSA: *Alan Buie*