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Downtown Amarillo, Inc Commends Developer Transparency

Wallace/Bajjali aided SEC investigation of outside financial firms

Dateline: Amarillo, May 23, 2011 - Downtown Amarillo, Inc (DAI) today responded to the news that the Securities and Exchange Commission (SEC) investigation aided by David Wallace and Costa Bajjali, principals in Wallace Bajjali Development Partners (WB), was completed on Friday, May 20, 2011. The SEC review ended with a settlement announcement noting a single technical error regarding a Fund managed by Wallace and Bajjali. Wallace Bajjali Development Partners is the master developer working with the City of Amarillo and Downtown Amarillo Inc. (DAI) on redevelopment projects for downtown Amarillo.

“DAI congratulates Wallace Bajjali on this long-expected favorable outcome,” said Les Simpson, DAI Board Chair, “and commends David Wallace and Costa Bajjali for their transparency in these matters. Wallace Bajjali volunteered to help with the SEC investigation of outside financial firms, and they have kept us updated at every point during this process.”

The SEC investigation focused on an outside firm called Business Radio Network, L.P. d/b/a/ BizRadio (“BizRadio”), a Houston radio station owned and/or managed by Daniel Frishberg and a partner, Albert Fase Kaleta. The SEC determined that Daniel Frishberg, and Daniel Frishberg Financial Services Inc. (“DFFS”) were fraudulent in their representations to investors; SEC recommended actions encompassed hefty fines and penalties from Kaleta and Frishberg, including Daniel Frishberg not having the option to work in the financial advisement industry.

A news release from Wallace Bajjali notes that the two principals have business interests outside of Wallace Bajjali Development Partners, including two real estate funds. The technical error was contained in statements about the Fund, as follows:

“In this review, the SEC determined that Wallace/Bajjali, along with numerous other investors, had been misled by investment representations made by Frishberg and Kaleta.

In the course of the review of this matter, the SEC found one irregularity in the investment materials for the Funds. In written disclosures relating to the securities offerings, Wallace and Bajjali represented to investors that the Funds’ investment in any one business or project would be limited to certain percentages of the money the Funds raised. It was determined on May 20, 2011 that the Funds had invested more than the represented percentages in BizRadio. The Fund relied on representations from Frishberg and Kaleta that Frishberg and Kaleta would raise sufficient capital to reduce Funds’ investment percentages. Frishberg and Kaleta failed to raise the promised investment dollars to bolster the Funds’ base balance, thereby creating the higher percentage for investment dollars into one entity. As a result, Wallace/Bajjali were cited for a technical error, fined a small penalty and enjoined to avoid this mistake in future fund operations.”

“DAI, the City, Wallace Bajjali, other sincerely committed leadership groups and individual citizens continue to work toward success in the redevelopment of Amarillo,” said Les Simpson. “The recent elections were a firm endorsement of the need to work toward a successful future and the redevelopment of downtown, and we are fully committed to our partnership with Wallace Bajjali to accomplish this. We went through an extensive vetting process to select Wallace Bajjali Development Partners as the master developer for the redevelopment project, and we are happy that the SEC review process is completed, closing this chapter with a positive resolution and allowing us to move forward without distraction.”

For more information about Downtown Amarillo and the public redevelopment process, and to provide feedback, please explore the resources online at www.downtownamarillo.com.

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