

**UNITED STATES DISTRICT COURT
DISTRICT OF MASSACHUSETTS**

**IN RE: TELEXFREE SECURITIES
LITIGATION**

MDL No. 4:14-md-2566-NMG

**This Document Relates to:
ALL CASES**

**PLAINTIFF'S MOTION FOR ENTRY OF AN ORDER GRANTING FINAL
APPROVAL OF SETTLEMENT WITH DEFENDANTS THE ESTATE OF JEFFREY
BABENER, STEVEN LABRIOLA, NEHRA LAW OFFICE, GERALD NEHRA
(INDIVIDUALLY), AND GERALD P. NEHRA, ATTORNEY AT LAW, PLLC**

Plaintiff and Class Representative Anthony Cellucci hereby moves the Court, pursuant to Federal Rule of Civil Procedure 23(e) for final approval of the settlements reached with Defendant The Estate of Jeffrey Babener ("Babener Settlement"); Defendant Steven Labriola (Labriola Settlement); and Defendants Nehra Law Office, Gerald Nehra (individually), and Gerald P. Nehra, Attorney at Law, PLLC ("Nehra Settlements"), (cumulatively the "Settling Defendants") and final certification of the Settlement Class. Plaintiff seeks entry of orders:

1. Granting final approval of the settlement agreement with the Estate of Jeffrey Babener; the settlement agreement with Defendant Steven Labriola; and the settlement agreement with Defendants Nehra Law Office, Gerald Nehra (individually), and Gerald P. Nehra, Attorney at Law, PLLC;
2. Finally certifying a settlement class with respect to each settlement;
3. Approving the manner and form of notice given to the class members as the best notice practicable under the circumstances; and
4. Entering final judgment as to the Estate of Jeffrey Babener; the settlement agreement with Defendant Steven Labriola; and the settlement agreement with Defendants Nehra Law Office, Gerald Nehra (individually), and Gerald P. Nehra, Attorney at Law, PLLC.

The grounds for this motion are that (1) the settlement agreements meet the requirements

for approval pursuant to Federal Rule of Civil Procedure 23(e); (2) the form and manner of providing notice met the requirements of Federal Rule of Civil Procedure 23(c) and due process; (3) the settlement class meets the requirements for certification under Federal Rule of Civil Procedure 23; (4) the response of the class supports final approval; and (5) there is no just reason for delay in the entry of Final Judgment as to the Estate of Jeffrey Babener, Steven Labriola, and Nehra Law Office, Gerald Nehra (individually), and Gerald P. Nehra, Attorney at Law, PLLC.

This Motion is based upon the above considerations the contemporaneously filed Memorandum of Law in support of Final Approval, the Declaration of Robert J. Bonsignore, the Declaration of Eric Schachter, the complete files and records of this action, and such other written or oral arguments that may be presented to the Court. Attached hereto as Exhibit 1 is the proposed Final Approval Order and Judgment.

RULE 7.1 CERTIFICATION

Pursuant to Local Rule 7.1(a)(2), the undersigned counsel for Plaintiff contacted affected defense counsel by email on May 9, 2025 regarding this motion. Undersigned counsel did not receive any objections to the filing of this Motion.

Dated: May 9, 2025

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CERTIFICATE OF SERVICE

I, Robert J. Bonsignore, hereby certify that on this 9th day of May, 2025, I caused the foregoing together with the attachments identified to be electronically filed with the Clerk of the Court by using the Case Management/Electronic Case Filing (CM/ECF) system, which will send a notice of electronic filing to all parties registered with the CM/ECF system in the above-captioned matter. A copy will be forwarded via first class mail, postage prepaid, to those parties not electronically registered at their last and/or only known address.

/s/ Robert J. Bonsignore

Robert J. Bonsignore

EXHIBIT 1

UNITED STATES DISTRICT COURT
DISTRICT OF MASSACHUSETTS

IN RE: TELEXFREE SECURITIES
LITIGATION

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ALL CASES

MDL No. 4:14-md-2566-NMG

**[PROPOSED] MEMORANDUM OF DECISION GRANTING
FINAL APPROVAL OF 2024 SETTLEMENTS**

Before the Court is the Motion of Plaintiffs for an Order: (1) preliminarily approving the settlement with Nehra Law Office, Gerald Nehra (individually), and Gerald P. Nehra, Attorney at Law, PLLC (“Nehra Defendants”); (2) approving the form of notice (the “Notice”) and the dissemination of such Notice; (3) provisionally certifying a settlement class under Fed. R. Civ. P. 23(a) and (b)(3) for purposes of effectuating the settlement agreement and the final approval thereof (the “Settlement Class”); and (4) scheduling a hearing to consider final approval of the settlement agreement (the “Settlement Agreement”) pursuant to Fed. R. Civ. P. 23(e). Upon the Court’s consideration of such Motion, the Settlement Agreement, and the pleadings and records on file, and good cause appearing, it is hereby ORDERED as follows:

1. The MDL 2566 Court has jurisdiction over the subject matter of this litigation, and the actions within this litigation and over the parties to the Babener Agreement, the Labriola Agreement, and the Nehra Agreement, attached hereto as Exhibits 1 through 3, including all members of the Settlement Class, the Estate of Jeffrey Babener; the settlement agreement with Defendant Steven Labriola; and the settlement agreement with Defendants Nehra Law Office, Gerald Nehra (individually), and Gerald P. Nehra, Attorney at Law, PLLC.

2. For purposes of this Order, except as otherwise set forth herein, the MDL 2566 Court adopts and incorporates the definitions contained in the Babener Agreement, the Labriola

Agreement, and the Nehra Agreement, to the extent not contradictory or mutually exclusive.

3. The MDL 2566 Court finds that Robert J. Bonsignore, appointed as Lead Counsel for the Settlement Class, and the Hon. Steven W. Rhodes (Ret.), James Wagstaffe of Adamski, Morosko, Madden, Cumberland & Green LLP, D. Michael Noonan of Shaheen & Gordan, P.A., and Ronald A. Dardeno of the Law Offices of Ronald A. Dardeno PLLP, all appointed as members of the Settlement Class Executive Committee pursuant to Rule 23(g) of the Federal Rules of Civil Procedure, have and will continue to fairly and competently represent the interests of the Settlement Class.

4. The MDL 2566 Court finds that Class Representative, Anthony Cellucci, has and will continue to fairly and adequately protect the interests of the Settlement Class.

5. The MDL 2566 Court finds that the prerequisites to certifying a Settlement Class under Rule 23 are satisfied for settlement purposes in that: (a) there are thousands of geographically dispersed Settlement Class members, making joinder of all members impracticable; (b) there are questions of law and fact common to the Settlement Class which predominate over individual issues; (c) the claims or defenses of the Class Representatives are typical of the claims or defenses of the Settlement Class; (d) the Class Representatives will fairly and adequately protect the interests of the Settlement Class, and have retained experienced counsel who have, and will continue to, adequately represent the Settlement Class; and (e) a Settlement Class resolution is superior to individual settlements.

6. Pursuant to Rule 23 of the Federal Rules of Civil Procedure, the MDL 2566 Court certifies the following Settlement Class with respect to the Estate of Jeffrey Babener; the settlement agreement with Defendant Steven Labriola; and the settlement agreement with Defendants Nehra Law Office, Gerald Nehra (individually), and Gerald P. Nehra, Attorney at

Law, PLLC only:

All persons worldwide who submit to the jurisdiction of this Court who purchased TelexFree AdCentral or AdCentral Family packages and suffered a Net Loss during the period from January 1, 2012 to April 16, 2014. A “Net Loss” is defined as placing more funds into TelexFree than the total funds withdrawn from TelexFree.

7. In reviewing the settlement, the MDL 2566 Court has considered: (1) that the Class Representative and Class Counsel have adequately represented the Settlement Class; (2) that each of the three settlements was negotiated at arm’s-length; (3) that the relief provided for the Settlement Class is adequate, taking into account the costs, risks, and delay of trial and appeal, Plaintiffs’ request for reimbursement of a partial reimbursement of interim expenses, and that there appear to be no agreements required to be disclosed under Rule 23(e)(3); and (4) that each of the three settlements treats all Settlement Class members equitably.

8. In light of the above considerations and after a hearing, pursuant to Rule 23 of the Federal Rules of Civil Procedure, the MDL 2566 Court hereby finally approves and confirms the settlement terms as set forth in the Babener Agreement, the Labriola Agreement, and the Nehra Agreement; the MDL 2566 Court finds that each settlement is, in all respects, fair, reasonable, and adequate to the Settlement Class.

9. The MDL 2566 Court hereby dismisses on the merits and with prejudice the actions in favor of the Estate of Jeffrey Babener, Steven Labriola, and Nehra Law Office, Gerald Nehra (individually), and Gerald P. Nehra, Attorney at Law, PLLC, with each party to bear their own costs and attorneys’ fees, except as provided in the Babener Agreement, the Labriola Agreement, and the Nehra Agreement. The Releasees are hereby and forever released from all Released Claims as defined in the Babener Agreement, the Labriola Agreement, and the Nehra Agreement.

10. The MDL 2566 Court permanently bars, restrains, and enjoins the TelexFree Plaintiffs, the Settlement Class Members, and all other persons or entities anywhere in the world, whether acting on his or her or its own behalf or in concert with the TelexFree Plaintiffs or the Settlement Class Members or claiming by, through, or under them, or otherwise, all and individually, from directly, indirectly, or through a third party, instituting, reinstituting, intervening in, initiating, commencing, maintaining, continuing, filing, encouraging, soliciting, supporting, participating in, collaborating in, or otherwise prosecuting, against the Releasees, the TelexFree Litigation, or any action, lawsuit, cause of action, claim, investigation, demand, levy, complaint, or proceeding of any nature in any forum, including, without limitation, any court of first instance or any appellate court, whether individually, derivatively, on behalf of a class, as a member of a class, or in any other capacity whatsoever, that in any way relates to, is based upon, arises from, or is connected with TelexFree, the TelexFree Litigation, the subject matter of the TelexFree Litigation, or any Released Claims; all of which includes but is not limited to any claim, however denominated and whether brought in the TelexFree Litigation or any other forum, seeking contribution, indemnity, damages, or other remedy where the alleged injury to such person or entity, or the claim asserted by such person or entity, is based upon such person or entity's liability to any of the TelexFree Plaintiffs or Settlement Class Members arising out of, relating to, or based in whole or in part upon money owed, demanded, requested, offered, paid, agreed to be paid, or required to be paid to any TelexFree Plaintiffs, Settlement Class Members, or other person or entity, whether pursuant to a demand, judgment, claim, agreement, settlement, or otherwise.

11. The MDL 2566 Court finds that the notice given to the Settlement Class was the best notice practicable under the circumstances and that the notice provided due and adequate

notice of these proceedings and of the matters set forth therein, including the proposed settlement set forth in the Settlement Agreement, to all persons entitled to such notice, and said notice fully satisfied the requirements of subdivisions (c)(2) and (e)(1) of Rule 23 of the Federal Rules of Civil Procedure and the requirements of due process having reached seventy-five (75%) percent of the class.

12. Any member of the Settlement Class who failed to timely and validly request to be excluded from the Settlement Class shall be subject to and bound by the provisions of the Babener Agreement, the Labriola Agreement, and the Nehra Agreement, the Released Claims contained therein, and the Final Judgment with respect to all Released Claims, regardless of whether such members of the Settlement Class seek or obtain any distribution from the Settlement Fund.

13. No objections to the settlement were filed as ordered. Thus, any objection to the settlement are hereby overruled.

14. Without affecting the finality of the Judgment in any way, this Court hereby retains continuing jurisdiction over: (a) implementation of the Babener Agreement, the Labriola Agreement, and the Nehra Agreement, including any distribution to Settlement Class members pursuant to further orders of this Court; (b) disposition of the Settlement Fund; (c) post-arbitration appeals of the intra- plaintiffs' counsel distribution of the award of attorney fees and costs; (d) the actions until the Final Judgment has become effective and each and every act agreed to be performed by the parties all have been performed pursuant to the Settlement Agreement; (e) hearing and ruling on any matters relating to a plan of allocation of the settlement proceeds; and (f) the parties to the Babener Agreement, the Labriola Agreement, and the Nehra Agreement for the purposes of enforcing and administering the settlement agreements and the mutual releases

contemplated by or executed in connection with the Babener Agreement, the Labriola Agreement, and the Nehra Agreement.

15. The Court finds, pursuant to Rule 54(b) of the Federal Rules of Civil Procedure, that Judgment should be entered and further finds that there is no just reason for delay in the entry of Judgment as to the parties to the Babener Agreement, the Labriola Agreement, and the Nehra Agreement. Accordingly, the Clerk is hereby directed to enter Judgment forthwith for Defendant The Estate of Jeffrey Babener, Steven Labriola, and the Nehra Defendants.

16. The Court's certification of a Settlement Class as provided herein is without prejudice to, or waiver of, the rights of any non-settling Defendant to contest certification of any non-settlement class proposed in this Action. The Court's findings in this Order shall have no effect on the Court's ruling on any motion to certify any non-settlement class in this Action; and no party may cite or refer to the Court's approval of any Settlement Class as persuasive or binding authority with respect to any motion to certify any non-settlement class or any other dispositive motion filed by a non-settling Defendant. Nor shall such final approval prejudice any rights, claims, or defenses of any non-settling Defendant.

17. Massachusetts law, including the provisions of M.G.L. c. 231B, §4 which bars contribution actions against joint tortfeasors who settle in good faith, without regard to the principle of conflicts of law, shall govern the enforcement and interpretation of the Final Judgment and any other claims arising under or in any way related to the TelexFree Pyramid Scheme.

SO ORDERED this ____ day of _____, 2025.

Nathaniel M. Gorton
United States District Judge