

**UNITED STATES DISTRICT COURT
DISTRICT OF MASSACHUSETTS**

**IN RE: TELEXFREE SECURITIES
LITIGATION**

**This Document Relates to:
ALL CASES**

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

**MEMORANDUM IN SUPPORT OF JOINT MOTION FOR PRELIMINARY
APPROVAL OF SETTLEMENT BETWEEN PLAINTIFFS AND
DEFENDANT STEVEN LABRIOLA**

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I. INTRODUCTION

Plaintiffs Anthony Cellucci, Eraldo Aguiar, Alvaro Barros, Maria Garcia, Francisco Olivares, Veronica Martinez, and Jesus Alberto Matienzo, (collectively, the “TelexFree Class Plaintiffs” or “Plaintiffs”), and Defendant Steven Labriola (“Settling Defendant” or “Mr. Labriola”) (hereinafter, Plaintiffs and Settling Defendant will collectively be referred to as the “Parties”) have reached a settlement and now seek this Court’s preliminary approval.

The Joint Motion for Preliminary Approval should be granted in whole because each of the requirements set forth in Federal Rule of Civil Procedure 23 is satisfied as to the proposed settlement: (1) the representation by the class representative and class counsel are adequate; (2) the settlement negotiations were done fairly and at arm’s length; (3) the relief provided under the settlement is adequate; and (4) the treatment of class members relative to one another is equitable. *See* Fed. R. Civ. P. 23(e)(2).

The Joint Motion for Preliminary Approval plows no new ground regarding settlement approval: the Parties seek entry of orders that are substantially identical to orders previously issued by the Court in this action concerning Plaintiffs’ settlements with Defendants Base Commerce, LLC, Synovus Bank, and Joseph Craft, and Craft Financial Solutions, Inc. (Dkt. 924), Defendants Fidelity Co-Operative Bank and John Merrill (Dkt. 1096), and Defendants TD Bank, Ryan Mitchell, Telecom Logic, International Payout Systems, Eddie Gonzalez, and Natalia Yenatska (Dkt. 1748).

More specifically, the Parties seek an order preliminarily approving the settlement, provisionally certifying the settlement class, approving the form and manner of notice to the settlement class, appointing counsel, and class representatives for the settlement class, establishing

a schedule for final approval, and staying the litigation with respect to the Settling Defendant through the final approval hearing and issuance of any order regarding final approval.

Because the instant Motion plows no new ground and to increase efficiency and decrease the workload on this Court, Plaintiffs have tried not to present identical law and fact in this Memorandum in Support. Rather, the contents of their Memorandum in Support of Joint Motion for Preliminary Approval of Settlement Between Plaintiffs and the Defendant the Estate of Jeffrey A. Babener (Dkt 2064), including, but not limited to, pages 3-6 related to the procedural history of this litigation, pages 7-8 related to prior settlements, pages 10-12 setting forth the standard for preliminary approval under Fed. R. Civ. P. 23(e)(2), pages 20-23 related to the proposed class satisfying all Rule 23(a) requirements, and pages 23-25 related to the proposed settlement class meeting all Rule 23(b)(3) requirements are not repeated herein but instead are incorporated by reference as this Court is very familiar with the fact and law upon which the Parties rely.

II. STATEMENT OF RELEVANT FACTS

A. Plaintiffs' Claims Against Settling Defendant Steven Labriola

On April 8, 2020, the Court permitted Plaintiffs to seek leave to file a Fifth Consolidated Amended Complaint ("5th CAC"). (Dkt. 947). The 5th CAC, which was filed on December 30, 2021, alleged eight claims against Settling Defendant: (1) violations of G.L. c. 93, §§ 12 and 69, (2) violations of G.L. c. 93A, §§ 2 and 11, (3) civil conspiracy, (4) negligent misrepresentation, (5) violations of G.L. c. 110A, § 410(b), (6) fraud, (7) tortious aiding and abetting, and (8) unjust enrichment. (*See* Dkt. 1186). After granting motions to dismiss by other Defendants, the only claim remaining was tortious aiding and abetting of the TelexFree Ponzi Scheme.

B. Formal and Informal Discovery Related to Mr. Labriola and TelexFree

Prior to entering into the Settlement Agreement, the Parties engaged in both full formal

and informal discovery. Specifically, Plaintiffs served 21 Interrogatories and Mr. Labriola served answers to each Interrogatory. Additionally, Plaintiffs served 106 Requests for Production. Mr. Labriola produced all documents that he possessed and requested documents not in his custody. Pursuant to Plaintiffs' discovery requests, Mr. Labriola requested his TelexFree laptop which had been seized by the Department of Justice and remained in their possession.¹ (Exhibit 1, Bonsignore Decl., at ¶¶10-12).

The Department of Justice eventually returned Mr. Labriola's laptop to him and when Mr. Labriola received his laptop it was inoperable. Pursuant to Plaintiff's outstanding request, Mr. Labriola turned the laptop over to Plaintiffs and settlement discussions resumed leading to the instant proposed Settlement Agreement. A specialist was able to retrieve approximately 252,552 documents from the laptop. As part of the proposed Settlement Agreement, Labriola has agreed to provide related context and testimony as to these documents as reasonably requested by Plaintiffs. (*Id.* at ¶¶13-14).

Mr. Labriola, through his counsel, has verified that he has produced all known documents and things in his possession or control concerning TelexFree. In the lead up to the Settlement Agreement, Mr. Labriola also met with Plaintiffs' counsel on multiple occasions to answer oral non recorded questions and go over evidence presented to him. (*Id.* at ¶¶15-16).

During this litigation, Plaintiffs reviewed and evaluated approximately 1,171,789 pages of documents received from various Defendants and third parties. The file size of these documents ranged from 104.1 MB to 10.1 GB, the largest files of which took an extensive amount of time to review and analyze. Additionally, Plaintiffs reviewed and produced 136,903 documents comprised

¹ In context, the Department of Justice refused to turn over evidence to Plaintiffs in response to repeated Freedom of Information Act (FOIA) requests on the basis the matter is still active. (Carlos Wanzeler remains a fugitive).

of 757,540 pages, including 7,892 Excel spreadsheets and 126,736 PDF, email, image, and Word documents. (*Id.* at ¶28).

III. THE MATERIAL TERMS OF THE SETTLEMENT

On July 8, 2024, the parties fully executed a written agreement setting forth the terms of their settlement. (Exhibit 1, Bonsignore Decl., at ¶ 5; Exhibit 2, Settlement Agreement). As detailed in the Settlement Agreement, in exchange for a full release, Plaintiffs will continue to receive full cooperation from Mr. Labriola. Mr. Labriola will cooperate with Plaintiffs to provide information necessary to assist in the prosecution of other defendants. He will testify and provide information necessary to establish how other defendants knowingly aided and abetted the TelexFree scheme. Mr. Labriola is to meet with Plaintiffs' counsel as many times as necessary to go over the granular details gleaned from the newly produced documents and otherwise continue to meet with Plaintiffs' counsel upon reasonable demand to provide context as deemed necessary by Plaintiffs counsels. Mr. Labriola will otherwise continue to execute declarations as reasonably deemed necessary by Plaintiffs' counsels. (*See* Exhibit 1, Bonsignore Decl., at ¶¶17-21 and Exhibit 2, at ¶¶12-31).

In return for cooperation, Plaintiffs and members of the settlement class will relinquish any claims that they have against Settling Defendant and the releasees identified in the Settlement Agreement relating to TelexFree, including claims that were or could have been brought in this litigation. (*Id.* at Exhibit 2, at ¶¶4, 32-35, 53).

The Settlement Agreement becomes final upon: (1) the Court's approval pursuant to Fed. R. Civ. P. 23(e) and entry of a final judgment of dismissal with prejudice; and (2) the expiration of the time for appeal or, if any appeal is taken, the affirmance of the approval and judgment with no further possibility of appeal. (*Id.* at Exhibit 1, ¶42).

IV. ARGUMENT

Class actions may only be settled with the Court’s approval. Fed. R. Civ. P. 23(e). Before notice of a settlement may be given to the class, the Court must find that “giving notice is justified by the parties’ showing that the court will likely be able to (1) approve the proposal under Rule 23(e)(2); and (2) certify the class for purposes of judgment on the proposal.” *Id.* at (e)(1)(B). The Settlement Agreement between the Parties satisfies these requirements.

A. **Class Representatives and Class Counsel Adequately Represented the Class.**

As with the previous settlements, the class representative and class counsel have adequately represented the class. When evaluating adequate representation under Rule 23(e)(2)(A), “the focus at this point is on the actual performance of counsel acting on behalf of the class.” Advisory Committee Notes to 2018 Amendments to Fed. R. Civ. P. 23. Class counsel and the proposed class representatives have zealously represented the class and will continue to do so.

The class representatives have been of great assistance. (ECF 2064-1, ¶¶31-37, Exhibit 1, Bonsignore Decl., at ¶¶63-67). Class counsel has zealously represented the class and addressed each of the many varied challenges of this litigation. (*See e.g.*, Exhibit 1, Bonsignore Decl., at ¶¶26-30).

Under Rule 23, a class certification order and substituting class representatives may be accomplished by way of amendment at any time prior to a decision on the merits. Fed. R. Civ. P. 23(c)(1); see *Robinson v. Sheriff of Cook County*, 167 F.3d 1155, 1158 (7th Cir. 1999); Newberg on Class Actions §§2:8, 2:17 (5th ed. 2014). Even in circumstances where a class representative’s claims have been lacking—for example, their claim has become moot—courts have permitted substitution of a new class representative. *In re Thornburgh*, 869 F.2d 1503, 1509–1510 (D.C. Cir. 1989) (citing Newberg on Class Actions) (internal citations omitted); see also *Goodman v. Schlesinger*, 584 F.2d 1325, 1332-1333 (4th Cir. 1978) (if class action becomes “headless” with

prior class representative being unable to continue, court permits other persons to be added to serve as class representatives). This not atypically occurs at the time of class action settlements. The TelexFree Class Plaintiffs have been extremely helpful and in communication with class counsel. They were disclosed to Defendants beginning in Plaintiffs' initial disclosures and been included in all of Plaintiff's discovery responses. Plaintiffs have treated them as parties in responses to Defendants' discovery and have offered them up for deposition. (Exhibit 1, Bonsignore Decl., at ¶¶32-37).

As the Court is well-aware, MDL 2566 *In re TelexFree Securities Litigation* is not a run-of-the-mill case. (ECF 2064-1, ¶16). This case involves a massive and complex international fraud perpetrated by an array of individuals and corporate entities against almost a million victims. (*Id.*). Also, according to Plaintiffs, the participants and co-conspirators went to great lengths to conceal and obscure their fraud at every opportunity. As one of Plaintiffs' experts, Professor Patricia McCoy, initially made clear, white-collar crime of this nature is difficult to detect and involves highly complex analysis. (ECF 2064-1, ¶¶17, 19) In addition, the relevant banking laws and regulations are complex and labyrinthine. (*Id.* at ¶20) The relevant case law indicates that direct evidence will seldom (if ever) be available to plaintiffs. (*See* Dkt. 742 at 4).

Notably, the settlement between Plaintiffs and Settling Defendant was made possible because seasoned and experienced lawyers performed their duties at an exceptionally high level. The Settlement Agreement came only after the Plaintiffs and Settling Defendant exchanged formal and informal discovery. (Exhibit 1, Bonsignore Decl., at ¶¶10-16). In addition, Plaintiffs carried out independent investigations and retained experts for consultation on a variety of key issues. The experts include but are not limited to experts in Ponzi/pyramid schemes, banking practices, Big Data analysis, and forensic accounting. (ECF 2064-1, at ¶¶53-59 and Exhibits 3-8, and 10).

Plaintiffs' counsel was well-informed about the strengths and weaknesses of their case when the Settlement Agreement was negotiated.

Class counsel's work on behalf of the class has been more fully presented in their Motion for Attorneys' Fees, Costs, and Class Representative Incentive Awards with regards to other Settlements. (Dkts 1792, 1102 and 1042). However, counsel's representation of the class to date has included: 1) filing and amending complaints as facts were discovered; (2) opposing motions to dismiss and motions for reconsideration filed by defendants; (3) investigating and analyzing facts outside and inside the formal discovery process to inform and guide the litigation, including reviewing and coding millions of documents; (4) retaining, consulting with, otherwise working with experts in the fields of banking, payment processing, legal malpractice, accounting, and economics to guide discovery, motion practice and trial preparation; (5) participating in formal mediation and informal negotiations with the Trustee; (6) pursuing ongoing settlement possibilities with opposing counsel while balancing the need for immediate class compensation against the value of evidence directed towards other defendants; (7) reviewing over a million of pages of documents on an expedited basis, and (8) conducting twenty-three 23 depositions. (Exhibit 1, Bonsignore Decl., at ¶¶27, 29).

In short, the proposed class representative and class counsel have adequately represented the class to date and satisfy the requirements of Rule 23(e)(2)(A).

B. The Settlement Agreement is the Result of Protracted, Arm's-Length Negotiations.

The Settlement Agreement is the product of protracted, good faith, arm's-length negotiations among experienced and especially well-informed counsel. (Exhibit 1, Bonsignore Decl., at ¶¶38-50). Reaching a settlement was extremely challenging. From the outset, a succession of counsel representing Mr. Labriola and Plaintiffs' counsels exchanged sharply contrasting views of the facts as well as the law of aiding and abetting and the calculation of

damages. Mr. Labriola's counsel asserted they would present numerous defenses. After reaching an agreement in principle, counsel for both sides aggressively and meticulously negotiated the procedural and substantive details of the comprehensive Settlement Agreement placed before this Court for approval. This negotiation process was lengthy and involved exchanges of a number of draft agreements. (*Id.*)

C. The Relief Provided for the Class Is Adequate and Supports Approval.

The settlement, in context, provides a material benefit to the putative class through the value of Settling Defendant's cooperation. The settlement amount is also reasonable given the inevitable risks, expense, and delay of further litigation. The settlement is fair, reasonable, and adequate as required by Federal Rule of Civil Procedure 23.

While Settling Defendant has not provided any monetary compensation with regards to this Settlement, Settling Defendant has committed to providing cooperation in connection with Plaintiffs' continued prosecution of the class claims to the extent set forth in the Settlement Agreement. (Exhibit 2, at ¶¶12-31). Cooperation "may save time, reduce the [Plaintiffs'] costs, and provide information, witnesses, and documents that the [Plaintiffs] may otherwise not be able to access." *In re Cathode Ray Tube (CRT) Antitrust Litig.*, No. 14-cv-2058, 2015 WL 9266493 at *6 (N.D. Cal. Dec. 17, 2015); *see also In re Processed Egg Products*, 284 F.R.D. at 303-305 (recognizing value of cooperation "in light of the risks in proceeding . . . against the remaining Defendants" and granting final approval of settlement with no monetary recovery); *In re New Motor Vehicles Canadian Export Antitrust Litig.*, MDL No. 1532, 2011 WL 1398485, at *3 n.17 (D. Me. Apr. 13, 2011) (recognizing the "important value" of defendants' "promised cooperation in discovery during the ongoing litigation.") (supplemented by 800 F. Supp. 2d 328 (D. Me. Aug. 1, 2011)).

Settling Defendant's conduct will remain in the litigation as a potential basis for liability and damages against non-settling Defendants and any joint and several liability claims. (Exhibit 2, at ¶¶52, 57).

1. Risk, Expense and Delay of Trial and Appeal.

The risks, delay and expense of further litigation also support the conclusion that the Settlement is within the range of adequacy. There is no doubt that complex class action litigation is time-consuming, expensive, and fraught with the risk of failure at various stages. *See, e.g., In re Tyco Intern., Ltd. Multidistrict Litigation*, 535 F. Supp. 2d 249, 260–61 (D.N.H. 2007) (finding that the risk, complexity, expense, and duration of litigation all weighed in favor of approving a settlement given the risks at summary judgment, trial, and appeal); *In re Relafen Antitrust Litig.*, 231 F.R.D. 52, 72 (D. Mass. 2005) (finding that the complexity, expense, and likely duration of the litigation favored approval of the settlement due to an anticipated “battle of various experts” at trial and a likely appeal); *Bezdek v. Vibram USA Inc.*, 79 F. Supp. 3d 324, 344–45 (D. Mass. 2015) (finding that difficulties associated with plaintiffs’ legal theory and calculation of damages weighed in favor of approving settlement). This litigation is no exception.

First, while Plaintiffs believe they have a strong case and would prevail at trial, there are significant litigation risks. Settling Defendant is represented by able counsel who will defend Settling Defendant vigorously and has asserted various defenses. As in every case, there is a risk of loss at trial (or before), in which case the class would receive nothing. For example, Defendants Bank of America, N.A., PricewaterhouseCoopers and PNC Bank were dismissed (which Plaintiffs will appeal), and so the value of the present settlement represents a return in the present. Second, even if Plaintiffs were to obtain a large judgment against Settling Defendant after trial, Settling Defendant would not be able to satisfy it. (Exhibit 1, Bonsignore Decl. ¶¶7-9). Third, there is no

doubt that litigating this matter through trial and an appeal will result in substantial – potentially years of – delay as well as significant expense.

2. There Are No Other Agreements Required to be Identified.

Pursuant to Rule 23(e)(3), “[t]he parties seeking approval must file a statement identifying any agreement made in connection with the proposal.” The Settlement Agreement details the agreement reached between the Parties. There are no other agreements connected with them. (Exhibit 1, Bonsignore Decl., at ¶53).

D. The Settlement Agreement Treats Class Members Equitably.

The Settlement Agreement treats class members equitably. No class member is favored over any other under the terms of the Agreements and there are no proposed subclasses. There is no monetary component of this Settlement Agreement. The Proposed Settlement is made on behalf of a worldwide Settlement Class, and no subset of the Settlement Class is entitled to a disproportionate share of the Proposed Settlement. The Proposed Settlement treat class members equitably relative to each other.

E. The Court Should Provisionally Certify the Settlement Class, Appoint Plaintiffs Cellucci, Aguiar, Barros, Garcia, Olivares, Martinez, and Matienzo as Class Representatives and Appoint Plaintiffs’ Counsel as Settlement Class Counsel.²

When asked to certify a class, “[a] district court must conduct a rigorous analysis of the prerequisites established by Rule 23.” *Smilow v. Sw. Bell Mobile Sys., Inc.*, 323 F.3d 32, 38 (1st Cir. 2003) (citation omitted). When conducting this analysis, “the question is not whether the plaintiff or plaintiffs have stated a cause of action or will prevail on the merits, but rather whether the requirements of Rule 23 are met.” *Waste Mgt. Holdings, Inc. v. Mowbray*, 208 F.3d 288, 298

² The arguments in support of provisional class certification are being made solely by the Plaintiffs. Settling Defendant is not opposing the provisional certification of the class for settlement purposes, but in the event that the settlement is not approved, Settling Defendant reserves the right to challenge and oppose Plaintiffs’ attempt to certify the class, as well as all statements made by Plaintiff and/or their counsel in this Joint Motion or otherwise.

(1st Cir. 2000) (citation omitted). The district court should “give heightened scrutiny to the requirements of Rule 23 in order to protect absent class members.” *In re Lupron Mktg. & Sales Prac. Litig.*, 228 F.R.D. 75, 88 (D. Mass. 2005) (citing *Amchem*, 521 U.S. at 620). “This cautionary approach notwithstanding, the law favors class action settlements.” *Id.* (citing *City P’ship Co. v. Atl. Acquisition Ltd. P’ship*, 100 F.3d 1041, 1043 (1st Cir. 1996)).

Here, the Settlement Agreement contemplates certification of a settlement class consisting of all persons worldwide who purchased TelexFree AdCentral or AdCentral Family packages and suffered a Net Loss during the period from January 1, 2012, to April 16, 2014. Net Loss is defined as the class member having invested more funds than they withdrew. (Exhibit 2, at ¶6). This proposed class is identical to the classes this Court has already preliminarily approved. (*See* Dkt. 1096).

1. The Proposed Class Satisfies All Rule 23(a) Requirements.

The proposed settlement class meets all the Rule 23(a) requirements for certification: numerosity, commonality, typicality, and adequacy of representation. (*Cf.* Dkts. 924, 1914).

2. The Proposed Settlement Class Meets All Rule 23(b)(3) Requirements.

In addition to satisfying all Rule 23(a) elements, the parties in a class action must show that the proposed class meets the requirements of at least one of the Rule 23(b) prongs. A court may certify a class pursuant to Rule 23(b)(3) when “the court finds that the questions of law or fact common to class members predominate over any questions affecting only individual members, and that a class action is superior to other available methods for fairly and efficiently adjudicating the controversy.” Fed. R. Civ. P. 23(b)(3). As with the settlement classes that this Court has already certified, the proposed settlement class here satisfies the requirements of Rule 23(b)(3).

F. The Proposed Form and Manner of Notice Comply with Rule 23.

The proposed form and manner of notice to the class here tracks the settlements already approved by the Court with regard to other settlements and the requested orders are also substantially identical to those issued in connection with settlements for John Merrill and Fidelity Co-Operative Bank. (Dkt. 1112).

Rule 23(e)(1)(B) requires that the court direct notice of a proposed class action settlement “in a reasonable manner to all class members who would be bound by the proposal[.]” Notably, Rule 23(c)(2)(B) makes clear that notice “may be by . . . electronic means[.]”

“Individual notice of class proceedings is not meant to guarantee that every member entitled to individual notice receives such notice, but it is the court’s duty to ensure that the notice ordered is reasonably calculated to reach the absent class members.” *Reppert v. Marvin Lumber & Cedar Co., Inc.*, 359 F.3d 53, 56 (1st Cir. 2004) (citation and internal quotation marks omitted). Plaintiffs have retained one of the most reputable class notice firms in the United States – A.B. Data. Ltd. (“A.B. Data”). A.B. Data has administered hundreds of class action cases involving billions of dollars in total settlements. (*See* Exhibit 3, Declaration of Eric Schachter (“Schachter Decl.”)).

Plaintiffs also propose that the Notice, along with the Settlement Agreement, be posted to a website accessible to class members. The Amendments to Rule 23 specifically identify email as an appropriate means of notice.³ A.B. Data has confirmed that under the circumstances, notice by email to members of the settlement class is the best and most cost-effective form of notice. It therefore meets the requirements of Rule 23 of the Federal Rules of Civil Procedure and satisfies the due process rights of the class members in that digital means of providing notice by email is

³ Notice by electronic means is now specifically mentioned in Rule 23(c)(2) as an appropriate means of providing notice to the class, assuming the proposed class has sufficient access to the internet. This amendment is consistent with the trend of society and the courts to use electronic communications rather than traditional first-class mail.

the best notice practicable under the circumstances. (*See* Exhibit 3, Schachter Decl. ¶7).

TelexFree was an e-commerce and web-based company. TelexFree almost exclusively conducted its business via the internet and communicated with the proposed settlement class through electronic communications, making electronic notice particularly appropriate in this case. The Trustee has provided electronic notice for bankruptcy proceedings on multiple occasions and has provided Class Counsel with a clean and thoroughly vetted list of email addresses for hundreds of thousands of potential class members. (Exhibit 1, Bonsignore Decl., at ¶56). As such, the reasonable efforts in this case include prior communication efforts undertaken by the Trustee to an identical group of people. Notice via email is consistent with the requirements of Rule 23 and is a material term of the Settlement Agreement. (Exhibit 2, at ¶¶36, 38, 41(c)). *See, e.g., In re Sony PS3 "Other OS" Litigation*, No. 10-cv-1811, 2017 WL 5598726, at *3 (N.D. Cal. Nov. 21, 2017) (approving notice plan consisting of email notice to class, publication on settlement website, and publication of notice in agreed online publications). As noted, this process is even better than the almost identical Notice program previously approved by this Court. (*See* Dkts. 924, 1057, 1830). In addition, because this is an international class, Plaintiffs shall provide Notice to the class in multiple languages. The notice provider shall offer translations of the Notice in the emails and on the settlement website. Furthermore, translations through prerecorded information and live operators have been incorporated into the notice process in an abundance of caution. The enhanced Notice program exceeds industry standards and satisfies due process. (Exhibit 3, Schachter Decl., at ¶11; Exhibit 1, Bonsignore Decl., at ¶¶56-66).

Rule 23(c)(2)(B) also sets forth the requirements for the form of the notice to the class:

[t]he notice must clearly and concisely state in plain, easily understood language:

- (i) the nature of the action;
- (ii) the definition of the class certified;
- (iii) the class claims, issues, or defenses;

- (iv) that a class member may enter an appearance through an attorney if the member so desires;
- (v) that the court will exclude from the class any member who requests exclusion;
- (vi) the time and manner for requesting exclusion; and
- (vii) the binding effect of a class judgment on members under Rule 23(c)(3).

Plaintiffs request that the Court approve the draft notice attached hereto as Exhibit 2 to Eric Schachter’s Declaration (Proposed Class Notice) (the “Notice”) and as Exhibit 5 to this Memorandum. The Notice explains the nature of the action and the class claims, issues, and defenses. (Exhibit 3, Schachter Decl., at ¶¶ 6, 10 and at Exhibit 5, Notice at 2-4). It defines the certified class and explains that a class member may enter an appearance through their own attorney if they wish. (Exhibit 3, Schachter Decl., at ¶6 and Exhibit 5, Notice 3). It also explains that the Court will exclude from the class any member who requests exclusion, details the process and deadlines to request exclusion, and explains the binding effect of a class judgment on members should they choose to remain in the class. (Exhibit 2, Schachter Decl., at ¶6 and at Exhibit 5, Notice at 5-6).

G. Request to Set Final Fairness Hearing and Related Deadlines.

The Parties ask the Court to establish the following dates and deadlines related to the settlement approval process assuming that Preliminary Approval is Granted by August 2, 2024:

Event	Proposed Date/Deadline
Deadline to send notice via e-mail and publish on website; activation of telephone information system.	September 3, 2024
Deadline for Plaintiffs to file motion for attorneys’ fees, costs, and class representative incentive awards.	October 1, 2024
Deadline to request exclusion from the settlement classes, object to settlement, and/or file a notice of intention to appear at fairness hearing.	October 15, 2024

Deadline to file memorandum in support of final approval of settlement, deadline for reply brief in support of Plaintiffs' motion for final approval if any oppositions are filed.	October 23, 2024
Final Fairness Hearing	November 22, 2024

H. The Parties Have Requested That The Court Grant a Stay of Settling Defendant's Obligations Pending the Final Approval Hearing.

Because the proposed settlement will resolve all class claims against Settling Defendant, and to avoid unnecessary expense and prevent the Parties and counsel from devoting further time to these claims, on July 8, 2024, the Parties filed a Joint Motion requesting a stay related to Settling Defendant through the Final Fairness Hearing. (*See* Dkt. 2077). On July 12, 2024, Judge granted the Joint Motion. (Dkt. 2078). Should the Court deny final settlement approval, the Parties ask that the Court immediately lift this stay and provide time for them to complete discovery.

V. CONCLUSION

WHEREFORE, Plaintiffs and Settling Defendant respectfully request orders: (1) preliminarily approving the Settlement Agreement; (2) provisionally certifying the settlement class and appointing Plaintiffs Anthony Cellucci, Eraldo Aguiar, Alvaro Barros, Maria Garcia, Francisco Olivares, Veronica Martinez, and Jesus Alberto Matienzo, as settlement class representatives and Plaintiffs' counsel as class counsel; (3) approving the proposed form and method of notice; (4) establishing dates for the final approval hearing and all related deadlines; (5) setting a briefing schedule for Plaintiffs' Motion for Final Approval; (6) approving the administrative means for claimants to appeal their award if they are dissatisfied; and (7) extending the stay as requested in the litigation with respect to Settling Defendant.

Dated: July 19, 2024

<p>Respectfully submitted,</p> <p>PLAINTIFFS,</p> <p>By their Attorneys,</p> <p><u>/s/ Robert J. Bonsignore</u> Robert J. Bonsignore, Esq. (BBO #547880) Helen Glynn 193 Plummerhill Road Belmont, New Hampshire 03220 Mobile: (781) 354-1800 Office: (781) 350-0000 Facsimile: (702) 983-8673 Email: rbonsignore@classactions.us Email: Helen@classactions.us <i>Plaintiffs' Interim Lead Counsel</i></p> <p>STEVEN RHODES CONSULTING, LLC Steven Rhodes, Esq. (MI #P19394)** 1610 Arborview Boulevard Ann Arbor, MI 48103 Telephone: (734) 646-7406 Email: rhodessw@comcast.net</p> <p>ADAMSKI, MOROSKI, MADDEN, CUMBERLAND & GREEN LLP James Wagstaffe, Esq. (CA #95535)* 6633 Bay Laurel Place Avila Beach, CA 93424 Telephone: (415) 357-8900 Email: wagstaffe@ammcglaw.com</p>	<p>Respectfully submitted,</p> <p>DEFENDANT STEVEN LABRIOLA,</p> <p>By their Attorney,</p> <p><u>/s/ Alan D. Rose, Jr.</u> Alan D. Rose, Jr. Meredith Wilson Doty Rose Law Partners LLP One Beacon Street 23rd Floor Boston, MA 02108 617-536-0040 adrjr@rose-law.net mwd@rose-law.net</p>
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CERTIFICATE OF SERVICE

I, Robert J. Bonsignore, hereby certify that on this 19 day of July, 2024, I caused the foregoing 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.

/s/ Robert J. Bonsignore
Robert J. Bonsignore

EXHIBIT 1

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**

**DECLARATION OF ROBERT J. BONSIGNORE IN SUPPORT OF JOINT
MOTION FOR PRELIMINARY APPROVAL OF SETTLEMENT
BETWEEN PLAINTIFFS AND DEFENDANT STEVEN LABRIOLA**

I, Robert J. Bonsignore, declare:

1. Except as otherwise stated, I have personal knowledge of the facts stated below.
2. I am a partner in the law firm of Bonsignore Trial Lawyers, PLLC, and serve as Interim Lead Counsel for Plaintiffs in this action.
3. I am a member in good standing of the state bar for the Commonwealth of Massachusetts and State of New Hampshire. I am also admitted to multiple federal trial and appellate courts across the United States.
4. I make this Declaration in support of the Joint Motion for Preliminary Approval of Settlement with Steven Labriola (“Mr. Labriola”).
5. I incorporate by reference Exhibit 1, which is a true and correct copy of the Settlement Agreement between the putative class and Steven Labriola (the “Settlement Agreement”).
6. In the lead up to the Settlement Agreement, Steven Labriola meet with Plaintiffs’ counsel on multiple occasions to answer questions and go over evidence presented to him and provided Plaintiffs with a full understanding of all that he knows related to TelexFree.

**ABILITY OF DEFENDANT TO
PAY AND SAFEGUARDS AGAINST FRAUD**

7. Mr. Labriola represented that he retained no assets from his involvement with TelexFree, is essentially judgment proof, and has no interest in any future payments from TelexFree. This representation was memorialized into the Settlement Agreement as a material term. (Exhibit 1, Settlement Agreement (“SA”) at Page 4-5) Should these representations later be found out to be untrue, Plaintiffs have the right to seek court approval to set aside the Settlement Agreement nunc pro tunc. (*Id.* at Page 13).

8. Plaintiffs have independently confirmed to the best of their ability that Mr. Labriola possesses negligible assets and is essentially judgment proof.

9. Specifically, Plaintiffs carried out multiple asset searches. The available data uniformly established that Mr. Labriola does not possess significant assets. The government had previously disgorged \$98,963 from Mr. Labriola. Mr. Labriola presently operates his own handy man service and has very limited to no related business assets.

EXCHANGE OF DISCOVERY

10. Prior to entering into the Settlement Agreement, the Parties engaged in full discovery.

11. Specifically, Plaintiffs served 21 Interrogatories and Mr. Labriola served answers to each Interrogatory.

12. Additionally, Plaintiffs served 106 Requests for Production. Mr. Labriola produced all documents that he possessed and requested documents not in his custody. Specifically, Mr. Labriola requested his TelexFree laptop which had been seized by the Department of Justice and remained in their possession. In context, the Department of Justice refused to turn over evidence to Plaintiffs in response to repeated Freedom of Information Act (FOIA) requests on the basis the matter is still active. (Carlos Wanzeler remains a fugitive).

13. The Department of Justice eventually returned Mr. Labriola's laptop to him and when Mr. Labriola received his laptop it was inoperable. Pursuant to Plaintiff's outstanding request, Mr. Labriola turned the laptop over to Plaintiffs and settlement discussions resumed leading to the instant proposed Settlement Agreement.

14. A specialist was able to retrieve approximately 252,552 documents from the laptop. Of note, the term documents refer to discrete documents that contain more than one page. As part of the proposed Settlement Agreement, Labriola has agreed to provide related context and testimony as to these documents as reasonably requested by Plaintiffs.

15. Mr. Labriola, through his counsel, has verified that he has produced all known documents and things in his possession or control concerning TelexFree.

16. In the lead up to the Settlement Agreement, Mr. Labriola met with Plaintiffs' counsel on multiple occasions to answer oral non recorded questions and go over evidence presented to him.

**THE PROPOSED SETTLEMENT DELIVERS
A REASONABLE BENEFIT TO THE CLASS**

17. In exchange for a full release, Plaintiffs will continue to receive full cooperation from Mr. Labriola. Mr. Labriola will cooperate with Plaintiffs to provide information necessary to assist in the prosecution of other defendants. He will testify and provide information necessary to establish how other defendants knowingly aided and abetted the TelexFree scheme.

18. As referenced above, the material terms of the Settlement Agreement require Mr. Labriola to meet with Plaintiffs' counsel as many times as necessary to go over the granular details gleaned from the newly produced documents.

19. The material terms of the Settlement Agreement also require Mr. Labriola to otherwise continue to meet with Plaintiffs' counsel upon reasonable demand to provide context as deemed necessary by Plaintiffs counsels.

20. The material terms of the Settlement Agreement also require Mr. Labriola to otherwise continue to execute declarations as reasonably deemed necessary by Plaintiffs' counsels.

21. The material terms of the Settlement Agreement also require Mr. Labriola to otherwise continue to appear at trial and testify.

22. The Proposed Settlement will also provide a benefit to the class because it will streamline the litigation while eliminating needless expenses, drains on resources, inconvenience, and the distraction of burdensome and protracted litigation.

23. The Proposed Settlement will also provide a benefit to the class because it will provide full cooperation from another TelexFree executive level insider. Labriola was TelexFree's International Sales Director and was a founding director of Common Cents Communications, the predecessor to TelexFree.

SCOPE OF RELEASE

24. The releases, orders, and judgment contemplated by the Settlement Agreement put to rest with finality all claims that have been or could have been asserted against Mr. Labriola.

PROCEDURAL HISTORY

25. The procedural history of this multi district litigation is well known to this Honorable Court. Moreover, an executive summary was very recently placed on file. *See* Dkt 2064-1.

CLASS COUNSEL AND CLASS REPRESENTATIVES HAVE ADEQUATELY REPRESENTED THE INTERESTS OF THE CLASS

26. That Class Counsel have demonstrated their adequacy, competency, and loyalty as advocates for the interests of the MDL 2566 putative class is also well known to this Honorable Court. An executive summary of this was very recently placed on file. *See* Dkt 2064-1.

27. In addition to retaining experts preeminent in their fields, class counsel's

representation of the class to date has included (1) filing and amending complaints as facts were discovered; (2) opposing motions to dismiss and motions for reconsideration filed by defendants; (3) investigating and analyzing facts outside and inside the formal discovery process to inform and guide the litigation, including reviewing and coding millions of documents; (4) retaining, consulting with, otherwise working with experts in the fields of banking, payment processing, legal malpractice, accounting, and economics to guide discovery, motion practice and trial preparation; (5) participating in formal mediation and informal negotiations with the Trustee; (6) pursuing ongoing settlement possibilities with opposing counsel while balancing the need for immediate class compensation against the value of evidence directed towards other defendants; and (7) reviewing over a million of pages of documents on an expedited basis.

28. During the course of this litigation, Plaintiffs received approximately 1,171,789 pages of documents received from various Defendants and third parties. The file size of these documents ranged from 104.1 MB to 10.1 GB, the largest files of which took an extensive amount of time to first level review and analyze. Additionally, Plaintiffs reviewed and produced 136,903 documents comprised of 757,540 pages, including 7,892 Excel spreadsheets and 126,736 PDF, email, image and Word documents. Plaintiffs' Counsel reviewed, coded, and conducted quality control measures on the document productions from defendants. I ordered second and third level reviews on select documents.

29. Plaintiffs' Counsel also conducted twenty-three (23) depositions.

30. The adequacy of class counsel's representation is further demonstrated by its efforts to evaluate and negotiate the Proposed Settlement.

CLASS REPRESENTATIVES

31. Through a cooperation agreement, Plaintiff's initially relied on the list of Net Losers as determined by the Trustee in Bankruptcy. Following a decision by the First Circuit Court

of Appeals relating to the reliability of the Trustee's determinations, in 2013 Plaintiffs engaged their own expert JS Held to reconstruct TelexFree's accounting system (referred to as the SIG system).

32. The Proposed Putative Class Representatives as verified by Plaintiffs' expert forensic accounting firm are, upon information and belief, net losers who each participated in TelexFree between 2012 and 2014.

33. The Proposed Putative Class Representatives have worked closely with Class Counsel.

34. Prior to being disclosed to Defendants, each Putative Class Representative reviewed and executed a retention agreement understanding the duties and obligations of a class representative.

35. Each Putative Class Representative, with their express consent, has been offered up for deposition. The remaining Defendants chose not to take their depositions. Should they wish to take their depositions, Plaintiffs will not object.

36. Each Putative Class Representative has searched for electronic and paper records within their possession, custody, or control that are relevant to this matter multiple times. Each Putative Class Representative has responded to inquiries by Class Counsel dozens of times and been provided with voluminous copies of pleadings and the proposed Settlement Agreements.

37. The Putative Class Representatives and notice of their intent to pursue a worldwide class were disclosed to Defendants. Plaintiffs have repeatedly invited the Defendants to take the deposition of the settlement class representatives, have produced all responsive documents they possess and have responded to Defendants' Interrogatories.

THE PROPOSED SETTLEMENT WAS NEGOTIATED AT ARM'S LENGTH AND PROVIDES ADEQUATE RELIEF FOR THE CLASS

38. This Settlement Agreement is the result of long-term arm's length negotiations. On

multiple occasions, the parties engaged in settlement efforts and walked away prior to reaching the terms of this Settlement Agreement.

39. During 2017, Plaintiffs made repeated efforts to settle with Mr. Labriola and engaged in extensive discussion with his then counsel. The efforts included in person and telephonic exchanges and oral proffers. The parties were unable to reach an agreement.

40. During 2019, Plaintiffs made repeated efforts to settle with Mr. Labriola and engaged in extensive discussion with his then counsel. The efforts included in person and telephonic exchanges and oral proffers. The parties were unable to reach an agreement.

41. During 2023, Plaintiffs made repeated efforts to settle with Mr. Labriola and engaged in extensive discussion with his present counsel. The efforts included in person and telephonic exchanges and oral proffers.

42. Although the parties were unable to reach an agreement, Mr. Labriola's new counsel, Meredith Wilson Doty of the Rose Firm, breathed fresh air into the efforts and the parties were eventually able to reach this Settlement Agreement.

43. As referenced above, Mr. Labriola, through counsel, has verified that he has produced all known documents and things in its possession or control concerning TelexFree.

44. Plaintiffs have developed a damages model based on the principles of joint and several liability and understand the monetary value of the victims' loss.

45. In addition to having the benefit of discovery responses, Plaintiffs have engaged in extensive briefing including multiple dispositive motions and amendments to the complaint. Thus, Class Counsel were sufficiently armed with the law and facts necessary to fully press their theories of liability and damages, when they agreed to settle with Mr. Labriola.

46. After considering the needs for proving their claims, the costs associated with litigation, the complexities of this case, and the nuances of the claims for aiding and abetting a

Ponzi scheme, Plaintiffs agreed to settlement with Mr. Labriola.

47. Plaintiffs cited case law and the Restatement of Torts to support their position that an aider-abettor is jointly liable for the same damages as the primary tortfeasor and that damages began to accrue on the first date Plaintiffs established actual damages.

48. Reaching a settlement was extremely challenging. From the outset, a succession of counsel representing Mr. Labriola and Plaintiffs' counsels exchanged sharply contrasting views of the facts as well as the law of aiding and abetting and the calculation of damages. Moreover, prior to the entry into the case by the Rose Firm, the cooperation of Mr. Labriola was lackluster, and unacceptable.

49. That having been said, Mr. Labriola's counsel asserted they would present numerous defenses.

50. After reaching an agreement in principle, counsel for both sides aggressively and meticulously negotiated the procedural and substantive details of the comprehensive Settlement Agreement placed before this Court for approval. This negotiation process was lengthy and involved exchanges of the draft agreements.

51. In light of the factors set forth herein, the Proposed Settlement Agreement represents an acceptable value for the Settlement Class.

52. The Settlement Agreement details the terms of the agreement reached between the parties.

53. There are no other agreements connected with the proposed Settlement Agreement that require disclosure under Rule 23(e)(3).

THE PROPOSED SETTLEMENT TREATS CLASS MEMBERS EQUITABLY

54. There is no monetary component of this Proposed Settlement Agreement. The Proposed Settlement Agreement is made on behalf of a worldwide Settlement Class, and no subset

of the Settlement Class is entitled to a disproportionate share of the Proposed Settlement Agreement. The Proposed Settlement Agreement treats class members equitably relative to each other.

**PROPOSED CLASS NOTICE PROCESS REPRESENTS AN IMPROVED
VERSION OF A NOTICE PROCESS THAT THIS COURT APPROVED IN
PREVIOUS SETTLEMENTS**

55. Class Counsel has retained an exceptionally qualified and experienced class notice company. *See* the Declaration of Eric Schacter attached as Exhibit 3 to the Memorandum in Support of Preliminary Approval (submitted concurrently to this Declaration).

56. While this Court previously approved the use of the Bankruptcy Trustee's putative class list, the current class list is comprised of an updated list arrived at by Plaintiffs' preeminent class notice company AB Data.

57. This Court has already approved the form of Class Notice, the method of the proposed class notice, and the selection of AB Data as the notice company for the settlements with Fidelity Bank, Joseph Craft, Synovus Bank, and Base Commerce, LLC. (*See* Dkt. 1057 – Order on Final Approval and Dkt 1058 – Final Approval of Fidelity Bank settlement) as well as the TD Bank settlement (*See* Dkt. 1830 – Order on Final Approval).

58. In any future payout, AB Data will take into account payments made by TelexFree Trustee in Bankruptcy to ensure that fair, accurate and consistent future payments are made to all to Net Loser class members.

59. AB Data will provide a common means for a coordinated accounting of payments made and treat all class members equitably.

60. AB Data will preserve the right of individual class members who make claims through MDL 2566 to advocate for their own interests.

61. AB Data will preserve the right of individual class members to administratively

address disputes relating to their claims.

62. The AB Data protocol includes, among other things, links embedded in emails to Settlement Class Members that allow Members to view the notice in their preferred language.

63. The MDL 2566 website will also make available translated versions of the Notice in Spanish, Portuguese, Italian, French, and Russian.

64. AB Data has taken extraordinary steps to ensure that the Notice can be translated into over one hundred languages when requested. Visitors to the MDL 2566 website will be able to request translation of the website content into these languages with ease.

65. Moreover, prerecorded information and live operators will also be available in English, Spanish, Portuguese and Russian. This protocol greatly exceeds all industry standards.

66. I worked with AB Data to ensure that the timing, method of notice, and notice methods previously approved by this Court are again offered for this Settlement Agreement.

**PUBLIC POLICY CONSIDERATIONS FAVOR APPROVAL OF
THE PROPOSED SETTLEMENT AGREEMENT**

67. MDL 2566, with its approximate 580,000 victims and approximately \$1.16 billion in damages, is a particularly large MDL proceeding that presents a rare opportunity to hold legal professionals and financial service providers accountable for their role in assisting large-scale frauds. Pyramid and Ponzi schemes continue to plague our society. The deterrence provided through this settlement is noteworthy.

68. Ponzi schemes such as TelexFree cannot exist without sophisticated financial and professional services providers, such as banks, lawyers and pay processors, but these providers routinely elude public scrutiny and punishment from government regulators.

69. Government regulators and law enforcement rarely disrupt incipient fraud. Even after fraudulent schemes like TelexFree have grown to gigantic proportions, government intervention is typically limited to seizure of whatever corporate assets have not been sheltered or

laundered and a smattering of individual prosecutions of high-level insiders and public promoters of the fraud.

70. The United States Department of Justice has only prosecuted a small number of the high-level individuals directly involved in the scheme, such as TelexFree's founders and top recruiters. In fact, over 100 net winners absconded with over \$900,000.00 each, yet less than a half dozen individuals were prosecuted because the government's resources are limited.

71. Civil litigation like the instant MDL are the most effective sword and shield to make whole the victims of past schemes and to create a deterrent against the participation of financial service providers and professionals' future participation.

72. There are additional reasons why government actions cannot equal the impact of civil litigants. Secondary liability, the closest equivalent to aiding-and-abetting liability under federal securities law, will lie only in limited circumstances. Typically, this involves liability of "controlling persons" who have a direct role in the sale or offering of unregistered or fraudulent securities. *See* Securities Act of 1933 § 15, 15 U.S.C. § 77o; Securities Exchange Act of 1934 § 20(a), 15 U.S.C. § 78t. Also, §209(e) of the Investment Advisers Act (IAA), 15 U.S.C. § 80b-9(e) (1982), authorizes the SEC to bring actions to enjoin any person violating the provisions of the act, including any person who "has aided, abetted, counseled, commanded, induced, or procured" a violation.

73. The reach of the bankruptcy proceedings is even more severely limited because the Trustee, who assumes only the rights of TelexFree, is precluded under the doctrine of *in pari delicto* from recovering against any other tortfeasor, such as the financial institutions, payment processors, and licensed professionals who aided and abetted the TelexFree Scheme. *See In Re Bernard L. Madoff Inv. Securities LLC*, 424 B.R. 122 (Bankr. S.D.N.Y. Jun. 20, 2010) (holding bankruptcy trustee barred by doctrine of *in pari delicto* from pursuing claims on behalf of the

debtor or victims against various financial institutions and other aiders and abettors on Madoff scheme); *see also Caplin v. Marine Midland Grace Trust Co. of N.Y.*, 406 U.S. 416 (1972).

74. These aforementioned limitations reflect a long-standing and uniquely American philosophy of minimizing the size and power of the regulatory state while relying on private enforcement of the law (and particularly class actions against corporations) to provide the deterrence and compensation that in other countries is provided by government regulators and social insurance. *See* Brian Fitzpatrick, The Conservative Case for Class Actions 19, 25-27 (2019).

75. MDL 2566 serves the public interest and public good by addressing (1) the inability of government regulators to fully investigate and prosecute claims against financial institutions and professional service providers who provide reputational, technical, and logistical support to frauds and (2) the inability of government regulators and trustees to secure meaningful compensation for families and communities that have been devastated by the effect of large-scale frauds.

76. These consolidated civil actions are the only means for the approximately 580,000 victims of the TelexFree Scheme to bring their rightful claims against a wide swath of TelexFree's co-conspirators and aider-abettors. Many of those victims—many of whom lost their entire life savings, and some of whom unknowingly recruited their loved ones into the same fate—have not yet been able to recover a significant portion of their losses.

77. None of the government actors mentioned above share the obligation of MDL 2566 Plaintiffs' counsel to consider the TelexFree victims as their top priority. As such, this MDL litigation presents the only opportunity for TelexFree victims to discover the true scope of TelexFree's scheme and hold leading financial institutions and others responsible for enabling a group of financial predators.

I declare under penalty of perjury under the laws of the United States of America that the

foregoing is true and correct.

Executed on July 18, 2024, in Oak Bluffs, MA

/s/ Robert J. Bonsignore
Robert J. Bonsignore Esq. (BBO No. 547880)
(NH Bar No 21241)
MDL 2566 Interim Lead Counsel
Bonsignore Trial Lawyers, PLLC
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Fax: 702-983-8673
Email: rbonsignore@classactions.us

EXHIBIT 2

SETTLEMENT AGREEMENT

This Settlement Agreement (“Settlement Agreement” or “Agreement”) is made and entered into this 8th day of July, 2024 (“Execution Date”) by Steven Labriola (“Labriola ”), on the one hand, and Eraldo Aguiar, Alvaro Barros, Anthony Cellucci, Maria Garcia, Veronica Martinez, Jesus Alberto Matienzo, and Francisco Olivares (together, the “TelexFree Class Plaintiffs”), on the other hand (Labriola and the TelexFree Plaintiffs are collectively referred to as “Parties” or, individually, each a “Party”).

PREAMBLE

WHEREAS, each paragraph in the Preamble is a material term;

WHEREAS, the TelexFree Class Plaintiffs are currently prosecuting the above-entitled actions (herein, “MDL 2566 Action(s),” “Action(s)” or “TelexFree Litigation”) individually and as putative class representatives on behalf a class of victims of the TelexFree pyramid scheme (the “Pyramid Scheme”) against, among others, Steven Labriola;

WHEREAS, the TelexFree Class Plaintiffs allege that they suffered ascertainable economic injury as a result of Labriola’s assistance and participation in the unlawful TelexFree Pyramid Scheme and including its related money laundering in violation of statutory and common law, as referenced in TelexFree Class Plaintiffs’ MDL 2566 Consolidated Amended Class Action Complaints (the “Complaints”) and the attachments to this Settlement Agreement;

WHEREAS, Steven Labriola served as TelexFree’s international marketing manager from the fall of 2012 until mid-April 2014;

WHEREAS, Steven Labriola facilitated communication between TelexFree agents and TelexFree corporate;

WHEREAS, the Labriola's full, truthful, complete, and ongoing cooperation, as described below, until the last TelexFree related Final Judgement with no further appeal has been entered is a material term;

WHEREAS, the Parties wish to settle and should Labriola not provide full, truthful, complete, and ongoing cooperation until the last TelexFree related Final Judgement with no further appeal has been entered, this agreement shall be null and void nunc pro tunc;

WHEREAS, Plaintiffs obtained Labriola's computer hard drive from his counsel via Plaintiffs' vendor, Iron Oak Discovery during the fall of 2023 and (a) 185.74 gigabytes of data from Labriola's computer were retrieved; (b) Plaintiffs' counsel engaged data project managers and e-discovery specialists to properly extract and process the information obtained from Labriola's computer; and (c) Plaintiffs' counsels next further refined the data through the use of analytics and artificial intelligence to narrow the scope of data for Plaintiffs' counsel to review.

WHEREAS, the laptop that was eventually returned to Mr. Labriola by the Department of Justice removed Mr. Labriola's access to his email and other programs and materials previously available on the laptop, and at the request of Plaintiff's Counsel, Mr. Labriola undertook efforts to retrieve any data available and eventually did and as of the date of this Settlement Agreement Plaintiffs' counsel has thus far been able to review 3/4 of the documents Labriola was able to retrieve from his computer and has therefore been unable to completely question Labriola as to the evidence and facts referenced.

WHEREAS, Steven Labriola has now produced all electronic files he possesses relating to TelexFree's operational systems, has produced his laptop and has no cell phones used during the term of his employment at Telexfree in his possession, custody or control;

WHEREAS, Labriola agrees to provide the ongoing cooperation to Plaintiffs' counsels as reasonably necessary until the last TelexFree related Final Judgement with no further appeal has been entered including, but not limited to, providing answers and facts as are referenced with the documents from his electronic devices/cloud storage, otherwise provide answers to questions and facts posed to him by Plaintiffs' counsels; and provide assistance with authenticating documents or admitting them into evidence;

WHEREAS, Steven Labriola has unequivocally represented that, other than fees for services performed from 2012 through 2014, he directly and indirectly has not received, has not secreted, is not entitled to and has no claim to funds, benefit or value that is attributable to TelexFree's unlawful pyramid scheme or related business operations;

WHEREAS, Steven Labriola, individually and on behalf of all entities and persons with whom he shares a beneficial interest, has unequivocally represented that he and they have not secreted any funds derived from TelexFree's unlawful pyramid scheme or related business operations;

WHEREAS, Steven Labriola individually and on behalf of all entities and persons with whom he shares a beneficial interest, has unequivocally represented that he and they have no knowledge whatsoever of the location of funds derived from TelexFree's unlawful pyramid scheme or related business operations that were secreted by others – other than that which has been seized by governmental authorities or the TelexFree Bankruptcy Trustee and if his or their memories are refreshed he will immediately notify Plaintiffs' Lead

Counsel Robert J. Bonsignore;

WHEREAS, each representation by Steven Labriola and on behalf of all persons and entities with whom he shares a beneficial interest, are material terms of this Settlement;

WHEREAS, Steven Labriola, individually and on behalf of all persons and entities with whom he shares a beneficial interest, has unequivocally represented that he and they have no insurance available to cover the TelexFree Class Plaintiffs' claims and that neither he or they individually, through umbrella or other insurance of any type have insurance policies. This representation is a material term of the Settlement between the parties.

WHEREAS, if Labriola individually and on behalf of all persons and entities with whom he shares a beneficial interest, is found at some future date to have told an untruth or to otherwise have directly or indirectly received or be entitled to non-disclosed substantial income or benefit from TelexFree's unlawful pyramid scheme or related business operations, this agreement shall be null and void nunc pro tunc. If an insurance policy is later discovered to cover the claims released, Labriola shall make claim and assign his rights to that policy to the MDL 2566 Plaintiffs.

WHEREAS, Steven Labriola individually and on behalf of all persons and entities with whom he shares a beneficial interest, will provide TelexFree Class Plaintiffs with a full and complete disclosure of his assets and financials together with an affirmation under oath that they are true, accurate and complete as represented prior to the Preliminary Approval Hearing;

WHEREAS, the parties agree that the list of assets and financials provided by Steven Labriola individually, and on behalf of all persons and entities with whom he shares a beneficial interest, will be relied upon as truthful and complete representations and, that

the truthfulness and the completeness of the financials remain material to this Settlement Agreement;

WHEREAS, Steven Labriola is released on the condition that if he does not cooperate as defined herein, or if he is found to have directly or indirectly secreted assets in his name or in the name of another, this release shall be subject to revocation and the action against him shall be reinstated nunc pro tunc;

WHEREAS, the failure of Steven Labriola or a Labriola affiliated person or entity to provide Full Cooperation as provided herein at all times shall be grounds for the Plaintiffs to seek to terminate the Settlement Agreement pursuant to the protocol described in Paragraph 13;

WHEREAS, Labriola swears to always tell the truth and to cooperate as provided herein and that both are terms material to this release;

WHEREAS, arm's-length settlement negotiations have taken place between Class Settlement Counsel (as defined below) and counsel for Labriola over an extended period of time and this Agreement has been reached as a result of those negotiations;

WHEREAS, TelexFree Class Plaintiffs have requested all information and documents related to the subject matter of the MDL 2566 Litigation and Labriola has provided, prior to the execution of this agreement, all related information he possess or has control over relating to the conduct referred to in MDL 2566 through cooperative interviews and truthful testimony and will also provide documents, to the extent they have not already been produced, without any hold back or claim of privilege, and will continue to cooperate on an ongoing basis as required by the needs of the litigation ("Full Cooperation" is also defined below);

WHEREAS, TelexFree Class Plaintiffs have concluded that resolving the claims against Labriola according to the terms set forth herein is in the best interests of putative class of TelexFree Plaintiffs and that this agreement supersedes and subsumes all prior agreements;

WHEREAS, TelexFree Class Plaintiffs have investigated the facts and the law regarding the conduct alleged in the Actions and have concluded that resolving the claims against Labriola is in the best interests of TelexFree Plaintiffs Settlement Class because the value of the Full Cooperation (“Full Cooperation”) that Labriola has agreed to provide pursuant to this Agreement exceeds the risk of further litigation and is otherwise fair, adequate, and serves the best interests of the Putative Class;

WHEREAS, TelexFree Class Plaintiffs have requested all information and documents related to the subject matter of the MDL 2566 Litigation and Labriola has provided, prior to the execution of this agreement, all related information he possesses or has control over relating to the conduct referred to in MDL 2566 through cooperative interviews and truthful testimony and will also provide documents, to the extent they have not already been produced, without any hold back or claim of privilege, and will continue to cooperate on an ongoing basis as required by the reasonable needs of the litigation (“Full Cooperation” is also defined below);

WHEREAS, Labriola, specifically and without admitting any liability, has agreed to enter into this Agreement to avoid further expense, inconvenience, and the distraction of burdensome and protracted litigation, to obtain the releases, orders, and judgment contemplated by this Agreement, and to put to rest with finality all claims that have been or could have been asserted against Labriola and Releases him with respect to the TelexFree

Pyramid Scheme based on the allegations in the Actions, as more particularly set out below;

WHEREAS, the Full Cooperation that Labriola has agreed to provide to TelexFree Class Plaintiffs, if allowed by the Court, will aid the TelexFree Class Plaintiffs, by reducing the substantial burden and expense and aid in the ongoing prosecution of the Actions; and

WHEREAS, because of potential joint and several liability, the Action will continue against Defendants that are not Releasees (as defined below) and this Agreement with Labriola will not impair TelexFree Class Plaintiffs' ability to collect the full amount of damages to which they and the Settlement Class may be entitled in the Actions.

NOW, THEREFORE, in consideration of the covenants, agreements, and releases set forth herein and for other good and valuable consideration, it is agreed by and among the undersigned that the Actions be settled, compromised, and dismissed with prejudice as to the Releasees, and except as hereinafter provided, without costs as to the TelexFree Class Plaintiffs, the Settlement Class, or Labriola, subject to the approval of the Court, on the following terms and conditions:

AGREEMENT

A. Definitions.

1. "Cooperation" and "Full Cooperation" refer to the provisions set forth in Paragraphs 11-31 and to the material representations made relating to Labriola's financials.

2. "Defendant(s)," for purposes of this Settlement Agreement, includes, but is not limited to, all Defendants named in each Consolidated Amended Complaint; all those entities and persons connected or related to TelexFree's unlawful Pyramid Scheme as

identified in good faith by Labriola or contained in his business records or personnel files; and the persons and entities identified in Attachments A and B.

3. “Document” is defined to be synonymous in meaning and equal in scope to the usage of this term in Rule 34(a) of the Federal Rules of Civil Procedure, including without limitation, electronically stored information. A draft or non-identical copy is a separate document within the meaning of this term. For purposes of this Agreement, Document shall include all foreign and English translations in Labriola’s custody, possession or control as well as those appearing in another language.

4. “Releasees” shall refer jointly and severally, individually and collectively to Labriola, all persons and entities with whom he shares a beneficial interest, insurers, and reinsurers. The term Releasees does not include any Defendant in the MDL 2566 related Actions other than Labriola.

5. “Releasers” shall refer jointly and severally, individually, and collectively to the TelexFree Class Plaintiffs and the Members of the Settlement Class, as well as their past, present, and future employees, officers, directors, corporators, heirs, trusts, trustees, executors, estates, administrators, beneficiaries, distributees, foundations, agents, fiduciaries, partners, partnerships, joint ventures, member firms, limited liability companies, corporations, parents, subsidiaries, divisions, affiliates, associated entities, principals, managing directors, members, managers, predecessors, predecessors-in-interest, successors, successors-in-interest, assigns, advisors, consultants, brokers, dealers, lenders, attorneys, representatives, accountants, insurers, co-insurers, reinsurers, associates, and their related parties.

6. “Settlement Class” is defined as “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. “Settlement Class Counsel” shall refer to Interim Lead Counsel, Plaintiffs’ Counsel, and members of Plaintiffs’ Interim Executive Committee, and the following Class Counsel:

Robert J. Bonsignore, Esq. Melanie Porter, Esq.
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Interim MDL 2566 Lead Counsel

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Email: rdardeno@dardeno.com

8. “Member” means each member of the Settlement Class who does not timely elect to be excluded from the Settlement Class.

9. “TelexFree” for purposes of this Settlement Agreement includes all TelexFree entities, agents, and affiliated entities and persons, including, but not limited to, James Merrill; Carlos Wanzeler; Katia Wanzeler; Livia Wanzeler; Ana Poala, Andrea Moriera, Danielle Goes, Above & Beyond the Limit, LLC; Above and Beyond the Limit, LLC; Acceris Realty Estate, LLC; Botafogo de Futebol e Regatas; Brazilian Help, Inc.; Bright Lite Future, LLC; Cleaner Image USA, LLC; Common Cents Communications Inc.; CNW Realty State, LLC; TelexFree, Inc.; Eagleview Realty Estate, LLC; Forever Diamond Realty, LLC; Graham Bell Tele, LLC; K&C Cleaning, Inc.; JC Real Estate Investment Company, LLC; JC Real Estate Management Company, LLC; KC Realty State, LLC; Sun Wind Energy Group, LLLP; Sunwind Energy Solutions, LLLP; TelexFree Canada; TelexFree Dominican Republic; TelexFree Dominicana SRL; TelexFree Financial, Inc.; TelexFree, LLC; TelexElectric, LLLP; TelexFree Jamaica International, Inc.; TelexFree International, LLC; TelexFree, Ltd.; TelexMobile Holdings,

Inc.; P.L.I. TelexFree Rwanda, Ltd.; TelexFree LLC DBA TelexFree of Miami; TelexFree UK; Ympactus Comercial Ltda and those otherwise as identified in good faith by you as contained in your business records. and those otherwise as identified in good faith by the TelexFree Plaintiffs or Labriola or as contained in Labriola's business records or personnel files.

B. Agreement to Cooperate.

11. As promptly as possible the TelexFree Class Plaintiffs shall submit to the Court a motion seeking preliminary approval of this Agreement. The Motion shall include the proposed form of an order preliminarily approving this Agreement, and proposed form of the electronic notice. Absent waiver, no less than five (5) business days before filing, TelexFree Class Plaintiffs will provide a draft of the Motion to Labriola for approval consistent with the terms of this Settlement Agreement, which shall not be unreasonably withheld.

12. "Cooperation Materials" means:

(a) to provide: (i) any and all information relating to TelexFree and the conduct referred to in or related to MDL 2566 as reasonably necessary including that referenced in the introduction to the Settlement Agreement; (ii) sworn affidavit(s) relating to TelexFree and the conduct referred to in or related to MDL 2566; (iii) such follow up granular affidavits as reasonably necessary as the litigation progresses that will address the remaining, dismissed or targeted new defendants or issues including TelexFree's unlawful pyramid scheme or related business including businesses and persons that did business with them; (iv)

ongoing interviews and cooperation as required by the reasonable needs of the litigation; (v) an authorization to retrieve phone or electronic storage data; (vi) all relevant Telexfree documents or other material or information possessed by or under the control of Labriola without a claim of privilege; and to (vii) work with Plaintiffs' counsel as reasonably necessary to authenticate one or more documents for admission at trial, settlement or otherwise in pursuit of the best interests of the TelexFree victims; (viii) otherwise work with Plaintiffs' counsel as reasonably necessary including but not limited to appearing and testifying at trial, provided that any such appearance shall be coordinated in a manner to avoid unnecessary duplication, burden and expense;

(b) The full cooperation of Labriola must be provided as reasonably needed during the litigation and a failure by Steven Labriola to fully cooperate shall constitute a material breach of the terms of this settlement agreement as to Steven Labriola and trigger the provisions of Paragraph 13; and

(c) After the Settlement Agreement is approved by the court, Plaintiffs will assume responsibility for all reasonable travel costs associated with Labriola's cooperation; and

(d) If third parties file claims against Labriola, Plaintiffs will allow Labriola access to material provided by that party during discovery within ninety (90) days of such claims being filed.

13. The prompt, timely and full provision of Full Cooperation and the Cooperation Materials are material terms to this Agreement. If the Plaintiffs take the position that Labriola is not cooperating as required under the terms of this Agreement

(including but not limited to the withholding of any non-privileged materials, witnesses or information that is required to be provided by Labriola under this Agreement), the Plaintiffs shall provide Labriola with notice of the non-cooperation and a reasonable period to cure of no less than fifteen (15) days. If Labriola fails to cure within fifteen (15) days, or to commit that the cure will be complete within thirty (30) days from the date of the notice of non-cooperation notice, the Plaintiffs shall be entitled to request that the Court make a determination whether or not that Labriola has failed to adhere to the terms of this Agreement. Upon a finding by the Court that Labriola has failed to adhere to a material term of the Settlement Agreement after the aforementioned proper notice and an opportunity to cure, the Plaintiffs shall have the right to request that the Court terminate this Settlement Agreement as to Labriola and authorize Plaintiffs to proceed to pursue the full extent of damages against Labriola nunc pro tunc.

14. Full Cooperation is used in accordance with its common meaning and usage and includes, but is not limited to, complying with each obligation described herein in its entirety and providing all records, documents and information and known facts, written or otherwise, that are required to be provided by Labriola under this Agreement.

15. The timely provision of full, complete, accurate and truthful information, evidence, and responses are material terms and conditions.

16. Full Cooperation includes the prompt, timely and full production of relevant documents.

17. Relevant Documents shall include all English translations, to the extent they exist. To the extent that electronic documents exist, Labriola shall cooperate with Plaintiffs' efforts to extract the data including metadata from his electronic devices. The

Plaintiffs' shall carry the related costs of extracting the data. Labriola has made an electronic device containing Relevant Documents available to Plaintiffs and their Vendor, who have extracted the data, and has no other electronic devices in his possession containing Relevant Documents.

18. Labriola has agreed to complete, and has represented that he has completed, document dumps of all files related to Labriola's relationship with TelexFree from inception to date and continuing that are required to be provided by them under this Agreement. These transmittals shall not waive Labriola's attorney-client privilege with regard to counsel in the MDL 2566 Action(s).

19. Labriola shall provide Full Cooperation with TelexFree Class Plaintiffs in discovery in the TelexFree Litigation as follows:

(a) Except as already provided to TelexFree Class Plaintiffs or Plaintiffs' counsel, Labriola will produce within ten (10) days of the execution of this Settlement Agreement all Documents as set forth herein in his possession, custody or control that were created or that otherwise came into his possession as of the date of inception relating to the allegations and claims in the TelexFree Litigation which include documents relating to the persons and entities identified in Attachments A and B.

(b) The Documents shall include, but not be limited to, all such Documents that Labriola has produced to the Chapter 11 Trustee for TelexFree or in response to any subpoena issued by any governmental or investigatory agency related to TelexFree's unlawful pyramid Scheme or related business including

businesses that did business with them, provided such documents are in his possession, custody or control. Additionally, except as already provided to TelexFree Class Plaintiffs or Plaintiffs' counsel, Labriola will produce within ten (10) days of the execution of this Settlement Agreement all Documents as set forth herein in his respective possession, custody or control that were created or that otherwise came into his possession as of January 1, 2010 through to this date, all exchanges with any and all Defendants including their counsel or persons not named but otherwise involved in TelexFree's unlawful pyramid scheme or related business including businesses that did business with them but not named. To the extent that the formal discovery may involve confidential information concerning customers of Labriola, Labriola may move for an appropriate protective order before providing the formal discovery. The formal discovery will be scheduled for a mutually agreeable time and location, prior to preliminary court approval.

(c) Labriola submits as part of this Settlement Agreement that the documents he produced, were business records and (i) each record was made and kept in the course of regularly conducted business activity; (ii) each record is one that is routinely made and kept in the course of business, in the business's usual practice; (iii) each record was made at or near the time of the event that it records; and (iv) each record was made by a person with knowledge, or from information transmitted by a person with knowledge, and who reported such knowledge in the regular course of business.

(d) Labriola's Cooperation obligations shall include, but are not limited

to, the following:

(e) Steven Labriola will make himself available for formal or informal interviews;

(f) Labriola will also provide, upon request, a comprehensive affidavit(s) to TelexFree Class Plaintiffs' counsel, concerning his knowledge, if any, regarding the interaction of persons and entities as relates to TelexFree's unlawful pyramid scheme or related business including businesses that did business with them including but not limited to the persons and entities identified in Attachments A, B and C.

(g) Failure to cooperate hereunder prior to the hearing on Final Approval of the Settlement Agreement will constitute the basis for Plaintiffs to request that the Court terminate this Settlement Agreement against Labriola.

(h) The discovery of untruthfulness by Labriola will constitute a valid basis upon which counsel for Plaintiffs shall have a right to request that the Court terminate this Settlement Agreement against Labriola nunc pro tunc.

(i) In the event that the Court enters an Order terminating the Settlement Agreement as to Labriola prior to Preliminary Approval, this Settlement Agreement shall be deemed null and void as to Labriola nunc pro tunc.

(j) Following execution of the Settlement Agreement and court approval of the Protective Order, Labriola will continue to provide informal discovery concerning any involvement of any person or entity relating to TelexFree's unlawful pyramid scheme or related business including businesses that did business with them and any and all allegations and claims referenced in the

TelexFree Litigation to counsel for the Plaintiffs and Labriola agrees as a material term to this Settlement Agreement to provide the ongoing cooperation to Plaintiffs' counsels as reasonably necessary until the last TelexFree related Final Judgement with no further appeal has been entered including, but not limited to, providing answers and facts as are referenced with the documents from his electronic devices/cloud storage, otherwise provide answers to questions and facts posed to him by Plaintiffs' counsels; provide assistance with authenticating documents or admitting them into evidence .

(k) To the extent that the informal discovery may involve confidential information concerning customers of Labriola, all such information may be sealed or coded to protect the interests of those customers.

20. Cooperation interviews may be conducted by ZOOM meeting or some other such provider at the convenience of Mr. Labriola and Plaintiffs' counsel.

21. TelexFree Class Plaintiffs' Counsel and Labriola agree to amend the terms of the MDL 2566 Protective Order found at Docket #855 as follows

(a) Prior to disclosure to the Court, other parties in the TelexFree Litigation, or anyone else other than Plaintiffs' attorneys or experts employed by TelexFree Class Plaintiffs' Counsel or Labriola, Plaintiffs' counsel shall identify to Labriola all documents produced or provided by Labriola that they intend to file in Court or to disclose to anyone other than the persons allowed access by the Protective Order.

(b) Labriola shall then have a reasonable period of five (5) business days

to identify protected personal, confidential and/or privileged information that must be redacted or removed by TelexFree Class Plaintiffs from the documents before the contents of the documents can be used in any way in the TelexFree Litigation or in any other way or that may be filed but only under seal. This requirement shall not relieve Plaintiffs of their own obligation to redact SSNs, protected personal information and full credit card numbers before producing or filing the same.

(c) Pursuant to the above procedure, in the event that the relevant Parties are unable to reach agreement on a document or witness related matter, Labriola shall file a Motion for a Protective Order within ten (10) business days of Plaintiffs' notifying that Labriola wishes to make use of a document or witness to which Labriola objects. The parties shall simultaneously request that the Court refer this dispute to a Magistrate Judge or JAMS for resolution that will certainly be resolved within twenty (20) days of the filing of the Motion for Protective Order.

(d) TelexFree Class Plaintiffs shall comply with the terms of such a Protective Order in filing any documents received from Labriola in the ongoing TelexFree Litigation and in discovery therein.

(e) Any documents previously produced by Labriola to Plaintiffs in connection with this Settlement Agreement or the negotiation of the settlement described herein shall be treated as "Confidential" pursuant to such a Protective Order.

22. At the request of TelexFree Class Plaintiffs' Counsel, Labriola will provide and sign affidavits, upon personal knowledge, regarding Cooperation Materials and other informal or formal discovery responses, in connection with motion practice by Plaintiffs'

counsel. It is understood that he will testify as to his best current recollection.

23. As Plaintiffs' counsel deems it necessary to have Labriola authenticate one or more documents for admission at trial, they shall identify those documents to Labriola or his counsel if he has one, and Labriola shall support the admission of the identified documents. It is understood that he testify as to his best current recollection.

24. Labriola agrees to appear at trial. It is understood that he will testify as to his best current recollection.

25. All Cooperation shall be coordinated in such a manner so that all unnecessary duplication, burden and expense is avoided. Labriola has not entered into any Joint Defense Agreement in this matter. All exchanges relating to the execution of this Settlement Agreement including proffers and meetings between counsel for the Parties were expressly carried out as such and are entitled to the protections of FRE 408. Neither party shall disclose the contents of those discussions, proffers, and exchanges of documents with any person or entity for any reason ever. The Settlement Class Counsel will be provided with correspondence from and to all non-Labriola Defendants relating to the TelexFree Litigation, excepting therefrom any such correspondence subject to a joint defense privilege, and be invited to participate in any and all communications of whatever nature including informal attorney proffers, witness interviews, and depositions provided by Labriola to any non-Labriola Defendant as related to the subject matter of the Litigation and TelexFree's Pyramid Scheme and money laundering. Should an impromptu communication take place it is the affirmative obligation of Labriola to immediately terminate it and provide a full disclosure to Plaintiffs' Counsel. Failure of any term within the Agreement shall be considered a material breach.

26. From and after the date of this Settlement Agreement, Labriola will provide notice to, and a copy of, any correspondence, interview notice, deposition notice, or subpoena issued by another Defendant and all formal or informal written communication(s) relating to the TelexFree Litigation they receive from another Defendant, provided such communication has not already been served on Plaintiffs' counsel. The notice and such copies shall be promptly provided upon receipt (to the extent Labriola is aware of such deposition notice or subpoena upon receipt of same). Labriola will provide notice to Plaintiffs' Lead counsel, or his designee, of any oral communication together with a summary of same within 48 hours.

27. Any statements made by Labriola or his counsel in connection with and/or as part of this settlement shall be governed by Federal Rule of Evidence 408.

28. The obligation of Labriola to provide Cooperation includes providing ongoing assistance as described above, to the extent known by Labriola, to TelexFree Class Plaintiffs to understand the contents of his lap top and such other testimony, statements, evidence, documents or things that may arise that involve any person or entity relating to TelexFree's unlawful pyramid scheme or related business including businesses that did business with them and any and all allegations and claims referenced in the TelexFree Litigation to TelexFree Class Plaintiffs by Labriola during the interviews conducted pursuant to this Agreement, and this assistance shall not be affected by the terms of the Release set forth in this Settlement Agreement. Unless this Agreement is rescinded, disapproved, or otherwise fails to take effect, Labriola's obligations to provide Full Cooperation and Cooperation Materials under this Agreement shall continue as reasonably necessary to understand any transactional sales and cost data or until otherwise ordered by

the Court, or the date that final judgment has been entered in the Action against the last Defendant. This obligation is subject to the time and scope limitations set forth in the Agreement.

29. Other than to enforce the terms of this Agreement, neither Labriola nor TelexFree Class Plaintiffs shall file motions against the other in this Action during the pendency of the Agreement.

30. Notwithstanding the Parties' agreement to inform the Court of the fact of this Settlement, Labriola and TelexFree Class Plaintiffs agree not to disclose publicly or to any other person the terms of this Agreement until it is submitted to the Court.

31. Labriola shall use all best efforts to cooperate under the terms of this Agreement. If Labriola fails to cooperate under the terms of this Agreement, and that failure continues after specific notice and a reasonable opportunity to cure of no less than fifteen (15) but no more than thirty (30) days, Settlement Class Counsel shall move for termination under Paragraph 13 of this Settlement Agreement or move for an Order from the Court compelling such cooperation. The non-cooperating witness shall bear all related costs and expenses including attorney fees and costs approved by the Court.

C. Release, Discharge, and Covenant Not to Sue.

32. Except as specified in Paragraphs 13, 19(g), and 31 above and in addition to the effect of any final judgment entered in accordance with this Agreement, upon this Agreement becoming final as set out in Paragraph 42 of this Agreement, and in consideration of Labriola's Cooperation, as specified in Paragraphs 11 -31, the Releasees shall be completely released, acquitted, and forever discharged from any and all claims, demands, actions, suits, causes of action, whether class, individual, or otherwise in nature

that Releasers, or each of them, ever had, now have, or hereafter can, shall, or may ever have, that now exist or may exist in the future, on account of, or in any way arising out of, any and all known and unknown, foreseen and unforeseen, suspected or unsuspected, actual or contingent, liquidated or unliquidated claims, injuries, damages, and the consequences thereof in any way arising out of or relating to TelexFree, including without limitation (a) any conduct alleged in the Complaints, (b) any act or omission of the Releasees (or any of them) alleged in the Complaints concerning the conduct of Labriola as it relates to the TelexFree Pyramid Scheme, or (c) any conduct alleged and causes of action asserted or that could have been alleged or asserted, in any class action or other complaints filed in the Actions (the “Released Claims”).

33. Releasers shall not, after the date of this Agreement, seek to establish liability against any Releasee as to, in whole or in part, any of the Released Claims unless (i) the Agreement is, for any reason, not finally approved or is rescinded or otherwise fails to become effective or (ii) if Labriola is found by the MDL 2566 Court to have withheld Cooperation or to have not fully cooperated or to have materially breached the terms of this Settlement Agreement, including being untruthful.

34. In exchange for the release, Labriola shall provide Full Cooperation to the TelexFree Class Plaintiffs as set forth herein, which is considered a material term.

35. In addition to the provisions of Paragraphs 32 and 33 of this Agreement, Releasers hereby expressly waive and release, solely with respect to the Released Claims and upon this Agreement becoming final, all provisions, rights, and benefits, conferred by §1542 of the California Civil Code, which states:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO

EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY.

Releasors further expressly waive and release, with respect to the Released Claims and upon this Agreement becoming final, any and all provisions, rights, and benefits, conferred by any law of any state or territory of the United States, or principle of common law, which is similar, comparable, or equivalent to §1542 of the California Civil Code.

D. Approval of this Agreement and Dismissal of Claims against Labriola.

36. TelexFree Class Plaintiffs and Labriola shall use their best efforts to effectuate this Agreement, including cooperatively seeking the Court's approval for the establishment of procedures including the giving of class notice under Federal Rules of Civil Procedure 23(e) electronically to secure the complete and final dismissal with prejudice of the Actions as to the Releasees only. Class Notice for this Labriola Settlement will be combined with another future settlement. The Settlement class shall not be required to pay for a separate Class Notice.

37. As soon as practicable after the execution of this Agreement, TelexFree Class Plaintiffs and Labriola shall inform the Court that TelexFree Class Plaintiffs and Labriola have finalized an agreement to settle the Actions and that all actions pertaining to Labriola should be stayed.

38. As promptly as possible the TelexFree Class Plaintiffs shall submit to the Court a motion seeking preliminary approval of this Agreement. The Motion shall include the proposed form of an order preliminarily approving this Agreement, and proposed form of the electronic notice. Absent waiver, no less than five (5) business days before filing, TelexFree Class Plaintiffs have submitted a draft of the Motion to Labriola for approval

consistent with the terms of this Settlement Agreement, which shall not be unreasonably withheld.

39. Following receipt of the approval order of a future settlement that funds class notice, TelexFree Class Plaintiffs shall electronically disseminate notice of the proposed settlement to the Settlement Class (the “Notice Motion”) within that class notice.

40. TelexFree Class Plaintiffs shall seek, and Labriola will not object unreasonably, the entry of an order and final judgment, the text of which TelexFree Class Plaintiffs and Labriola shall mutually agree.

41. The terms of that order and final judgment will include, at a minimum, the substance of the following provisions:

(a) Certification of the Settlement Class described in Paragraph 6 of this Agreement, pursuant to Rule 23 of the Federal Rules of Civil Procedure, solely for purposes of this settlement;

(b) As to the Actions, final approval of this settlement and its terms as being a fair, reasonable and adequate settlement as to the Settlement Class Members within the meaning of Rule 23 of the Federal Rules of Civil Procedure and direction of its consummation according to its terms;

(c) As to Class Notice, approval of electronic notice as satisfying the requirements of Rule 23 because it is the “best notice that is practicable under the circumstances.” The sole use of Electronic Notice, without publication in printed materials, is a material term of this Agreement. The parties have taken into account TelexFree was an e-based operation;

(d) That Massachusetts law, including the provisions of M.G.L.A.

231B, §4 which bars contribution actions against joint tortfeasors who settle in good faith, without regard to the principles 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;

(e) As to Labriola, a directive that the Actions be dismissed with prejudice and, except as provided for in this Agreement, without costs;

(f) Reservation of exclusive jurisdiction to the United States District Court for the District of Massachusetts over the settlement and this Agreement, including the administration and consummation of this settlement, as well as over Labriola for the duration of Cooperation pursuant to this Agreement;

(g) Determination under Federal Rule of Civil Procedure 54(b) that there is no just reason for delay and a directive that the judgment of dismissal as to Labriola shall be final; and

(h) The terms of this Agreement shall remain binding on the parties following dismissal and that this Court shall retain continuing jurisdiction.

42. This Agreement shall become final when (i) the Court has entered a final order certifying the Settlement Class described in Paragraph 6 and approving this Agreement under Federal Rule of Civil Procedure 23(e) and a separate and final judgment dismissing Labriola from the above-captioned Actions with prejudice as to all Settlement Class Members and without costs other than those provided for in this Agreement, and (ii) the time for appeal or to seek permission to appeal from the Court's approval of this Agreement and entry of a separate and final judgment as to Labriola described in (i) hereof has expired or, if appealed, approval of this Agreement and the final

judgment as to Labriola has been affirmed in its entirety by the Court of last resort to which such appeal has been taken and such affirmance has become no longer subject to further appeal or review.

43. It is agreed that the provisions of Rule 60 of the Federal Rules of Civil Procedure shall not be considered in determining the above-stated times. On the date that TelexFree Class Plaintiffs and Labriola have executed this Agreement, TelexFree Class Plaintiffs and Labriola shall be bound by its terms and this Agreement shall not be rescinded except in accordance with Paragraphs 13 or 49-51 of this Agreement.

E. Exclusions.

44. Within fifteen (15) business days after the end of the period to request exclusion from the Settlement Class, Settlement Class Counsel shall cause copies of requests for exclusion from the Settlement Class to be provided to counsel for Labriola and placed on file. With respect to any potential Settlement Class Member who requests exclusion from the Settlement Class, Labriola reserves all his legal rights and defenses.

F. Electronic Notice to The Class.

45. It is agreed to by the Parties that electronic notice is the best possible method of notice to this unique class. The use of electronic notice only, rather than mail or publication is a material term to this Settlement Agreement, and should the Court not approve this term the parties have the right to terminate the agreement subject to Paragraph 48 below which provides a period during which they shall be afforded the option of presenting the Court with an alternative form of Notice.

46. Labriola shall not be liable for any of the Plaintiffs' costs or expenses of the litigation of the Actions, including attorneys' fees, fees and expenses of expert

witnesses and consultants, motion practice, hearings before the Court or any Special Master, appeals, trials or the negotiation of other settlements, or for Class administration and costs.

47. Publication of Notice of this Settlement shall be made in conjunction with another Settlement that Class Counsel enters into on behalf of a class of TelexFree Class Plaintiffs in the MDL 2566 Litigation after the Execution Date, and Settlement Class Counsel shall use reasonable efforts to provide a single notice to prospective Settlement Class members of all such settlements.

48. If the Court does not approve electronic notice as the sole notice to the class, the Parties shall have the option of formulating and agreeing to propose to the Court a mutually agreeable alternative notice program within fourteen (14) days.

G. Rescission If this Agreement Is Not Approved or Final Judgment Is Not Entered.

49. If the Court refuses to approve this Agreement or any material term herein or if the Court does not certify a settlement class in accordance with the specific Settlement Class definition set forth in this Agreement, or if such approval is modified or set aside on appeal, or if the Court does not enter the final judgment provided for in Paragraphs 41 and 42 of this Agreement, or if the Court enters the final judgment and appellate review is sought, and on such review, such final judgment is not affirmed in its entirety, then Labriola and TelexFree Class Plaintiffs shall each, in their sole discretion, have the option to rescind this Agreement in its entirety except as to the discovery obligations of Labriola.

50. Written notice of the exercise of the exercise of any such right to rescind shall be made according to the terms of Paragraph 13. A modification or reversal on appeal of any amount of Settlement Class Counsel's fees or costs and expenses awarded by the

Court from the Settlement Fund shall not be deemed a modification of all or a part of the terms of this Agreement or such final judgment.

51. In the event that this Agreement does not become final, or this Agreement otherwise is terminated pursuant to Paragraphs 13, 45 or 48, then this Agreement shall be of no force or effect. Labriola expressly reserves all his rights and defenses if this Agreement does not become final.

H. Miscellaneous.

52. Nothing in this Agreement shall prevent the TelexFree Class Plaintiffs from using Cooperation Materials produced pursuant to this Agreement against any other Defendant for any purpose in the MDL 2566 Litigation as long as the advance notice provisions in this Settlement Agreement and the Protective Order are complied with.

53. This Agreement shall be construed and interpreted to effectuate the intent of the Parties, which is to provide, through this Agreement, for a complete resolution of the relevant claims with respect to each Releasee as provided in this Agreement in exchange for Cooperation by Labriola.

54. TelexFree Plaintiffs' Counsel shall determine in good faith all materials reasonably required to be sent to appropriate Federal and State officials pursuant to the Class Action Fairness Act of 2005, 28 U.S.C. §1715 ("CAFA"). Labriola will provide all such materials reasonably requested by Plaintiffs' counsel and Plaintiffs' counsel will prepare all notices required under CAFA. Plaintiffs' counsel shall mail the CAFA notices. No part of this clause shall violate the express terms of CAFA or its interpretive cases.

55. This Agreement does not settle or compromise any claim by TelexFree Class Plaintiffs, or any other Settlement Class Member asserted in the Complaints or, if

amended, any subsequent Complaint, against any Defendant or alleged co-conspirator other than the Releasees. All rights against such other Defendants or alleged co-conspirators are specifically reserved by TelexFree Class Plaintiffs and the Settlement Class.

56. All rights of any Settlement Class Member against any and all former, current, or future Defendants or co-conspirators or any other person other than the Releasees for their involvement with TelexFree and others' alleged illegal conduct, are specifically reserved by TelexFree Class Plaintiffs and Settlement Class Members.

57. Labriola's alleged involvement with TelexFree and its alleged illegal conduct shall, to the extent permitted or authorized by law, remain in the Actions as a potential basis for liability and damage claims against non-Labriola Defendants and shall be part of any joint and several liability claims against other current or future Defendants in the Actions or other persons or entities other than the Releasees.

58. The United States District Court for the District of Massachusetts shall retain jurisdiction over the implementation, enforcement, and performance of this Agreement, and shall have exclusive jurisdiction over any suit, action, proceeding, or dispute arising out of or relating to this Agreement or the applicability of this Agreement that cannot be resolved by negotiation and agreement by TelexFree Class Plaintiffs and Labriola.

59. Nothing shall prohibit the parties from mutually agreeing to have disputes arising under this Agreement submitted to binding arbitration.

60. All persons and entities making claims under this Settlement Agreement shall be deemed to submit to the jurisdiction of the MDL 2655 Court.

61. This Agreement shall be governed by and interpreted according to the substantive laws of the Commonwealth of Massachusetts without regard to its choice of law or conflict of laws principles. With the exception of the limitations set forth in Paragraphs 19, 24, 25 and 31 of this Agreement, Labriola will not object to complying with any of the other provisions set forth in this Agreement on the basis of jurisdiction.

62. This Agreement constitutes the entire, complete and integrated agreement among TelexFree Class Plaintiffs and Labriola pertaining to the settlement of the Actions against Labriola, and supersedes all prior and contemporaneous undertakings, communications, representations, understandings, negotiations and discussions, either oral or written, between TelexFree Class Plaintiffs and Labriola in connection herewith. This Agreement may not be modified or amended except in writing executed by TelexFree Class Plaintiffs and Labriola and approved by the Court.

63. This Agreement shall be binding upon, and inure to the benefit of, the successors and assigns of TelexFree Class Plaintiffs and Labriola. Without limiting the generality of the foregoing, upon final approval of this Agreement each and every covenant and agreement made herein by TelexFree Class Plaintiffs or Settlement Class Counsel shall be binding upon all Settlement Class Members, Releasors and Releasees. The Releasees (other than Labriola which are parties hereto) are third-party beneficiaries of this Agreement who are bound by this Agreement and are otherwise authorized to enforce its terms applicable to them.

64. This Agreement may be executed in counterparts by TelexFree Class Plaintiffs and Labriola, and a facsimile or imaged signature shall be deemed an original signature for purposes of executing this Agreement.

65. Neither TelexFree Class Plaintiffs nor Labriola shall be considered to be the drafter of this Agreement or any of its provisions for the purpose of any statute, case law, rule of interpretation or construction that would or might cause any provision to be construed against the drafter of this Agreement.

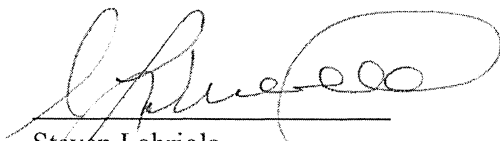
66. Where this Agreement requires either party to provide notice or any other communication or document to the other, such notice shall be in writing, and such notice, communication or document shall be provided by facsimile, or electronic mail (provided that no notice of rejection or non-delivery of email is received), or letter by overnight delivery to the undersigned counsel of record for the party to whom notice is being provided.

67. Each of the undersigned attorneys represents that he or she is fully authorized to enter the terms and conditions of, and to execute, this Agreement.

Dated July 8, 2024

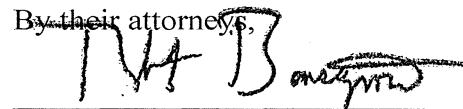
**THE REPRESENTATIVE PARTIES AGREE TO THE ABOVE
TERMS AND CONDITIONS.**

STEVEN LABRIOLA



Steven Labriola

TELEXFREE CLASS PLAINTIFFS,
By their attorneys,



Robert J. Bonsignore, Esq.
MDL 2566 Interim Lead Counsel
Melanie Porter, Esq.
Bonsignore Trial Lawyers, PLLC
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Medford, MA 02155
Office: 781-350-0000
Cell Phone: 781-354-1800
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Interim MDL 2566 Lead Counsel

ATTACHMENT A**TARGETED IDENTIFIED U.S. NET WINNERS****Net Winners**

Maria Teresa Milagres Neves	Celso Roberto Silva Filho	LLC
Benjamin Argueta	Team Global Adverting LLC	Andres Bolivar Estevez
Alexandro Rocha Marcos	LWC Marketing, Inc.	Walace Augusto Da Silva
Lana	Bartolo Castllo	Fabiana Acacia Da Cruz Dos
Luiz Antonio Da Silva	Gaspar Jesus	Santos
Jose Neto	Laureano Arellano	Eddie Alberto Duverge
Eduardo N. Silva Julio C. Paz	Aaron Ataide	Global Marketing Strategies
Bruno Graziani	Luisa E. Lopez	Carlos Vanterpool
Michel Cristiano Santolin De	Marcio Souza Nery	Devendra Shah
Arruda	Debora C. Brasil	Pat Jackson
Francisdalva Siqueira	Joelito Souza Caldas Junior	Silverio Reyes
Alexander N. Aurio	Rosane Cruz	Jose Lopez
Amilcar Lopez Renato	United Group USA	Dwayne Jones
Sacramento	Jean 2004 Enterprise Corp	Gerald Agnew
Euzebio Sudre Neto	Rudmar Gentil	Joseph Pietropaolo
Julio Silva	New Generation Med Supply	Jamilson Marcos Conceicao
Davidson R. Teixeira	Inc.	Sonya Crosby
Jose Carlos Maciel	Daneng Xiong	Wesley Nascimento Alves
Jesus Osuna	Omar Quinonez	Antonio Oliveira
Chai Hock Ng	Carlos C. Dejesus	Ronei Barreto
Hugo Alvarado	Carlos Alfaro	Ana Rosa Lopez
Ana R. Ramos	Lusette Balan	Milagros Adames
Edilene Storck Navarro	Technovia Inc.	Lm Davar Inc.
Helio Barbosa	Faith Sloan	Frantz Balan
Gelalin-3377, LLC	Mariza S Marinelli	Parrot Bay Homes, Inc.
Linda Suzanne Hackett	Nubia R Goulart	Edgar Borelli
Soraya Ferreira	Roberto Nunez	Ricardo Fabin
Ruddy Abreau	Gilson Nassar	Daniel Chavez
Edson F Souza	Bingjian Pan	Faustino Torres
Vaming Services	Chen, Vue	Randy Crosby
Jorge Antonio Mejia Sequeira	Rodrigo R Breda	Marcelo Dasilv
Rodrigo Castro	Paulo Giuliano Diogenes De	
Marco Almeida	Bessa Rosado	
David Reis	Jose Miguel Filho	
Rodrigo Montemor	Bilkish Sunesara	
Ana Santos	Lan Lan Ji	
Wesley Dias	Ezau Soares Ferreira	
Timex Research Consulting	Venerando Contreras	
Inc.	Jap International Network	

ATTACHMENT B

LIST OF DEFENDANTS

1. TelexElectric LLLP;
2. Telex Mobile, Holdings, Inc.;
3. James M. Merrill;
4. Carlos N. Wanzeler;
5. Katia Wanzeler a/k/a Katia Barbosa a/k/a Katia Barbosa Wanzeler;
6. Steven M. Labriola;
7. Carlos Roberto Costa;
8. Ana Paula Oliveira;
9. Andreia B. Moreira;
10. Ann Genet;
11. Opt3 Solutions, Inc.;
12. Jason A. Borromei;
13. Joseph H. Craft a/k/a Joe H. Craft;
14. Craft Financial Solutions, LLC;
15. Gerald P. Nehra, Esq.;
16. Gerald P. Nehra, Attorney at Law, PLLC;
17. Richard W. Waak;
18. Richard W. Waak, Attorney at Law, PLLC;
19. PricewaterhouseCoopers, LLP;
20. Telecom Logic, LLC;
21. Ryan James Mitchell

22. Bank of America Corporation;
23. Bank of America, N.A.;
24. Kevin Staten;
25. TD Bank, N.A.;
26. Citizens Financial Group, Inc.;
27. Citizens Bank of Massachusetts;
28. RBS Citizens, N.A.;
29. Fidelity Co-Operative Bank d/b/a Fidelity Bank;
30. John F. Merrill;
31. Middlesex Savings Bank;
32. Wells Fargo & Company;
33. Wells Fargo Bank, N.A.;
34. Wells Fargo Advisors, LLC;
35. Mauricio Cardenas;
36. Synovus Financial Corporation;
37. Synovus Bank;
38. PNC Bank, N.A.;
39. FMR, LLC, also known as Fidelity Investments;
40. Waddell & Reed Financial, Inc.;
41. Waddell & Reed, Inc.;
42. Global Payroll Gateway, Inc.
43. International Payout Systems, Inc.;
44. Edwin Gonzalez;

45. Natalia Yenatska;
46. Propay, Inc. d/b/a Propay.com;
47. Base Commerce, LLC d/b/a Phoenix Payments;
48. John Hughes;
49. Alexander Sidel;
50. Jason Doolittle;
51. John Kirchhefer;
52. Brian Bonfiglio;
53. Vantage Payments, LLC;
54. Dustin Sparman;
55. Allied Wallet, Ltd.;
56. Allied Wallet, Inc.;
57. Ahmad Khawaja;
58. Mohammad Diab
59. Amy Rountree
60. Garvey Schubert Barer, P.C.;
61. Robert Weaver;
62. Samuel C. Kauffman;
63. Gary P. Tober;
64. Sara P. Sandford;
65. Jeffrey A. Babener;
66. The Estate of Jeffrey A. Babener;
67. The Sheffield Group, Inc.;

68. Bank Card Consultants, Inc.;

69. John Yurick;

70. Priority Payout, Corp.;

71. Thomas A. Wells;

72. Deutsche Bank.

ATTACHMENT C

**EXEMPLAR TELEXFREE ENTITIES -
COLLECTIVELY REFERENCED AS "TELEXFREE"**

"TelexFree" for purposes of this Settlement Agreement includes all TelexFree entities, agents, and affiliated entities and persons, including, but not limited to:

1. James Merrill;
2. Carlos Wanzeler;
3. Katia Wanzeler a/k/a Katia Barbosa a/k/a Katia Barbosa Wanzeler;
4. Lyvia Mara Campista Wanzeler;
5. Nicholas Wanzeler;
6. Nicolas Wanzeler, Trustee of the Faith Nominee Realty Trust;
7. Carlos Costa;
8. Febe Wanzeler a/k/a Febe Vanzeler de Almeida Souza;
9. Above and Beyond the Limit, LLC;
10. Above & Beyond the Limit, LLC;
11. Acceris Realty Estate, LLC;
12. Botafogo de Futebol e Regatas;
13. Brazilian Help, Inc.;
14. Bright Lite Future, LLC;
15. Cleaner Image USA, LLC;
16. CNW Realty State, LLC;
17. Common Cents Communications Inc.;
18. Eagleview Realty Estate, LLC;

19. Forever Diamond Realty, LLC;
20. Graham Bell Tele, LLC;
21. JC Realty Co.'s;
22. JC Real Estate Management Company, LLC;
23. JC Real Estate Investment Company, LLC;
24. KC Realty State, LLC;
25. K&C Cleaning, Inc.;
26. Sun Wind Energy Group, LLP;
27. Sunwind Energy Solutions LLLP;
28. TelexElectric, LLLP;
29. TelexFree Canada;
30. TelexFree Dominican Republic;
31. TelexFree Financial, Inc.;
32. TelexFree, Inc.;
33. TelexFree International, LLC;
34. TelexFree, LLC;
35. TelexFree LLC DBA TelexFree of Miami;
36. Telex Mobile Holdings, Inc.;
37. TelexFree, Ltd.;
38. TelexFree Jamaca;
39. TelexFree Nevis;
40. TelexFree UK;
41. Ympactus Comercial Ltda;

42. P.L.I. TelexFree Rwanda, Ltd.; and

43. those otherwise as identified in good faith by the TelexFree Plaintiffs or Nehra or as contained in Nehra's business records or personnel files.

EXHIBIT 3

**UNITED STATES DISTRICT COURT
DISTRICT OF MASSACHUSETTS**

**IN RE: TELEXFREE SECURITIES
LITIGATION**

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

**This Document Relates to:
ALL CASES**

**DECLARATION OF ERIC SCHACHTER IN SUPPORT OF JOINT MOTION FOR
PRELIMINARY APPROVAL OF SETTLEMENTS**

I, Eric Schachter, declare:

1. I am a Senior Vice President with A.B. Data, Ltd. (“A.B. Data”). A.B. Data has been selected by Class Counsel as the Settlement Administrator in this case. I am fully familiar with the facts contained herein based upon my personal knowledge, and, if called as a witness, could and would testify competently thereto.

2. At the request of Class Counsel, I have prepared this declaration to describe the proposed notice plan and how it will meet the requirements of Rule 23 of the Federal Rules of Civil Procedure and provide due process to the Settlement Class Members. This declaration is based upon my personal knowledge and upon information provided to me by Class Counsel, my associates, and A.B. Data staff members.

3. I have implemented and coordinated some of the largest and most complex class action notice and administration plans in the country. The scope of my work includes notification, claims processing, and distribution plans in all types of class actions, including, but not limited to, consumer, antitrust, securities, ERISA, insurance, and government agency settlements.

4. A.B. Data has also been appointed as notice, claims, and/or settlement administrator in hundreds of high-volume consumer, civil rights, insurance, antitrust, ERISA, securities, and wage and hour class action cases. An updated profile of A.B. Data's background and capabilities, including representative case and client lists, is included as **Exhibit 1**.

5. The objective of the proposed notice plan (which is substantially similar to the notice plans previously approved by the Court in this case) is to provide the Settlement Class with the best practicable notice under the circumstances of the proposed settlements with Estate of Jeffrey A. Babener; Steven Labriola ("Labriola"); and Nehra Law Office, Gerald Nehra (individually), and Gerald P. Nehra, Attorney at Law, PLLC, ("Nehra") (collectively the "Settling Defendants"). The Settlement Class is generally defined as persons who purchased TelexFree AdCentral or AdCentral Family packages and suffered a Net Loss during the period from January 1, 2012, to April 16, 2014.

6. Notice will be sent directly to potential Settlement Class Members by email utilizing a clean and thoroughly vetted list of approximately 600,000 Settlement Class Member email addresses derived from the related bankruptcy proceedings. The Notice will include summary information concerning the Settlement, including: that this is a class action; a headline in plain and engaging language ("If You Bought a TelexFree AdCentral or AdCentral Family Package, Class Action Settlements Totaling Over \$3.45 Million May Affect Your Rights."); that the Settlement Class alleges an illegal pyramid/Ponzi scheme; that a Settlement Class Member may appear through an attorney if the member wants; that Settlement Class Members can be excluded or object; the time and manner for requesting exclusion or submitting an objection; and the binding effect of a class judgment. The emails to Settlement Class Members will also contain

links to view translated versions of the Notice in Spanish, Portuguese, Italian, French, and Russian. Attached as **Exhibit 2** is the proposed Notice.

7. Given that TelexFree conducted its business via the internet and communicated with Settlement Class Members through email, digital means of providing notice by email is the best practicable under the circumstances. To increase deliverability, A.B. Data will implement certain best practices to avoid SPAM and junk filters and will ultimately be able to verify how many emails were successfully delivered.

8. To assist potential Settlement Class Members in understanding the terms of the settlements and their rights, A.B. Data will update and continue to maintain the toll-free telephone number helpline for the litigation with an automated interactive voice response system. The toll-free telephone number will appear on the Notice. The automated interactive voice response system presents callers with a series of choices to hear prerecorded information concerning the settlements. If callers need further help, they have an option to speak with a live operator during business hours. The prerecorded information and live operators are also available in Spanish, Portuguese, Italian, French, and Russian.

9. A.B. Data will also update and continue to maintain the case-specific website for this matter. The website address will appear on the Notice. The website provides, among other things, a summary of the case, all relevant documents, important dates, and any pertinent updates concerning the litigation or the settlement process. The website will also include translated versions of the Notice in Spanish, Portuguese, Italian, French, and Russian, and has the ability to request translation of the website content into over 100 other languages.

10. The Notice will provide that Settlement Class Members may request exclusion by sending a written, mailed request to the Settlement Administrator. A.B. Data will receive and

process all requests for exclusion. A.B. Data will also promptly circulate, to the parties, copies of all such requests and a report that tracks each request and whether the required information was included.

11. It is my opinion, based on my individual expertise and experience and that of my A.B. Data colleagues, that the proposed notice plan is designed to effectively reach potential Settlement Class Members utilizing direct notice by email, will deliver plain language notice that will capture potential Settlement Class Members' attention, and will provide them with the information in an informative and easy to understand manner that is necessary to effectively understand their rights and options. This proposed notice plan conforms to the standards employed by A.B. Data in similar notification plans. In particular, the digital nature of the notice plan is the best and most cost-effective way to reach Settlement Class Members in a manner that will actually come to their attention.

12. For all these reasons, in my opinion, the proposed notice plan satisfies the requirements of Rule 23 and due process.

I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct.

Executed on the 24th day of May 2024, in Milwaukee, Wisconsin.

A handwritten signature in black ink, appearing to read 'Eric Schachter', is written over a horizontal line.

Eric Schachter

EXHIBIT 1

**Class
Action
Administration**



Headquarters

600 A.B. Data Drive
Milwaukee, WI 53217
P: 866-217-4470
F: 414-961-3099

New York

One Battery Park Plaza
32nd Floor
New York, NY 10004
P: 646-290-9137

Washington DC

915 15th St., NW, Ste. 300
Washington, DC 20005
P: 202-618-2900
F: 202-462-2085

Florida

5080 PGA Boulevard, Ste. 209
Palm Beach Gardens, FL 33418
P: 561-336-1801
F: 561-252-7720


Israel

19 Weissburg Street
Tel Aviv 69358
Israel
P: +972 (3) 720-8782




CAPABILITIES

About A.B. Data


 Founded in 1981, **A.B. Data has earned a reputation** for expertly managing the complexities of class action administration in consumer, antitrust, securities, Securities and Exchange Commission (SEC) enforcement actions, and ERISA, Attorneys General, employment, civil rights, insurance, environmental, wage and hour, and other class action cases. **A.B. Data's work in all aspects of class action administration** has been perfected by decades of experience in hundreds of class action cases involving billions of dollars in total settlements. Dedicated professionals deliver **A.B. Data's all-inclusive services**, working in partnership with its clients to administer their class action cases effectively, efficiently, and affordably, regardless of size or scope.

A.B. Data offers unmatched resources and capacity and is capable of expertly administering any class action notice, settlement, and/or fund administration. Whether notifying millions of class members in the United States or throughout the world, processing millions of claims, distributing payments digitally via A.B. Data's Digital PayPortalSM, or printing and distributing millions of checks, **A.B. Data matches its talent and technology** to the specific needs of its clients, delivering unparalleled service on time and on budget without ever compromising quality.

Location, Ownership Structure

 **A.B. Data is an independently owned**, more than 40-year-old, Milwaukee, Wisconsin-based company that prides itself on its vast expertise and industry-leading innovations. We like to remind our clients and partners that we're not just a class action administration company, but a group of experienced, dedicated professionals who believe that relationships are just as important as the accurate and timely management of class action administrations. In other words, we are people who do business with people.

Services

 **Every A.B. Data client is deserving of the best job we can put forward.** A.B. Data makes class action administration easy for our clients with clarity, convenience, and efficiency. Our priority is to navigate the intricacies of our clients' matters and deliver successful results by using our solid expertise, advanced technology, and top-quality products and services. We pay attention to the details and get it right the first time.

We aim to provide our clients the full experience of a truly collaborative working relationship. It is why we believe much of our success originates from our philosophy of "people doing business with people."

Services

All Digital — From Notice to Distribution

A.B. Data is uniquely positioned to design, implement, and maintain notice and settlement administration programs using an innovative, "all-digital" approach that replaces the more traditional and less efficient methods of administration, such as newspaper ads, mailed notices, and paper checks. Many of our recent proposed notice plans and claim programs utilize the latest technologies such as microtargeted digital ads for notice, streamlined online claims, and distributing settlement funds electronically using a digital paywall. These methods provide significant cost savings, are consistent with the amendments to Rule 23 that are now in effect, and importantly provide much-needed alignment of class action notice and administration with current consumer behaviors.

Pre-Settlement Consultation

The pre-settlement consultation is a collaborative session designed to help A.B. Data clients prepare a stronger case. Our support teams simplify the task of sorting through a maze of documents during investigation and discovery, streamlining the process and preserving fund assets. From there, we assist with fully interactive media packages for court presentations and settlement negotiations. A.B. Data works closely with our clients, offering expert testimony on documents, processing, class and notice manageability, and proposed plans of allocation.

Media Services

A.B. Data continues to earn our reputation as the early innovator in integrating advanced micro-targeting techniques, including contextual targeting, behavioral targeting, and predictive modeling. Coupled with inventive digital media strategies to drive claims, case-specific banner ad development, class member research, and comScore analysis services, our multi-tiered media programs are designed to cost-effectively deliver notice to potential class members and increase claims rates.

Notice Administration

In A.B. Data, clients have a comprehensive resource with a depth of experience in direct notice. Our compliance and understanding of Rule 23 of the Federal Rules of Civil Procedure are crucial in meeting the "plain language" legal requirements for any campaign. From our sophisticated digital media capabilities and extensive global experience with class member research, our experts create notice documents that are easily understandable and cost-efficient to produce. We consult with our clients to deliver notice documents from multi-page, mailed, or emailed notice packets to concise postcards that establish the most influential and cost-effective means of communicating with potential claimants.

Claims Processing

A.B. Data continues to bring game-changing technologies to improve the speed and precision in claims processing. Our robust system for online claims submissions allows us to meticulously verify data and documentation, preserve and authenticate claims, and calculate and verify settlement amounts. In addition, our data network infrastructure includes on-site data storage, backup, contingency plans, and security for electronic and hard copy claim filings. It is all part of a total commitment to be the most innovative and comprehensive resource in the industry. At A.B. Data, we take pride in having the in-house capacity to process millions of pages, as well as the organizational integrity to treat every claim as if it were the only one.

Contact Center

A.B. Data's Contact Center is comprised of a full staff that is trained on and equipped with online and telecommunication systems to monitor and connect with class members. Associates routinely monitor class member communication for all class action administrations, including antitrust, consumer, and securities.

Utilizing monitoring software, associates watch multiple social media channels simultaneously, allowing for instantaneous routing of inquiries and interaction with claimants. Detailed and concise analytical reports outlining Contact Center activities are always provided.

Our Contact Center and case websites are capable of handling millions of class member engagements, as recently displayed in a campaign which garnered over 1.2 million website visits in two months and had more than 72,500 Facebook engagements. Facebook comments and threads are monitored and claimants are guided to the website for more information. Google AdWords and display advertising have also brought hundreds of thousands of visitors to various case websites.

A.B. Data's Contact Center also has Spanish language associates in-house and we can accommodate any language, given proper lead time. Traditional call center facilities are also available, if needed.

Case Websites

We offer a state-of-the-art technology platform that supports every step of our class action administration process. Our expert marketing professionals design customized case-specific websites that provide potential class members easy access to case information, critical documents, important deadlines, as well as the capability to file claim forms and register for future mailings about the case. Claimants can use the website to elect to receive their settlement payments by mail or by one of several digital payment options, all accessible by mobile devices.

Settlement Fund Distribution

From complete escrow services to establishment of qualified settlement funds, check printing and mailing, electronic cash or stock distribution and tax services, A.B. Data has always provided a full-service solution to Settlement Fund Distribution. Our IT team has decades of experience in developing and implementing fast, secure databases and claims administration systems that ensure class members receive the correct amount in their settlement disbursement. Today's digital capabilities allow even greater convenience for class members. In certain instances, claimants can now elect to

instantaneously receive settlement payments through popular digital-payment options, such as PayPal, Amazon, and virtual debit cards.

A.B. Data's Leadership



A.B. Data's administration team is composed of the following key executives, who collectively have decades of experience settling and administering class actions:

Bruce A. Arbit, Co-Managing Director and one of the founders of the A.B. Data Group, serves as Chairman of the Board and oversees the day-to-day operations of the A.B. Data Group of companies, employing almost 400 people in the United States and Israel. Mr. Arbit is also Chairman of the Board of Integrated Mail Industries, Ltd. and has served as a member of the Board of Directors of University National Bank and State Financial Bank. He is the past Chairman of Asset Development Group, Inc., Home Source One, and American Deposit Management and is a member of the National Direct Marketing Association, the Direct Marketing Fundraising Association, and the American Association of Political Consultants. He was named 1996 Direct Marketer of the Year by the Wisconsin Direct Marketing Association.

A.B. Data's work in class action litigation support began with the Court selecting A.B. Data to oversee the restitution effort in the now-famous Swiss Banks Class Action Case, the International Commission on Holocaust Era Insurance Claims, and every other Holocaust Era Asset Restitution program, in which it was the company's job to identify, contact, and inform survivors of the Holocaust. A.B. Data delivered by reaching out to millions of people in 109 countries who spoke more than 30 languages. Since those days, Mr. Arbit has guided the class action division through phenomenal growth and success. Today, A.B. Data manages hundreds of administrations annually that distributes billions of dollars to class members.

Thomas R. Glenn, President, Mr. Glenn's management of A.B. Data's Class Action Administration Company includes designing and implementing notice plans and settlement administration programs for antitrust, securities, and Securities and Exchange Commission settlements and SEC disgorgement fund distributions, as well as consumer, employment, insurance, and civil rights class actions. Mr. Glenn previously served as Executive Vice President at Rust Consulting and has more than 30 years of executive leadership experience.

Eric Miller, Senior Vice President, as a key member of A.B. Data's Class Action Administration Leadership Team, oversees the Case Management Department and supervises the operations and procedures of all of A.B. Data's class action administration cases. Mr. Miller is recognized in the class action administration industry as an expert on securities, SEC, consumer, product recall, product liability, general antitrust, pharmaceutical antitrust, and futures contract settlements, to name a few settlement types. Prior to joining A.B. Data, Mr. Miller served as the Client Service Director for Rust Consulting, responsible there for its securities practice area. He has more than 20 years of operations, project management, quality assurance, and training experience in the class action administration industry. In addition, Mr. Miller manages A.B. Data's office in Palm Beach Gardens, Florida.

Eric Schachter, Senior Vice President, is a member of A.B. Data's Class Action Administration Leadership Team. He has over 15 years of experience in the legal settlement administration services industry. Mr. Schachter's responsibilities include ensuring successful implementation of claims administration services for A.B. Data's clients in accordance with settlement agreements, court orders, and service agreements. He also works closely with Project Managers to develop plans of administration to provide the highest level of effective and efficient delivery of work product. A frequent speaker on claims administration innovation and best practices at industry events nationwide, Mr. Schachter has a bachelor's degree in sociology from Syracuse University, earned his law degree at Hofstra University School of Law, and was previously an associate at Labaton Sucharow LLP in New York City.

Elaine Pang, Vice President, Media, oversees the Media Department and is responsible for the direction, development, and implementation of media notice plans for A.B. Data's clients. Ms. Pang brings more than 15 years of experience in developing and implementing multifaceted digital and traditional media for high profile complex legal notice programs. She uses her experience in class actions and advertising to provide the best practicable notice plans for large scale campaigns across domestic and international regions, and she leverages her expertise to better understand the evolving media landscape and utilize cutting-edge technology and measurement tools. Prior to entering the class action industry, Ms. Pang worked with many leading reputable brands, including General Mills, Air Wick, Jet-Dry, Comedy Central, Madison Square Garden, Radio City Music Hall, and Geox. She earned her MBA from Strayer University and holds a BS in Marketing from Pennsylvania State University. Ms. Pang's credentials include Hootsuite Social Marketing Certification, Google Adwords and Analytics Certification, and IAB Digital Media Buying and Planning Certification.

Paul Sauberer, Vice President of Quality, is responsible for overseeing quality assurance and process management, working diligently to mitigate risk, ensure exceptional quality control, and develop seamless calculation programming. Mr. Sauberer brings more than 20 years of experience as a quality assurance specialist with a leading claims-processing company where he developed extensive knowledge in securities class action administration. He is recognized as the class action administration industry's leading expert on claims and settlement administrations of futures contracts class actions.

Justin Parks, Vice President, is a member of A.B. Data's Class Action Administration Leadership Team. Mr. Parks brings extensive experience in client relations to A.B. Data's business development team. Mr. Parks has over 15 years of experience in the legal settlement administration services industry and has successfully managed and consulted on notice plans and other administrative aspects in hundreds of cases. Mr. Parks is uniquely experienced in Data Privacy matters, having consulted with clients on numerous matters stemming from data breaches as well as violations of the Illinois Biometric Information Privacy Act (BIPA), including some of the first ever Biometric Privacy related settlements in history. Mr. Parks' knowledge and understanding of the class action industry, as well as his client relationship skills, expand A.B. Data's capacity to achieve its business development and marketing goals effectively.

Steve Straub, Senior Director of Operations, started with A.B. Data in 2012 as a Claims Administrator. He moved through the ranks within the company where he spent the past five years as Senior Project Manager managing many of the complex commodities cases such as *In re LIBOR-Based Financial Instruments Antitrust Litigation*, *In re London Silver Fixing, Ltd. Antitrust Litigation*, and *Laydon v. Mizuho Bank, Ltd., et al.* Mr. Straub's performance in these roles over the past ten years, along with his comprehensive knowledge of company and industry practices and first-person experience leading the project management team, has proven him an invaluable member of the A.B. Data team.

In his role as Claimant Operations Director, his responsibilities include developing efficiencies within the operations center, which includes mailroom, call center, and claims processing areas. His areas of expertise include business process development, strategic/tactical operations planning and implementation, risk analysis, budgeting, business expansion, growth planning and implementation, cost reduction, and profit, change, and project management. Mr. Straub is well-versed in the administration of securities, consumer, and antitrust class action settlements. He earned his Juris Doctor degree from Seton Hall University School of Law in Newark, New Jersey.

Jack Ewashko, Director of Client Services, brings twenty years of industry and brokerage experience to his role with A.B. Data. He is an accomplished client manager adept at facilitating proactive communications between internal and outside parties to ensure accurate and timely deliverables. Mr. Ewashko previously held positions at two claim administration firms where he oversaw the securities administration teams and actively managed numerous high-profile matters, including the \$2.3 billion foreign exchange litigation. He notably served as Vice President, FX and Futures Operations at Millennium Management, a prominent global alternative investment management firm. As he progressed through trading, analytic, management, and consultancy roles at major banks and brokerage firms, Mr. Ewashko gained hands-on experience with vanilla and exotic securities products, including FX, commodities, mutual funds, derivatives, OTC, futures, options, credit, debt, and equities products. In the financial sector, he also worked closely with compliance and legal teams to ensure accuracy and conformity with all relevant rules and regulations regarding the marketing and sale of products, as well as the execution and processing of trades. He has held Series 4, Series 6, Series 7, and Series 63 licenses, and has been a member of the Futures Industry Association (FIA) and Financial Industry Regulatory Authority (FINRA). Mr. Ewashko earned his Bachelor of Business Administration from Long Island University, Brooklyn, New York.

Brian Devery, Director of Client Services, brings more than a decade of experience in class action administration and project management, as well as over two decades of experience as an attorney (ret.). Mr. Devery currently focuses on consumer, antitrust, employment, and other non-securities based administrations. In addition to driving project administration, he is focused on the implementation of process improvement, streamlining, and automation. Mr. Devery is admitted to practice law in State and Federal Courts of New York with his Juris Doctorate earned from the Maurice A. Deane School of Law at Hofstra University, Hempstead, New York.

Adam Walter, PMP, Director of Client Services, has nearly fifteen years of experience managing the administration of securities class action settlements and SEC disgorgements totaling more than \$4 billion. He has managed settlement programs in engagements involving some of the largest securities class action settlements and is a key contributor to the development of administration strategies that meet the evolving needs of our clients. His responsibilities include developing case administration strategies to ensure that all client and court requirements and objectives are met, overseeing daily operations of case administrations, ensuring execution of client deliverables, providing case-related legal and administration support to class counsel, overseeing notice dissemination programs, implementing complex claims-processing and allocation methodologies, establishing quality assurance and quality control procedures, and managing distribution of settlement funds. Mr. Walter holds a bachelor's degree in business administration from Florida Atlantic University, Boca Raton, Florida. He also has been an active member of the Project Management Institute since 2010 and is PMP®-certified.

Eric Nordskog, Director of Client Services, started with A.B. Data in 2012 on the operations team, managing dozens of team leads and claims administrators in the administration of legal cases and actions. In 2017, Mr. Nordskog was promoted to Project Manager, due in part to his proven ability to add consistency and efficiency to the e-claim filing process with new streamlined processes and audit practices. Today, as Senior Project Manager, he directs many of A.B. Data's securities, insurance, and

consumer cases. He regularly oversees the administration of large insurance cases, such as two recent Cigna Insurance matters that involved complex calculations and over one million class members each. He is also the primary hiring and training manager for new project managers and coordinators. Mr. Nordskog earned his Juris Doctor degree from Marquette University Law School, Milwaukee, in 2001.

Eric Schultz, MCSE, Information Technology Manager and Security Team Chairperson, has been with A.B. Data for more than 19 years, and is currently responsible for overseeing all information technology areas for all A.B. Data divisions across the United States and abroad, including network infrastructure and architecture, IT operations, data security, disaster recovery, and all physical, logical, data, and information systems security reviews and audits required by our clients or otherwise. As a Microsoft Certified Systems Engineer (MCSE) with more than 25 years of experience in information technology systems and solutions, Mr. Schultz has developed specializations in network security, infrastructure, design/architecture, telephony, and high-availability network systems.

Secure Environment



A.B. Data's facilities provide the highest level of security and customization of security procedures, including:

- A Secure Sockets Layer server
- Video monitoring
- Limited physical access to production facilities
- Lockdown mode when checks are printed
- Background checks of key employees completed prior to hire
- Frequency of police patrol – every two hours, with response time of five or fewer minutes
- Disaster recovery plan available upon request

Data Security



A.B. Data is committed to protecting the confidentiality, integrity, and availability of personal identifying information and other information it collects from our clients, investors, and class members and requires that its employees, subcontractors, consultants, service providers, and other persons and entities it retains to assist in distributions do the same. A.B. Data has developed an Information Security Policy, a suite of policies and procedures intended to cover all information security issues and bases for A.B. Data, and all of its divisions, departments, employees, vendors, and clients. A.B. Data has also recently taken the necessary, affirmative steps toward compliance with the EU's General Data Protection Regulation and the California Consumer Privacy Act.

A.B. Data has a number of high-profile clients, including the Securities and Exchange Commission (SEC), the United States Department of Justice, the Attorneys General of nearly all 50 states, other agencies of the United States government, and the Government of Israel, as well as direct banking and payment services companies with some of the most recognized brands in United States financial services and some of the largest credit card issuers in the world.

We are therefore frequently subjected to physical, logical, data, and information systems security reviews and audits. We have been compliant with our clients' security standards and have also been determined to be compliant with ISO/IEC 27001/2 and Payment Card Industry (PCI) data-security standards, the Gramm-Leach-Bliley Act (GLB) of 1999, the National Association of Insurance Commissioners (NAIC) Regulations, the Health Insurance Portability and Accountability Act (HIPAA) of 1996, and the Health Information Technology for Economic and Clinical Health Act (HITECH).

The Government of Israel has determined that A.B. Data is compliant with its rigorous security standards in connection with its work on Project HEART (Holocaust Era Asset Restitution Taskforce).

A.B. Data's fund distribution team has been audited by EisnerAmper LLP and was found compliant with class action industry standards and within 99% accuracy. EisnerAmper LLP is a full-service advisory and accounting firm and is ranked the 15th-largest accounting firm in the United States.

In addition, as part of PCI compliance requirements, A.B. Data has multiple network scans and audits from third-party companies, such as SecurityMetrics and 403 Labs, and is determined to be compliant with each of them.

Fraud Prevention and Detection



A.B. Data is at the forefront of class action fraud prevention.

A.B. Data maintains and utilizes comprehensive proprietary databases and procedures to detect fraud and prevent payment of allegedly fraudulent claims.

We review and analyze various filing patterns across all existing cases and claims. Potential fraudulent filers are reported to our clients as well as to the appropriate governmental agencies where applicable.

Representative Class Action Engagements



A.B. Data and/or its team members have successfully administered hundreds of class actions, including many major cases. Listed below are just some of the most representative or recent engagements.

Consumer & Antitrust Cases

- *In re EpiPen Marketing, Sales Practices and Antitrust Litigation*
- *In re Broiler Chicken Antitrust Litigation - Commercial (Indirect)*
- *In re Broiler Chicken Antitrust Litigation - Indirect*
- *In re Broiler Chicken Antitrust Litigation - Direct*
- *In re Pork Antitrust Litigation - Directs*
- *In re Pork Antitrust Litigation - Indirects*

- *Peter Staley, et al. v. Gilead Sciences, Inc., et al.*
- *In re: Opana ER Antitrust Litigation*
- *In re Ranbaxy Generic Drug Application Antitrust Litigation*
- *In re Valeant Pharmaceuticals Int'l, Inc. Third-Party Payor Litigation*
- *Staley, et al., v. Gilead Sciences*
- *In Re: Generic Pharmaceuticals Pricing Antitrust Litigation – Direct Purchasers*
- *Beef Direct Purchaser Antitrust Litigation*
- *BCBSM, Inc. v. Vyera Pharmaceuticals, et al. (Daraprim)*
- *In re Automobile Antitrust Cases I and II*
- *Olean Wholesale Grocery Cooperative, Inc., et al. v. Agri Stats, Inc., et al. (Turkey)*
- *Integrated Orthopedics, Inc., et al. v. UnitedHealth Group, et al.*
- *In Re: Restasis (Cyclosporine Ophthalmic Emulsion) Antitrust Litigation*
- *Vista Healthplan, Inc., et al. v. Cephalon, Inc., et al. (Provigil)*
- *Jeffrey Koenig, et al. v. Vizio, Inc.*
- *Wit, et al. v. United Behavioral Health*
- *Weiss, et al. v. SunPower Corporation*
- *Smith, et al. v. FirstEnergy Corp., et al.*
- *Resendez, et al. v. Precision Castparts Corp. and PCC Structural, Inc.*
- *Julian, et al. v. TTE Technology, Inc., dba TCL North America*
- *Eugenio and Rosa Contreras v. Nationstar Mortgage LLC*
- *Phil Shin, et al. v. Plantronics, Inc.*
- *In re: Qualcomm Antitrust Litigation*
- *In re Resistors Antitrust Litigation*
- *The Hospital Authority of Metropolitan Government of Nashville and Davidson County, Tennessee v. Momenta Pharmaceuticals, Inc. and Sandoz Inc. ("Lovenox Antitrust Matter")*
- *William Kivett, et al. v. Flagstar Bank, FSB, and DOES 1-100, inclusive*
- *Adelphia, Inc. v. Heritage-Crystal Clean, Inc.*
- *LLE One, LLC, et al. v. Facebook, Inc.*
- *Bach Enterprises, Inc., et al. v. Advanced Disposal Services South, Inc., et al.*
- *JWG Inc., et al. v. Advanced Disposal Services Jacksonville, L.L.C., et al.*
- *State of Washington v. Motel 6 Operating L.P. and G6 Hospitality LLC*
- *In re GSE Bonds Antitrust Litigation*
- *Wave Lengths Hair Salons of Florida, Inc., et al. v. CBL & Associates Properties, Inc., et al.*
- *In re Loestrin 24 FE Antitrust Litigation*
- *Office of the Attorney General, Department of Legal Affairs, State of Florida v. Pultegroup, Inc. and Pulte Home Company, LLC*
- *In re Cigna-American Specialties Health Administration Fee Litigation*
- *In re: Intuniv Antitrust Litigation*
- *High Street, et al. v. Cigna Corporation, et al.*
- *Gordon Fair, et al. v. The Archdiocese of San Francisco, San Mateo, and Marin County*
- *Bizzarro, et al. v. Ocean County Department of Corrections, et al.*
- *Meeker, et al. v. Bullseye Glass Co.*
- *MSPA Claims 1, LLC v. Ocean Harbor Casualty Insurance Company*
- *Tennille v. Western Union Company - Arizona*
- *Garner, et al. v. Atherotech Holdings, Inc. and Garner, et al. v. Behrman Brothers IV, LLC, et al.*
- *Robinson, et al. v. Escallate, LLC*
- *Josefina Valle and Wilfredo Valle, et al. v. Popular Community Bank f/k/a Banco Popular North America*
- *Vision Construction Ent., Inc. v. Waste Pro USA, Inc. and Waste Pro USA, Inc. and Waste Pro of Florida, Inc.*

- *Plumley v. Erickson Retirement Communities, et al.*
- *In re London Silver Fixing, Ltd. Antitrust Litigation*
- *Ploss v. Kraft Foods Group, Inc. and Mondelēz Global LLC*
- *In re Mexican Government Bonds Antitrust Litigation*
- *In re Ready-Mixed Concrete Antitrust Litigation*
- *In re: Marine Hose Antitrust Litigation*
- *Iowa Ready Mixed Concrete Antitrust Litigation*
- *In re Potash Antitrust Litigation (II)*
- *In re Evanston Northwestern Healthcare Corp. Antitrust Litigation*
- *In re Polyurethane Foam Antitrust Litigation*
- *In re LIBOR-Based Financial Instruments Antitrust Litigation*
- *In re Lorazepam and Clorazepate Antitrust Litigation*
- *In re Cardizem CD Antitrust Litigation*
- *Vista Healthplan, Inc., and Ramona Sakiestewa v. Bristol-Myers Squibb Co., and American BioScience, Inc.*
- *In re Lupron Marketing and Sales Practices Litigation*
- *In re Terazosin Hydrochloride Antitrust Litigation*
- *In re Warfarin Sodium Antitrust Litigation*
- *Rosemarie Ryan House, et al. v. GlaxoSmithKline PLC and SmithKline Beecham Corporation*
- *Carpenters and Joiners Welfare Fund, et al. v. SmithKline Beecham*
- *New Mexico United Food and Commercial Workers Union's and Employers' Health and Welfare Trust Fund, et al. v. Purdue Pharma L.P.*
- *In Re Pharmaceutical Industry Average Wholesale Price Litigation*
- *Alma Simonet, et al. v. SmithKline Beecham Corporation, d/b/a GlaxoSmithKline*
- *In re Relafen Antitrust Litigation*
- *In Re Remeron Direct Purchaser Antitrust Litigation*
- *In re TriCor Indirect Purchasers Antitrust Litigation*
- *Nichols, et al., v. SmithKline Beecham Corporation*
- *In re: DDAVP Indirect Purchaser Antitrust Litigation*

Securities Cases

- *Plymouth County Retirement Association v. Spectrum Brands Holdings, Inc., et al.*
- *Tung, et al. v. Dycom Industries, Inc., et al.*
- *Boutchard., et al. v. Gandhi, et al. ("Tower/e-Minis")*
- *MAZ Partners LP v. First Choice Healthcare Solutions, Inc.*
- *SEB Investment Management AB, et al. v. Symantec Corporation, et al.*
- *In re Impinj, Inc. Securities Litigation*
- *In re Netshoes Securities Litigation*
- *Yellowdog Partners, LP, et al. v. Curo Group Holdings Corp., et al.*
- *In re Brightview Holdings, Inc. Securities Litigation*
- *In re Obalon Therapeutics, Inc. Securities Litigation*
- *In re Willis Towers Watson PLC Proxy Litigation*
- *In re Blue Apron Holdings, Inc. Securities Litigation*
- *In re: Qudian Inc. Securities Litigation*
- *Plymouth County Contributory Retirement System v. Adamas Pharmaceuticals, et al.*
- *In re Perrigo Company PLC Securities Litigation*
- *Enriquez, et al. v. Nabriva Therapeutics PLC, et al.*
- *Teamsters Local 456 Pension Fund, et al. v. Universal Health Services, Inc., et al.*
- *Olenik, et al. v. Earthstone Energy, Inc.*

- *Shenk v. Mallinckrodt plc, et al.*
- *In re The Allstate Corp. Securities Litigation*
- *Christopher Vataj v. William D. Johnson, et al.* (PG&E Securities II)
- *Kirkland v. WideOpenWest, Inc.*
- *Oklahoma Police Pension and Retirement System v. Sterling Bancorp, Inc.*
- *In re Uxin Limited Securities Litigation*
- *City of Hallandale Beach Police Officers' & Firefighters' Personnel Retirement Trust v. Ergen, et al.* (Echostar)
- *Lewis v. YRC Worldwide Inc., et al.*
- *Tomaszewski v. Trevena, Inc., et al.*
- *In re Restoration Robotics, Inc. Securities Litigation*
- *Public Employees' Retirement Systems of Mississippi, et al. v. Treehouse Foods, Inc., et al.*
- *Ronald L. Jackson v. Microchip Technology, Inc., et al.*
- *In re Micro Focus International plc Securities Litigation*
- *In re Dynagas LNG Partners LP Securities Litigation*
- *Weiss, et al. v. Burke, et al.* (Nutraceutical)
- *Yaron v. Intersect ENT, Inc., et al.*
- *Utah Retirement Systems v. Healthcare Services Group, Inc., et al.*
- *In re PPDAl Group Inc. Securities Litigation*
- *In re: Evoqua Water Technologies Corp. Securities Litigation*
- *In re Aqua Metals, Inc. Securities Litigation*
- *St. Lucie County Fire District Firefighters' Pension Trust Fund v. Southwestern Energy Company*
- *In re CPI Card Group Inc. Securities Litigation*
- *Arkansas Teacher Retirement System, et al. v. Alon USA Energy, Inc., et al.*
- *In re TAL Education Group Securities Litigation*
- *GCI Liberty Stockholder Litigation*
- *In re SciPlay Corporation Securities Litigation*
- *In re Allergan Generic Drug Pricing Securities Litigation*
- *In re Vivint Solar, Inc. Securities Litigation*
- *In re YayYo Securities Litigation*
- *In re JPMorgan Treasury Futures Spoofing Litigation*
- *Searles, et al. v. Crestview Partners, LP, et al.* (Capital Bank)
- *In re Lyft, Inc. Securities Litigation*
- *In re Aegean Marine Petroleum Network, Inc. Securities Litigation*
- *In re JPMorgan Precious Metals Spoofing Litigation*
- *In re Pivotal Software, Inc. Securities Litigation*
- *Longo, et al. v. OSI Systems, Inc., et al.*
- *In re Homefed Corporation Stockholder Litigation*
- *Pierrelouis v. Gogo Inc., et al.*
- *Pope v. Navient Corporation, et al.*
- *In re Merit Medical Systems, Inc. Securities Litigation*
- *In re Frontier Communications Corporation Stockholder Litigation*
- *Holwill v. AbbVie Inc.*
- *Budicak, Inc., et al. v. Lansing Trade Group, LLC, et al.* (SRW Wheat Futures)
- *Yannes, et al. v. SCWorx Corporation*
- *In re Fannie Mae/Freddie Mac Senior Preferred Stock Purchase Agreement Class Action Litigations*
- *In re Myriad Genetics, Inc. Securities Litigation*
- *In re Chicago Bridge & Iron Co. N.V. Securities Litigation*
- *The Arbitrage Fund, et al. v. William Petty, et al.* (Exactech)
- *In re Columbia Pipeline Group, Inc. Merger Litigation*

- *Martinek v. AmTrust Financial Services, Inc.*
- *City of Pittsburgh Comprehensive Municipal Pension Trust Fund, et al. v. Benefitfocus, Inc., et al.*
- *In re: Evoqua Water Technologies Corp. Securities Litigation*
- *Laydon v. Mizuho Bank, Ltd., et al.*
- *Lomingkit, et al. v. Apollo Education Group, Inc., et al.*
- *In re Caraco Pharmaceutical Laboratories, Ltd. Shareholder Litigation*
- *Norfolk County Retirement System, et al. v. Community Health Systems, Inc., et al.*
- *Chester County Employees' Retirement Fund v. KCG Holdings, Inc., et al.*
- *Oklahoma Law Enforcement Retirement System, et al. v. Adeptus Health Inc., et al.*
- *Di Donato v. Insys Therapeutics, Inc., et al.*
- *Lundgren-Wiedinmyer, et al. v. LJM Partners, Ltd, et al.*
- *Martin, et al. v. Altisource Residential Corporation, et al.*
- *Stephen Appel, et al. v. Apollo Management, et al.*
- *In re Medley Capital Corporation Stockholder Litigation*
- *Forman, et al. v. Meridian BioScience, Inc., et al.*
- *Public Employees' Retirement System of Mississippi, et al. v. Endo International PLC, et al.*
- *In Re Flowers Foods, Inc. Securities Litigation*
- *Jiangchen, et al. v. Rentech, Inc., et al.*
- *In re Liberty Tax, Inc. Stockholder Litigation*
- *In re RH, Inc. Securities Litigation*
- *Lazan v. Quantum Corporation, et al.*
- *Nabhan v. Quantum Corporation, et al.*
- *Edmund Murphy III, et al. v. JBS S.A.*
- *Public Employees' Retirement System of Mississippi, et al. v. Sprouts Farmers Market, Inc., et al.*
- *In re Starz Stockholder Litigation*
- *Judith Godinez, et al. v. Alere Inc., et al.*
- *Rahman and Giovagnoli, et al. v. GlobalSCAPE, Inc., et al.*
- *Arthur Kaye, et al. v. ImmunoCellular Therapeutics, Ltd., et al.*
- *In re CPI Card Group Inc. Securities Litigation*
- *Daniel Aude, et al. v. Kobe Steel, Ltd., et al.*
- *In re Quality Systems, Inc. Securities Litigation*
- *Cooper, et al. v. Thoratec Corporation, et al.*
- *Washtenaw County Employees' Retirement System, et al. v. Walgreen Co., et al.*
- *Elkin v. Walter Investment Management Corp., et al.*
- *In Re CytRx Corporation Securities Litigation*
- *Ranjit Singh, et al. v. 21Vianet Group, Inc., et al.*
- *In re PTC Therapeutics, Inc. Securities Litigation*
- *Securities and Exchange Commission v. Mark A. Jones*
- *In re Sequans Communications S.A. Securities Litigation*
- *In re Henry Schein, Inc. Securities Litigation*
- *Ronge, et al. v. Camping World Holdings, Inc., et al.*
- *Oklahoma Firefighters Pension & Retirement System v. Lexmark International, Inc.*
- *Christakis Vrakas, et al. v. United States Steel Corporation, et al.*
- *Emerson et al. v. Mutual Fund Series Trust, et al. ("Catalyst")*
- *In re Fannie Mae 2008 Securities Litigation*
- *In re Anadarko Petroleum Corporation Class Action Litigation*
- *Ge Dandong, et al., v. Pinnacle Performance Limited, et al.*
- *In Re: Rough Rice Commodity Litigation*
- *Xuechen Yang v. Focus Media Holding Limited et al.*
- *In re Massey Energy Co. Securities Litigation*

- *In re Swisher Hygiene, Inc.*
- *The City of Providence vs. Aeropostale, Inc., et al.*
- *In re Metrologic Instruments, Inc. Shareholders Litigation*
- *Public Pension Fund Group v. KV Pharmaceutical Company et al.*
- *Pension Trust Fund for Operating Engineers, et al. v. Assisted Living Concepts, Inc., et al.*
- *In re Lehman Brothers Equity/Debt Securities Litigation*
- *In re: Platinum and Palladium Commodities Litigation (Platinum/Palladium Physical Action)*
- *In re: Platinum and Palladium Commodities Litigation (Platinum/Palladium Futures Action)*
- *In re General Electric Co. Securities Litigation*
- *In re CNX Gas Corporation Shareholders Litigation*
- *Oscar S. Wyatt, Jr. et al. v. El Paso Corporation, et al.*
- *In re Par Pharmaceutical Securities Litigation*
- *In re Par Pharmaceutical Companies, Inc. Shareholders Litigation*
- *In re Delphi Financial Group Shareholders Litigation*
- *In re SLM Corporation Securities Litigation*
- *In re Del Monte Foods Company Shareholder Litigation*
- *Leslie Niederklein v. PCS Edventures!.com, Inc. and Anthony A. Maher*
- *In re Beckman Coulter, Inc. Securities Litigation*
- *Michael Rubin v. MF Global, Ltd., et al.*
- *Allen Zametkin v. Fidelity Management & Research Company, et al.*
- *In re BP Prudhoe Bay Royalty Trust Securities Litigation*
- *Police and Fire Retirement System of the City of Detroit et al. v. SafeNet, Inc., et al.*
- *In re Limelight Networks, Inc. Securities Litigation*
- *In re Gilead Sciences Securities Litigation*
- *In re ACS Shareholder Litigation, Consolidated C.A. No. 4940-VCP*
- *Lance Provo v. China Organic Agriculture, Inc., et al.*
- *In re LDK Solar Securities Litigation*

Labor & Employment Cases

- *Verizon OFCCP Settlement*
- *Alvarez, et al. v. GEO Secure Services, LLC*
- *Sartena v. Meltwater FLSA*
- *Carmen Alvarez, et al. v. Chipotle Mexican Grill, Inc., et al.*
- *Turner, et al. v. Chipotle Mexican Grill, Inc.*
- *Long, et al. v. Southeastern Pennsylvania Transportation Authority*
- *Matheson, et al. v. TD Bank, N.A.*
- *Ludwig, et al. v. General Dynamics Information Technology, Inc., et al.*
- *Bedel, et al. v. Liberty Mutual Group Inc.*
- *Irene Parry, et al. v. Farmers Insurance Exchange, et al.*
- *Maldonado v. The GEO Group, Inc.*
- *Alderman and Maxey v. ADT, LLC*
- *Albaceet v. Dick's Sporting Goods*
- *Rodriguez v. The Procter & Gamble Company*
- *Adekunle, et al. v. Big Bang Enterprises, Inc. d/b/a The Revenue Optimization Companies*
- *Gorski, et al. v. Wireless Vision, LLC*
- *Lopez, et al. v. New York Community Bank, et al.*
- *Hamilton, et al. v. The Vail Corporation, et al.*
- *Eisenman v. The Ayco Company L.P.*
- *Matheson v. TD Bank, N.A.*

- *Simon v. R.W. Express LLC, d/b/a Go Airlink NYC*
- *Perez v. Mexican Hospitality Operator LLC, d/b/a Cosme*
- *Shanahan v. KeyBank, N.A.*
- *Loftin v. SunTrust Bank*
- *Alvarez v. GEO Secure Services, LLC*
- *Weisgarber v. North American Dental Group, LLC*
- *Talisa Borders, et al. v. Wal-mart Stores, Inc.*
- *Reale v. McClain Sonics Inc., et al.*
- *Larita Finisterre and Songhai Woodard, et al. v. Global Contact Services, LLC*
- *Adebisi Bello v. The Parc at Joliet*
- *Garcia, et al. v. Vertical Screen, Inc.*
- *Brook Lemma and Matthieu Hubert, et al. v. 103W77 Partners LLC, et al. ("Dovetail Settlement")*
- *American Federation of Government Employees, Local 1145 v. Federal Bureau of Prisons, U.S. Penitentiary, Atlanta, Georgia*
- *Lisa Ferguson, Octavia Brown, et al. v. Matthew G. Whitaker, Acting AG, DOJ Bureau of Prisons ("USP Victorville")*
- *American Federation of Government Employees, Local 2001 v. Federal Bureau of Prisons, Federal Correctional Institution, Fort Dix, New Jersey*
- *American Federation of Government Employees, Local 506 v. U.S. Department of Justice, Federal Bureau of Prisons, U.S. Penitentiary Coleman II, Coleman, Florida*
- *Vargas v. Sterling Engineering*
- *Rosenbohm v. Verizon*
- *Alex Morgan, et al. v. United States Soccer Federation, Inc.*
- *Iskander Rasulev v. Good Care Agency, Inc.*
- *Kyndl Buzas, et al., v. Phillips 66 Company and DOES 1 through 10*
- *American Federation of Government Employees, Local 408 v. U.S. Dept. of Justice, Federal Bureau of Prisons, Federal Correctional Complex, Butner, NC*
- *In re 2014 Avon Products, Inc. ERISA Litigation*
- *In re Eastman Kodak ERISA Litigation*
- *Taronica White, et al. v. Attorney General Loretta Lynch, Department of Justice*
- *Lisa Ferguson, et al. v. Acting Attorney General Matthew Whitaker, Department of Justice*
- *Melissa Compere v. Nusret Miami, LLC, et al.*
- *Abelar v. American Residential Services, L.L.C., Central District of California*
- *Flores, et al. v. Eagle Diner Corp., et al., Eastern District of Pennsylvania*
- *Michael Furman v. Godiva Chocolatier, Inc., 15th Judicial Circuit, Palm Beach County, Florida*
- *Finisterre et. al v. Global Contact Services, LLC, New York State Supreme Court, Kings County*
- *McGuire v. Intelident Solutions, LLC, et al., Middle District of Florida, Tampa Division*
- *Duran De Rodriguez, et al. v. Five Star Home Health Care Agency, Inc. et al., Eastern District of New York*

Data Breach/BIPA Cases

- *Hunter v. J.S.T. Corp. BIPA Settlement*
- *Atkinson, et al. v. Minted, Inc.*
- *Rosenbach, et al. v. Six Flags Entertainment Corporation and Great America LLC*
- *Pratz, et al. v. MOD Super Fast Pizza, LLC*
- *The State of Indiana v. Equifax Data Breach Settlement*
- *In re: Vizio, Inc. Consumer Privacy Litigation*
- *In re: Google, Inc. Street View Electronic Communications Litigation*
- *Devin Briggs and Bobby Watson, et al. v. Rhinog, Inc. ("Briggs Biometric Settlement")*
- *Trost v. Pretium Packaging L.L.C.*

- *In re: Barr, et al. v. Drizly, LLC f/k/a Drizly, Inc., et al.*

Telephone Consumer Protection Act (TCPA) Cases

- *Perrong, et al. v. Orbit Energy & Power, LLC*
- *Baldwin, et al. v. Miracle-Ear, Inc.*
- *Floyd and Fabricant, et al. v. First Data Merchant Services LLC, et al.*
- *Hoffman, et al. v. Hearing Help Express, Inc., et al.*
- *Lowe and Kaiser, et al. v. CVS Pharmacy, Inc., et al.*
- *Johansen v. HomeAdvisor, Inc., et al.*
- *Charvat, et al. v. National Holdings Corporation*
- *Hopkins, et al. v. Modernize, Inc.*
- *Diana Mey vs. Frontier Communications Corporation*
- *Matthew Donaca v. Dish Network, L.L.C.*
- *Matthew Benzion and Theodore Glaser v. Vivint, Inc.*
- *John Lofton v. Verizon Wireless (VAW) LLC, et al.*
- *Lori Shamblin v. Obama for America, et al.*
- *Ellman v. Security Networks*

For More Information

For more detailed information regarding A.B. Data's experience, services, or personnel, please see our website at www.abdataclassaction.com.

EXHIBIT 5

UNITED STATES DISTRICT COURT FOR THE DISTRICT OF MASSACHUSETTS
In re: TelexFree Securities Litigation, Case No. 4:14-md-2566-NMG

**If You Bought a TelexFree AdCentral or AdCentral Family Package,
 Class Action Settlements Totaling Over \$3.45 Million
 May Affect Your Rights.**

A Federal Court authorized this Notice. This is not a solicitation from a lawyer. You are not being sued.

- A class action lawsuit brought on behalf of victims of the TelexFree pyramid scheme is currently pending.
- Plaintiffs allege that they were injured as a result of the Defendants’ assistance and participation in the TelexFree pyramid scheme. Defendants dispute Plaintiffs’ claims.
- New settlements have now been reached in this litigation regarding claims against: Estate of Jeffrey A. Babener (“Babener Estate”); Steven Labriola (“Labriola”); and Nehra Law Office, Gerald Nehra (individually), and Gerald P. Nehra, Attorney at Law, PLLC, (“Nehra”) (collectively the “Settling Defendants”). The settlements with Babener Estate and Nehra total \$3,450,500. All Settling Defendants agreed to cooperate with the ongoing litigation to the extent set forth in their individual Settlement Agreements.
- Your legal rights will be affected whether you act or do not act. This Notice includes information on the new settlements and the lawsuit. Please read the entire Notice carefully.
- The Court in charge of this case still has to decide whether to approve the settlements.
- **This Notice and additional information translated in a variety of other languages is available by visiting www.TelexFreeSettlement.com. You may also call 877-829-4140 to obtain additional information in a variety of other languages. Translators are available upon request.**

YOUR LEGAL RIGHTS AND OPTIONS	
OBJECT BY _____, 2024	Submit your objection explaining why you disagree with the settlements and/or the requested attorneys’ fees and litigation expenses. <i>See Question 9 for more information.</i>
EXCLUDE YOURSELF BY _____, 2024	This is the only option that allows you to individually sue the Settling Defendants about the claims asserted in this case. You will no longer be a member of the Settlement Class and you will not receive any funds from the settlements. <i>See Question 9 for more information.</i>
GO TO THE HEARING ON _____, 2024	Ask to speak in Court about any aspect of the settlements and/or the requested attorneys’ fees and litigation expenses. <i>See Questions 11–12 for more information.</i>
DO NOTHING	You will remain a member of the Settlement Class. You will give up any rights you currently have to separately sue the Settling Defendants for the conduct that is the subject of the lawsuits.

UNITED STATES DISTRICT COURT FOR THE DISTRICT OF MASSACHUSETTS
In re: TelexFree Securities Litigation, Case No. 4:14-md-2566-NMG

See Questions 9–10 for more information.

WHAT THIS NOTICE CONTAINS

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2. Who are the Defendants?
3. What is this lawsuit about?
4. What is the status of the litigation?
5. What is a class action?

The Settlement Class..... Page 4

6. How do I know if I’m part of the Settlement Class?
7. What do the settlements provide?
8. When can I get a payment?
9. What are my rights in the Settlement Class?
10. What am I giving up to stay in the Settlement Class?

The Settlement Approval Hearing Page 7

11. When and where will the Court decide whether to approve the settlements?
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The Lawyers Representing You Page 7

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14. How will the lawyers be paid?

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15. How do I get more information?

BASIC INFORMATION

1. Why did I get this Notice?

Records indicate that you may have purchased one or more TelexFree AdCentral or AdCentral Family packages and suffered a net loss between January 1, 2012, and April 16, 2014.

A “net loss” is defined as having occurred when the Settlement Class Member invested more funds in TelexFree than he or she withdrew.

You have the right to know about the case and about your legal rights and options before the Court decides whether to approve the proposed settlements.

This Notice explains the litigation, the settlements, and your legal rights.

The litigation is before Judge Nathaniel M. Gorton of the United States District Court for the District of Massachusetts. The case is called *In re: TelexFree Securities Litigation*, Case Number 4:14-md-2566. The people who sued are called Plaintiffs, and the companies and people they sued are called Defendants.

UNITED STATES DISTRICT COURT FOR THE DISTRICT OF MASSACHUSETTS
In re: TelexFree Securities Litigation, Case No. 4:14-md-2566-NMG

2. Who are the Defendants?

The Defendants fall into several categories.

TelexFree Entities: TelexElectric, LLLP and Telex Mobile Holdings, Inc., TelexFree, Inc., TelexFree, LLC, and TelexFree Financial, Inc. are not currently named as Defendants in the litigation due to their Chapter 11 bankruptcy protections.

The other Defendants are people and entities alleged to have participated in, or aided or abetted, the pyramid scheme.

TelexFree Founders, Principals, Executive Office Members, and Associated Individuals: James M. Merrill, Carlos N. Wanzeler, Carlos Roberto Costa, Steven M. Labriola, Joseph H. Craft, Craft Financial Solutions, LLC, Ana Paula Oliveira, Andreia B. Moreira, and Katia Wanzeler.

Attorney Defendants: Gerald P. Nehra, Esq., Gerald P. Nehra, Attorney at Law, PLLC, Law Offices of Nehra and Waak, Garvey Schubert Barer, P.C., Robert Weaver, Samuel C. Kauffman, Gary P. Tober, Sara P. Sandford, and the Babener Estate.

Bank Defendants: TD Bank, N.A., Wells Fargo Bank, N.A., Michael Montalvo, Fidelity Co-operative Bank, John F. Merrill, and Synovus Bank.

Payment Processing Service Companies: International Payout Systems, Inc., Edwin Gonzalez, Natalia Yenatska, ProPay, Inc., Base Commerce, LLC, John Hughes, Alexander Sidel, Jason Doolittle, John Kirchhefer, Brian Bonfiglio, Vantage Payments, LLC, Dustin Sparman, Allied Wallet, Ltd., Allied Wallet, Inc., Ahmad Khawaja, Mohammed Diab, Amy Rountree, Priority Payout Corp., Thomas A. Wells, Bank Card Consultants, Inc., and John Yurick.

Investment Services Providers: Wells Fargo Advisors, LLC, and Mauricio Cardenas.

Other Defendants: Telecom Logic, LLC, and Ryan James Mitchell.

3. What is this lawsuit about?

Plaintiffs allege that they were injured as a result of the Defendants' assistance and participation in the TelexFree Pyramid/Ponzi Scheme.

Plaintiffs allege that TelexFree, Inc., TelexFree, LLC, TelexFree Financial, Inc., and their related entities and individuals operated an illegal scheme whereby they sold memberships and ostensibly paid promoters for placing advertisements for a voice over internet protocol ("VOIP") product, but in reality, they paid them to recruit other investors whose new membership fees kept the scheme afloat. Plaintiffs further allege that TelexFree, Inc., TelexFree, LLC, TelexFree Financial, Inc., and their related entities and individuals carried out other related ongoing operations, including, but not limited to, money laundering and the transfer of funds and operations offshore and beyond the reach of the United States' justice system. Plaintiffs allege that TelexFree's business and operations constituted an illegal Pyramid/Ponzi Scheme. Plaintiffs seek compensation for the economic loss they suffered as a result of the Defendants' alleged participation in, and/or aiding or abetting of, TelexFree's illegal Scheme. Plaintiffs also seek equitable relief. Defendants dispute Plaintiffs' claims.

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The Settling Defendants deny these claims and that they did anything wrong. The Court has not yet decided who is right.

4. What is the status of the litigation?

These settlements with the Babener Estate, Labriola, and Nehra are the eighth, ninth and tenth settlements reached in the litigation.

Various previous settlements with other Defendants and related third-parties have already been approved by the Court. The first settlement was with Defendants Base Commerce, LLC (formerly known as Phoenix Payments, LLC), John Hughes, Brian Bonfiglio, John Kirchhefer, and Alex Sidel (collectively, the “Base Commerce Defendants”). The second settlement was with Defendant Synovus Bank. The third settlement was with Defendants Joseph Craft and Craft Financial Solutions, Inc. and related third-parties, BWFC Processing Center, LLC, ACE LLP, and Audra Craft. The fourth settlement was with Fidelity Bank and John Merrill (the “Fidelity Bank Defendants”). The fifth settlement was with Defendant T.D. Bank, N.A. (“TD Bank”). The sixth settlement was with Defendants International Payout Systems, Inc., (“IPS”), Natalia Yenatska and Edwin Gonzalez (the “IPS Defendants”). The seventh settlement was with Defendants Ryan Mitchell and Telecom Logic (the “Mitchell” or “Mitchell/Telecom Logic Defendants”).

For more information on these settlements, including the settlement agreements and related Court orders and filings, please visit www.TelexFreeSettlement.com.

The litigation will continue against the other named Defendants until all Defendants reach a settlement or the case is dismissed or goes to trial. The funds obtained may be used for the benefit of the class in the ongoing litigation.

5. What is a class action?

In a class action, one or more people, called class representatives, sue on behalf of people who have similar claims. All these people are members of the class, except for those who exclude themselves from the class.

Important information about the case will be posted on the website, www.TelexFreeSettlement.com, as it becomes available. Please check the website to be kept informed about any future developments.

THE SETTLEMENT CLASS

6. How do I know if I’m part of the Settlement Class?

The Settlement Class includes persons 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” means that the Settlement Class Member invested more funds than they withdrew.

7. What do the settlements provide?

The settlement with the Babener Estates provides that Attorney Babener’s professional liability coverage provider, the Oregon Professional Liability Fund, decided, with the Babener Estate’s agreement, to pay \$3,450,000. The Babener Estate disputes that Attorney Babener committed any wrongful acts or omissions that

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caused harm or damage. The settlement with Nehra provides for a payment of \$500. All of the settlements require continuing cooperation by the Settling Defendants to the extent set forth in their individual Settlement Agreements. In return for the payment and benefits, Settlement Class Members are required to give up their claims against Settling Defendants and their past, present, and future employees, officers, directors, incorporators, spouses, heirs, trusts, trustees, executors, estates, administrators, beneficiaries, distributees, foundations, agents, fiduciaries, partners, partnerships, joint ventures, member firms, limited liability companies, corporations, parents, subsidiaries, divisions, affiliates, associated entities, principals, managing directors, members, managers, predecessors, predecessors-in-interest, successors, successors-in-interest, assigns, advisors, consultants, brokers, dealers, lenders, attorneys, representatives, accountants, insurers, coinsurers, reinsurers, associates, and their related parties.

More details are in each of the Settlement Agreements, available at www.TelexFreeSettlement.com.

8. When can I get a payment?

No money will be distributed to any Settlement Class Member yet. The lawyers will continue to pursue the lawsuit against the other, non-settling Defendants to see if any future settlements or judgments can be obtained in the case, and then the funds will be distributed in the best method available in order to reduce administrative expenses.

The plan of distribution for the settlement funds will depend on the total amount recovered from the Defendants and attorney fees and case costs. You will be notified when and how to submit a claim. The plan of distribution for the settlement funds must be approved by the Court before the funds can be distributed.

9. What are my rights in the Settlement Class?

Remain in the Settlement Class: If you wish to remain a member of the Settlement Class, you do not need to take any action at this time. If you remain in the Settlement Class and participate in the settlements, you retain your right to administratively contest the amount you are awarded with the claims administrator after you are notified what that amount is.

Opt Out of the Settlement Class: If you wish to keep your rights to sue the Settling Defendants about the conduct alleged in this litigation, any act or omission of the Settling Defendants alleged in the Complaints as it relates to the TelexFree Scheme, or any conduct alleged and causes of action asserted or that could have been alleged or asserted, in any class action or other complaints filed in this litigation, you must exclude yourself from the Settlement Class. You will not get any money from the settlements if you exclude yourself.

To exclude yourself from the Settlement Class, you must send a letter that includes the following:

- a) Your name, home address at the time of your transactions with TelexFree, your current home address (if different), your phone number, your current email address, your email address(es) at the time you conducted business with TelexFree, evidence of your transactions with TelexFree, your estimate of the date range of your transactions with TelexFree, and your estimated dollar transactions with TelexFree;
- b) the name and contact information for all legal counsel(s) that you have consulted with as it relates to TelexFree or that represent you;

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- c) A statement saying that you wish to be excluded from the Settlement Class in *In re TelexFree Securities Litigation* – Case No. 4:14-md-2566, as to the Settling Defendants (the Babener Estate, Labriola, and/or Nehra) for which you wish to retain your rights to sue; and
- d) Your signature and the date you sign.

You must mail your exclusion request, postmarked no later than _____, 2024, to:

TelexFree Securities Litigation
c/o A.B. Data, Ltd.
ATTN: EXCLUSIONS
P.O. Box 173001
Milwaukee, WI 53217

Remain in the Settlement Class and Object: You can ask the Court to deny approval of the settlements by filing an objection. You can't ask the Court to order larger settlements; the Court can only approve or deny the settlements. If the Court denies approval of the settlements, no payments from the settlements will be sent out and the lawsuit will continue. If that is what you want to happen, you must object.

You may object to the proposed settlements in writing. You may also appear at the Fairness Hearing, either in person or through your own attorney. If you wish to speak at the Final Approval Hearing, you must send a letter informing the Clerk of the Court. If you appear through your own attorney, you are responsible for paying that attorney.

All written objections must be made under penalty of perjury and the supporting papers must include:

- a) A heading that clearly identifies the case name and number (*In re TelexFree Securities Litigation* – Case No. 4:14-md-2566);
- b) The objector's name, address, telephone number, and the contact information for any attorney retained in connection with the objection or otherwise in connection with the lawsuit;
- c) A detailed statement of the specific factual and legal basis for the objection to the proposed settlements with the Babener Estate, Labriola, and/or Nehra;
- d) A statement as to whether the objector intends to appear at the Final Approval Hearing, either in person or through counsel, and, if through counsel, identifying the counsel by name, address, and telephone number;
- e) A list of any witnesses the objector may call at the Final Approval Hearing, together with a brief summary of each witness's expected testimony;
- f) A list of and copies of any exhibits which the objector may seek to use at the Final Approval Hearing;
- g) A list of any legal authority the objector may present at the Final Approval Hearing; and
- h) The objector's signature executed under penalty of perjury.

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Objections must be submitted to the Court by mailing them to the Clerk’s Office, United States District Court for Massachusetts, Donohue Federal Building, 595 Main Street, Worcester, Massachusetts 01608.

Objections must be filed or postmarked on or before _____, 2024.

10. What am I giving up to stay in the Settlement Class?

Unless you exclude yourself from the Settlement Class, you can’t sue the Settling Defendants or be part of any other lawsuit against the Settling Defendants, or their disclosed parents, subsidiaries, affiliates, divisions, predecessors, and successors, their respective past and present officers, directors and employees, and insurers and reinsurers, about the legal issues in this case. It also means that all of the decisions made by the Court will bind you. The “Release of Claims” included in the Settlement Agreements covers all claims against the Settling Defendants relating to TelexFree and includes any causes of action asserted or that could have been asserted in the lawsuit.

The precise terms and conditions of the Settlement Agreements are available at www.TelexFreeSettlement.com.

THE SETTLEMENT APPROVAL HEARING

11. When and where will the Court decide whether to approve the settlements?

The Court will hold a Fairness Hearing in Courtroom 2 at _____ .m. on _____, 2024, at the United States District Courthouse, Donohue Federal Building, 595 Main Street, Worcester, MA 01608. The hearing may be moved to a different date or time without additional notice, so it is a good idea to check the settlement website for information. At this hearing, the Court will consider whether the settlements are fair, reasonable, and adequate. If there are objections, the Court will consider them at that time. After the hearing, the Court will decide whether to approve the settlements. We do not know how long this decision will take.

12. Do I have to attend the hearing?

No. Class Counsel will answer any questions the Court may have. But you are welcome to attend the hearing at your own expense. If you file or mail an objection, you don’t have to attend the hearing to talk about it. As long as you filed or mailed your written objection on time and comply with the above objection requirements, the Court will consider it. You may also pay another lawyer to attend, but it’s not required.

THE LAWYERS REPRESENTING YOU

13. Do I have a lawyer in the case?

Yes. The Court has appointed the law firm of Bonsignore Trial Lawyers, PLLC to represent you as Lead Counsel and the Hon. Steven W. Rhodes (Ret.) Esq. of Detroit, Michigan, James Wagstaffe, Esq. of the WVBR Law Firm (San Francisco, CA), Esq. Geoff Rushing, Esq. of Saveri & Saveri (San Francisco, CA), Ronald Dardeno, Esq. of the Law Offices of Frank L. Dardeno, LLP (Somerville, MA); and D. Michael Noonan of Shaheen and Gordon P.A. (Dover, NH) as Class Counsel for the Settlement Class. You do not have to pay Class Counsel. If you want

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to be represented by your own lawyer, and have that lawyer appear in court for you in this case, you may hire one at your own expense.

The contact information for Class Counsel is as follows:

Robert J. Bonsignore, Esq. Bonsignore Trial Lawyers, PLLC 3771 Meadowcrest Drive Las Vegas, NV 892121 Telephone: 781-856-7650	Geoff Rushing, Esq. Saveri & Saveri, Inc. 706 Sansome Street San Francisco, CA 94111 Telephone: 415-217-6810
D. Michael Noonan, Esq. Shaheen and Gordon, P.A. 140 Washington Street P.O. Box 977 Dover, NH 03821 Telephone: 603-749-5000	Ronald A. Dardeno, Esq. Law Offices of Frank N. Dardeno 424 Broadway Somerville, MA 02145 Telephone: 617-666-2600

14. How will the lawyers be paid?

Class Counsel will submit an Application for Attorneys’ Fees and Expenses to be heard at the same time as the Fairness Hearing on _____, 2024. Class Counsel will ask the Court for attorneys’ fees of 28% of the total settlement fund, or \$ _____, plus reimbursement of their costs as approved by the Court. In accordance with the provisions of the Settlement Agreement, Class Counsel will also request payment for the actual cost of class notice not to exceed \$50,000.00.

Class Counsel will file their Application for Attorneys’ Fees and Expenses on or before _____, 2024. On the same day, Class Counsel will post their Application for Attorneys’ Fees and Expenses on the settlement website, **www.TelexFreeSettlement.com**.

You may comment on or object to Class Counsel’s Application for Attorneys’ Fees and Expenses by following the procedure set forth in Question 9 above. Any comment or objection must be filed with the Court or postmarked by _____, 2024.

GETTING MORE INFORMATION

15. How do I get more information?

This Notice summarizes the proposed settlements. For the precise terms and conditions of the settlements, please see the Settlement Agreements available at **www.TelexFreeSettlement.com**.

You can also get more information by contacting Class Counsel at the addresses listed above under Question 13, by accessing the Court docket in this case through the Court’s Public Access to Court Electronic Records (PACER) system at <https://ecf.mad.uscourts.gov/cgi-bin/login.pl>, or by visiting the office of the Clerk of the Court for the United States District Court for the District of Massachusetts, Donohue Federal Building, 595 Main Street, Worcester, Massachusetts 01608 between 8:30 a.m. and 5:00 p.m., Monday through Friday, excluding Court holidays.

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**PLEASE DO NOT TELEPHONE THE COURT OR THE CLERK'S OFFICE TO INQUIRE ABOUT
THE SETTLEMENTS OR THE CLAIM PROCESS.**

Dated: _____

BY ORDER OF THE COURT