

**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  
DEFENDANTS GERALD NEHRA, NEHRA LAW OFFICE, AND  
GERALD P. NEHRA, ATTORNEY AT LAW, PLLC**

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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 Defendants Gerald Nehra (individually), Nehra Law Office, and Gerald P. Nehra, Attorney at Law, PLLC (collective “Settling Defendants” or “Nehra Defendants”) (hereinafter, Plaintiffs and Settling Defendants 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 Settling Defendants through the final approval hearing and issuance of any order regarding final approval.<sup>1</sup>

Because the instant Motion plows no new ground and to increase efficiency and decrease the workload on this Court, Plaintiffs have attempted to not 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 Nehra Defendants.**

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 Nehra Defendants: (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 adding and

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<sup>1</sup> The monetary compensation from this Settlement is \$500 dollars. As such, Plaintiffs will not discuss how these settlement funds will be distributed to the class, incentive awards or their proposed schedule for Plaintiffs' application for attorneys' fees and expenses as part of this Motion. As it is cost-prohibitive to distribute anything, or to pay attorneys' fees, these funds will be used in their entirety to pay expenses.

abetting, and (8) unjust enrichment.<sup>2</sup> (*See* Dkt. 1186). After this Court granted various motions to dismiss, leaving tortious aiding and abetting of the TelexFree Ponzi Scheme as the actionable claim.

**B. Formal and Informal Discovery Related to Nehra Defendants and TelexFree.**

Prior to entering into the Settlement Agreement, the Parties engaged in both full formal and informal discovery. Specifically, Plaintiffs served 25 Interrogatories and the Nehra Defendants eventually served answers to each Interrogatory. Additionally, Plaintiffs served 113 Requests for Production. The Nehra Defendants produced 1,804 documents. (Exhibit 1, Bonsignore Decl., at ¶¶12-14).

The Nehra Defendants were formerly represented by Attorney Kent Sinclair and numerous discovery disputes took place. Specifically, on May 26, 2023, Plaintiffs' Motion to Compel More Complete Answers to Interrogatories from Defendants Gerald P. Nehra and Gerald P. Nehra Attorney at Law, PLLC (Dkt. 1582) was granted in part (Dkt. 1659). On May 30, 2023, Plaintiffs' Motion to Compel Complete Responses to Plaintiffs' Requests for Production of Documents from the Nehra Defendants (Dkt. 1586) was denied (Dkt. 1659). (Exhibit 1, Bonsignore Decl., at ¶¶15).

In the lead-up to the renewed settlement negotiations and the instant Settlement Agreement, Mr. Nehra sat for deposition on February 17, 2024. Mr. Nehra sat for deposition on behalf of all Nehra Defendants and was extensively examined by Plaintiffs' counsel. During his deposition, Mr. Nehra was forthcoming. His testimony tracked the documentary evidence and witness accounts. In addition, seventy-nine (79) documents were authenticated on the record. Notably, pursuant to his duty to supplement his responses to discovery, Mr. Nehra is producing today a

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<sup>2</sup> This Court had previously dismissed Plaintiffs' claims for unjust enrichment. Plaintiffs repleaded their claim against Defendants for unjust enrichment solely to preserve their ability to seek appellate review. (*See* Dkt. 984 at 40–41).

damaged laptop that Plaintiffs will attempt to recover data from. (*Id.* at ¶17-19). Plaintiffs will promptly provide whatever data can be collected, if any, to all Defendants and yesterday met and conferred with the Wells Fargo Defendants and reached an agreed on a production protocol. Plaintiff Counsel will apply that production protocol or discuss same with all defense counsel who express an interest.

Mr. Nehra has verified that he and the Nehra Defendants have produced all known documents and things in their possession or control concerning TelexFree for all Defendants. (*Id.* at ¶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 of 757,540 pages, including 7,892 Excel spreadsheets and 126,736 PDF, email, image, and Word documents. (*Id.* at ¶35). Plaintiffs' Counsel also conducted twenty-three (23) depositions. (*Id.* at ¶36).

### **III. THE MATERIAL TERMS OF THE SETTLEMENT**

On May 14, 2024, the parties fully executed a written agreement setting forth the terms of their settlement. (*See* Exhibit 2, Settlement Agreement).

As detailed in the Settlement Agreement, in exchange for a full release, Plaintiffs will receive \$500 in monetary compensation. (Exhibit 2, ¶42) Most importantly, Plaintiffs will continue to receive full cooperation from the Nehra Defendants. (Exhibit 1, Bonsignore' Decl., at ¶¶20-29 and Exhibit 2, at ¶¶1, 11-21, 23-25, 31-34, 36). Mr. Nehra's cooperation includes his testimony at trial as an expert witness on topics within his expertise and he was timely and properly disclosed

as a testifying witness. Mr. Nehra will cooperate with Plaintiffs to provide information necessary to assist in the prosecution of other defendants. Mr. Nehra will testify and provide the information necessary to establish how other defendants knowingly aided and abetted the TelexFree scheme. The Settlement Agreement requires Mr. Nehra to meet with Plaintiffs' counsel as many times as necessary to go over the granular details gleaned from the newly produced documents which may be found on his recently produced damaged laptop. Mr. Nehra is to otherwise continue to meet with Plaintiffs' counsel upon reasonable demand to provide context as deemed necessary by Plaintiffs' counsels. Mr. Nehra also is to otherwise continue to execute declarations as reasonably deemed necessary by Plaintiffs' Counsel. (*Id.*). Mr. Nehra has no noteworthy assets and derives the bulk of his present income from Social Security, thus limiting how much he may earn. A material term of the settlement is a claw back provision should it be determined that Mr. Nehra has secreted assets or at a future date receives TelexFree related funds. (Exhibit 2, at ¶¶23-25, 31-34, 36). There is no opening for a hidden windfall.

In return for cooperation and payment of \$500, Plaintiffs and members of the settlement class will relinquish any claims that they have against Settling Defendants and the releasees identified in the Settlement Agreement relating to TelexFree, including claims that were or could have been brought in this litigation. (Exhibit 2 at ¶¶4, 40-43).

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. (Exhibit 2 at ¶50).

#### **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.”<sup>3</sup> *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 and helpful through many twists and turns in this action. (ECF 2064-1, ¶¶31-37; Exhibit 1, Bonsignore Decl., at ¶¶40-44). Class counsel has zealously represented the class and addressed the particular challenges of this litigation. (*See e.g.*, Exhibit 1, Bonsignore Decl., at ¶¶33-36.)

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

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<sup>3</sup> Fed. R. Civ. P. Rule 23 (C)(ii) and (iii) have very limited application here as there is only \$500 in monetary compensation for the class members. As a result, Plaintiffs’ Counsel will not be seeking the distribution of any fees arising particularly from this Settlement Agreement. Instead, the \$500 will be used for litigation expenses. Of note, since the last fee submission, Plaintiffs’ have expended approximately three (3) million dollars in Common Expenses. Common Expenses are expenses advanced by firms to fund litigation related costs such professional fees, the document retention depository hosting over one million documents, class notice, and expert fees expert analysis including restoring the SIG System since the last fee submission end date, or July 31, 2023. Plaintiffs have never submitted a request for what are referred to as Held Expenses. Held Expenses are expenses advanced by firms to fund litigation related costs such as airfare, travel, internal copies, postage, etc.



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 and recognition of the matter as a class action and 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 with regard to responses to Defendants’ discovery and have offered them up for deposition. (Exhibit 1, Bonsignore Decl., at ¶¶39-44).

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 Defendants 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 ¶¶12-18). 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, 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 ¶¶34-36).

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 good faith, arm's-length negotiations among experienced and especially well-informed counsel. (Exhibit 1, Bonsignore Decl., at ¶¶12-19, 45-

56). During 2020, Plaintiffs made repeated efforts to settle with the Nehra Defendants. The efforts included in person and telephonic exchanges. The parties were unable to reach an agreement. During 2022, Plaintiffs again made repeated efforts to settle with the Nehra Defendants. The parties were again unable to reach an agreement. Plaintiffs only decided to settle with the Nehra Defendants following Mr. Nehra's deposition on February 17, 2024. Plaintiffs' counsel believed that Mr. Nehra was forthcoming as his testimony tracked the documentary evidence and witness accounts. (Exhibit 1, Bonsignore Decl., at ¶¶17-18, 46-48).

**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 Defendants' 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 Defendants have only provided minimal monetary compensation with regards to this Settlement, Settling Defendants have 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 ¶¶11-39). 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 Defendants’ 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 ¶¶67-68).

**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 Defendants are represented by able counsel who will defend Settling Defendants vigorously and have 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 Defendants after trial, Settling Defendants have no ability to satisfy it. (Exhibit 1, Bonsignore Decl., at ¶¶9-11). Third, there is no doubt that litigating this matter through trial will result in substantial – potentially years of – delay as well as significant expense.

**2. Effectiveness of Any Proposed Method of Distribution.**

As with the previous settlements, Plaintiffs propose that any distribution to the class be made on a *pro rata* basis in line with each class member’s respective losses following a claims process. Pro rata allocation has been approved in numerous class action settlements. *See, e.g., Jean-Pierre v. J&L Cable TC Services, Inc.*, 538 F. Supp. 3d 208, 213 (D. Mass. 2021); *Bezdek v. Vibram USA Inc.*, 79 F. Supp. 3d 324, 334 (D. Mass. 2015), *aff’d* 809 F.3d 78 (1st Cir.); *In re Lupron Mktg. & Sales Prac. Litig.*, 228 F.R.D. 75, 87 (D. Mass. 2005). The plan of allocation will be informed by the ultimate size of the settlement fund and will be submitted to the Court for approval. Moreover, some of the settlement funds may be used to defray future class-wide expenses and thus provide a real and tangible benefit to the class. Class members will have the opportunity to comment on or object to the proposed allocation. Given the small amount of this settlement, all of it should go to defray expenses. It is not cost-effective to do a distribution.

**3. 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 ¶59).

**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 only a limited monetary component to this Settlement Agreement, which will go to defray costs for the whole class. 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.<sup>4</sup>**

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 (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 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

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<sup>4</sup> The arguments in support of provisional class certification are being made solely by the Plaintiffs. Settling Defendants are not opposing the provisional certification of the class for settlement purposes, but in the event that the settlement is not approved, Settling Defendants reserve 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.

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.**

As with the previous settlements, 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 the first set of 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 4, 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.<sup>5</sup> 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 the best notice practicable under the circumstances. (*See* Exhibit 4, Schachter Decl., at ¶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 ¶62) As such, the reasonable efforts in this case include prior communication efforts undertaken by the Trustee to

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<sup>5</sup> 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.



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 ¶¶44 and 49(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 to the 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 4, Schachter Decl. ¶11; Exhibit 1, Bonsignore Decl. ¶¶61-72).

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 also attached as Exhibit 6 to the Memorandum. The Notice explains the nature of the action and the class claims, issues, and defenses. (Exhibit 4, Schachter Decl., at ¶¶6, 10 and Exhibit 6, 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 4, Schachter Decl., at ¶6 and Exhibit 6, 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 4, Schachter Decl., at ¶6, at Exhibit 6, 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 if 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. Obligations Pending the Final Approval Hearing.**

Because the proposed settlement will resolve all class claims against Settling Defendants, 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 Defendants 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.

### CONCLUSION

WHEREFORE, Plaintiffs and Settling Defendants 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' 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 Defendants.

Dated: July 19, 2024

Respectfully submitted,

PLAINTIFFS,

By their Attorneys,

/s/ Robert J. Bonsignore

Robert J. Bonsignore, Esq. (BBO #547880)

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***Plaintiffs' Interim Lead Counsel***

STEVEN RHODES CONSULTING, LLC

Steven Rhodes, Esq. (MI #P19394)\*\*

1610 Arborview Boulevard

Ann Arbor, MI 48103

Respectfully submitted,

DEFENDANTS GERALD NEHRA, NEHRA  
LAW OFFICE, AND GERALD P. NEHRA,  
ATTORNEY AT LAW, PLLC,

/s/ Gerald P. Nehra

Gerald P. Nehra, Esq. (P34930)

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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 MOTION FOR  
PRELIMINARY APPROVAL OF NEHRA SETTLEMENT**

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 Gerald Nehra (individually), the Nehra Law Office, and Gerald P. Nehra, Attorney at Law, PLLC (collectively the “Nehra Defendants”).
5. I incorporate by reference Exhibit 1, which is a true and correct copy of the settlement agreement between the putative class and the Nehra Defendants (the “Settlement Agreement”).
6. The Nehra Defendants through Gerald Nehra have verified that they have produced all known documents and things in their possession or control concerning TelexFree.
7. Gerald Nehra has agreed to testify as an expert witness during trial on topics within his expertise or to provide declarations. A significant category of his lengthy and focused legal

career was devoted to identifying unlawful MLM schemes and ensuring the MLM companies operate a lawful business model. Mr. Nehra was lead consulting outside counsel for TelexFree from approximately 2012 to the fall of 2013, and thereafter served on an as needed basis.

8. Gerald Nehra focused his law practice on Multi-Level Marketing for over forty years. From 1982 – 1991 Mr. Nehra was General Counsel for Amway. Mr. Nehra followed that with a slightly less than one-year stint as VP and Legal counsel with Fuller Brush. In 1992, Mr. Nehra opened his private practice specifically focused on direct sales and multilevel marketing issues serving a multitude of clients including Fuller Brush, Pinnacle Communications, TuneCity, and other varied clients. A true and accurate copy of Mr. Nehra’s CV is attached hereto as Exhibit 2.

#### **ABILITY OF DEFENDANTS TO PAY AND SAFEGUARDS AGAINST FRAUD**

9. On behalf of all the Nehra Defendants, Gerald Nehra has 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).

10. Plaintiffs have independently confirmed to the best of their ability that the Nehra Defendants possess negligible assets and are essentially judgment proof.

11. Specifically, Plaintiffs carried out multiple asset searches. The available data uniformly established that Nehra Defendants do not possess significant assets. Mr. Nehra is semi-retired and his present income is almost entirely based on Social Security.

#### **EXCHANGE OF DISCOVERY**

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



discovery.

13. Specifically, Plaintiffs served 25 Interrogatories and the Nehra Defendants eventually served answers to each Interrogatory.

14. Additionally, Plaintiffs served 113 Requests for Production. The Nehra Defendants produced 1,804 documents. A document may contain more than one page and occasionally hundreds of pages.

15. The Nehra Defendants were formerly represented by Attorney Kent Sinclair and numerous discovery disputes took place. Specifically, on May 26, 2023, Plaintiffs' Motion to Compel More Complete Answers to Interrogatories from Defendants Gerald P. Nehra and Gerald P. Nehra Attorney at Law, PLLC (Dkt. 1582) was granted in part (Dkt. 1659). On May 30, 2023, Plaintiffs' Motion to Compel Complete Responses to Plaintiffs' Requests for Production of Documents from the Nehra Defendants (Dkt. 1586) was denied (Dkt. 1659).

16. Mr. Nehra has verified that he and the Nehra Defendants have produced all known documents and things in their possession or control concerning TelexFree for all Defendants.

17. In the lead-up to the renewed settlement negotiations and the instant Settlement Agreement, Mr. Nehra sat for deposition on February 17, 2024. Mr. Nehra sat for deposition on behalf of all Nehra Defendants and was extensively examined by Plaintiffs' counsel.

18. During his deposition, Mr. Nehra was forthcoming. His testimony tracked the documentary evidence and witness accounts. In addition, seventy-nine (79) documents were authenticated on the record.

19. Notably, pursuant to his duty to supplement his responses to discovery, Mr. Nehra has recently produced a damaged laptop that Plaintiffs will attempt to recover data from.

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

20. In exchange for a full release, Plaintiffs will continue to receive full cooperation

from Gerald Nehra on his own behalf and on behalf of all the Nehra Defendants.

21. Mr. Nehra's cooperation includes his testimony at trial as an expert witness on topics within his expertise.

22. Mr. Nehra will cooperate with Plaintiffs to provide information necessary to assist in the prosecution of other defendants.

23. Mr. Nehra will testify and provide information necessary to establish how other defendants knowingly aided and abetted the TelexFree scheme.

24. As referenced above, material terms of the Settlement Agreement require Mr. Nehra to meet with Plaintiffs' counsel as many times as necessary to go over the granular details gleaned from any newly produced documents which may be found on his recently produced damaged laptop.

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

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

27. The material terms of the Settlement Agreement also require Mr. Nehra to otherwise appear at trial and testify.

28. The Proposed Settlement Agreement 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.

29. The Proposed Settlement Agreement will also provide a benefit to the class because it will provide full cooperation from another TelexFree executive level insider. Mr. Nehra was TelexFree's chief outside counsel until he was ousted by Attorney Jeff Babener. From 2012 to

August of 2013, Mr. Nehra provided advice to TelexFree. Even after the unceremonious and abrupt end of his significant involvement, Mr. Nehra was called upon to deal with a variety of issues for TelexFree and Mr. Nehra will offer evidence in this regard via declaration or trial testimony.

#### **SCOPE OF RELEASE**

30. 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 the Nehra Defendants.

31. This Declaration references key moments in the history of this MDL along with background facts that the Court may find relevant to its evaluation of the adequacy prong of approval, including Plaintiffs' diligence in pursuing their rights and claims during this long-pending Multidistrict Litigation.

#### **PROCEDURAL HISTORY**

32. The procedural history of this Multidistrict 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**

33. 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, and an executive summary was very recently placed on file. *See* Dkt 2064-1.

34. 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 any formal discovery process to inform and guide the litigation, including reviewing and coding millions of documents; (4) retaining, consulting with,

and 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.

35. During 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.

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

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

### **CLASS REPRESENTATIVES**

38. Through a cooperation agreement, Plaintiffs 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' accounting system (referred to as the SIG system).

39. 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.

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

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

42. 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.

43. 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.

44. 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**

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

46. During 2020, Plaintiffs made repeated efforts to settle with the Nehra Defendants. The efforts included in person and telephonic exchanges. The parties were unable to reach an agreement.

47. During 2022, Plaintiffs made repeated efforts to settle with the Nehra Defendants. The parties were unable to reach an agreement.

48. Plaintiffs decided to settle with the Nehra Defendants following Mr. Nehra's deposition.

49. As referenced above, Mr. Nehra has verified that he has produced all known documents and things in his possession or control concerning TelexFree.

50. As referenced above, Plaintiffs developed a damages model based on the principles of joint and several liability and understand the monetary value of the victim's loss.

51. In addition to having the benefit of discovery response, 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 the Nehra Defendants.

52. After considering the needs for proving their claims, the costs associated with litigation, the complexities of the case, and the nuances of the claims for aiding and abetting a Ponzi scheme, the Plaintiffs agreed to settlement with the Nehra Defendants.

53. 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.

54. Reaching a settlement was extremely challenging. From the outset, a succession of counsel representing the Nehra Defendants 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 representing himself pro se, the cooperation of Gerald Nehra was painful, obstructionist and unacceptable.

55. The Nehra Defendants asserted they would present numerous defenses.

56. After reaching an agreement in principle, counsel for both sides aggressively and meticulously negotiated the procedural and substantive details of a comprehensive Settlement

Agreement placed before this Court for approval.

57. Considering the factors set forth here, the Proposed Settlement Agreement represents an acceptable value for the Settlement Class.

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

59. 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**

60. 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. It only includes Net Losers. Therefore, the Proposed Settlement treats class members equitably relative to each other. There is only \$500 in monetary compensation from the Settlement Agreement and, as a result, Plaintiffs' Counsel will not be seeking attorneys' fees on this Settlement and proposes that the \$500 be used to defray expenses of the litigation.

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

61. Class Counsel has retained an exceptionally qualified and experienced class notice company. *See* the Declaration of Eric Schacter attached as Exhibit 4 to the Memorandum in Support of Preliminary Approval (submitted concurrently to this Declaration).

62. 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.

63. 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).

64. 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 class member Net Losers.

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

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

67. AB Data will preserve the right of individual class members to administratively address disputes relating to their claims.

68. 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.

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

70. AB Data has taken extraordinary steps to hat 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.

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

72. 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 FAVORPROVAL OF  
THE PROPOSED SETTLEMENT AGREEMENT**



73. 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.

74. 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.

75. 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.

76. 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, yet less than a half dozen individuals were prosecuted because the government's resources are limited.

77. 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.

78. 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.

79. 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).

80. 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).

81. 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.

82. 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.

83. 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 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  
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# **EXHIBIT 2**

## SETTLEMENT AGREEMENT

This Settlement Agreement (“Settlement Agreement” or “Agreement”) is made and entered into this 14<sup>th</sup> day of May, 2024 (“Execution Date”) by Nehra Law Office, Gerald Nehra (individually), and Gerald P. Nehra, Attorney at Law, PLLC, (referred to herein for ease of reference as “Nehra ”), 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 (Nehra and the TelexFree Plaintiffs are collectively referred to as “Parties” or, individually, each a “Party”).

### PREAMBLE

**WHEREAS**, each paragraph in this Settlement Agreement, including, but not limited to 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, Nehra;

**WHEREAS**, the TelexFree Class Plaintiffs allege that TelexFree was a Pyramid Scheme and Nehra admits that ultimately proved to be true, at legal proceedings, including the Merrill criminal trial, and will offer related testimony at trial;

**WHEREAS**, the TelexFree Class Plaintiffs allege that they suffered ascertainable economic injury as a result of Nehra’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**, Nehra served as TelexFree's United States outside legal counsel;

**WHEREAS**, Nehra communicated and facilitated communication between TelexFree and other Defendants, participants, domestic governmental entities and others;

**WHEREAS**, Nehra consulted with TelexFree, other Defendants, participants, domestic governmental entities, and others;

**WHEREAS**, Nehra performed other random tasks with TelexFree, other Defendants, participants, domestic governmental entities and others including activities related to the Commonwealth of Massachusetts Secretary of the Commonwealth investigations into TelexFree and TelexFree's pursuit of assurance letters for ProPay and its merchant banks;

**WHEREAS**, Nehra will immediately produce the backup copy of his laptop under strict conditions and protocols designed to safeguard against the inadvertent disclosure of files unrelated to TelexFree or TelexFree related matters;

**WHEREAS**, Nehra's full, truthful, complete, unrestricted and ongoing cooperation until Final Judgment as to all Defendants with no further appeal has been reached, including, but not limited to appeals of the Garvey Schubert, Bank of America, PNC Bank, PWC, Sheffield and the other Defendants that have previously been dismissed from this Action;

**WHEREAS**, the Parties wish to settle and should Nehra not provide full, truthful, complete, and ongoing cooperation until Final Judgment as to all Defendants with no further appeal has been reached, this agreement shall be null and void nunc pro tunc;

**WHEREAS**, Plaintiffs will obtain Nehra's back up computer hard drive used at the

time through Plaintiffs' vendor, Iron Oak Discovery, after the close of fact discovery; (b) Plaintiffs' counsel will at their own expense engage data project managers and e-discovery specialists to properly extract and process the information obtained from Nehra's computer at their own expense;

**WHEREAS**, as of the date of this Settlement Agreement, Plaintiffs' counsel does not yet possess Nehra's computer and is therefore unable to completely question Nehra as to the evidence and facts referenced;

**WHEREAS** Nehra has represented that they have otherwise produced all electronic and hard copy files they possess relating to TelexFree and Plaintiffs have relied on this representation, and should Nehra newly discover other electronic and hard copy documents it will be promptly produced to Plaintiffs' Lead Counsel;

**WHEREAS**, Nehra agrees to provide the ongoing cooperation deemed necessary by Plaintiffs' counsel until Final Judgment as to all Defendants with no further appeal has been reached including, but not limited to, providing answers and facts as are referenced with the documents from Nehra's electronic devices, otherwise provide answers to questions and facts posed to Nehra by Plaintiffs' counsel; provide assistance with authenticating documents or admitting them into evidence and offering evidence against current and past Defendants to the full extent Nehra is able and will testify at trial how and why TelexFree was an unlawful business model, that Nehra advised them to make changes, that they did not make the changes, that Nehra was initially charged to lead the defense before the Commonwealth of Massachusetts Secretary of the Commonwealth and was moved out by Robert Weaver of Garvey Schubert who then lead those defense efforts including the selection and management of local counsel;

**WHEREAS**, Nehra has unequivocally represented that, other than the disclosed fees for services performed from 2012 through 2014 on **Attachment A**, Nehra 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**, Nehra, individually and on behalf of all entities and persons with whom he shares a beneficial interest, has unequivocally represented that Nehra has not secreted any funds derived from TelexFree's unlawful pyramid scheme or related business operations other than that disclosed on Attachment A;

**WHEREAS**, Nehra individually and on behalf of all entities and persons with whom he shares a beneficial interest, has unequivocally represented that Nehra has no knowledge 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 Nehra's memories are refreshed, Nehra will immediately notify Plaintiffs' Lead Counsel, Robert J. Bonsignore;

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

**WHEREAS**, Gerald Nehra, individually and on behalf of all persons and entities with whom Nehra shares a beneficial interest, have unequivocally represented that they have no insurance available to cover the TelexFree Class Plaintiffs' claims and they individually or otherwise, through umbrella or other insurance of any type, do not have any insurance policies;



**WHEREAS**, if Nehra 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. Additionally, if an insurance policy is later discovered to cover the claims released, Nehra shall make claim and assign any rights to that policy to the TelexFree Class Plaintiffs;

**WHEREAS**, Nehra 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 Nehra's 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 that Nehra individually, and on behalf of all persons and entities with whom he shares a beneficial interest, provide 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**, Nehra is released on the condition that if Nehra does not cooperate as defined herein, or if Nehra is found to have directly or indirectly secreted assets in Nehra's name or in the name of another, this release shall be subject to revocation and the action against Nehra shall be reinstated nunc pro tunc;

**WHEREAS**, the failure of Nehra or a Nehra-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**, Nehra swears and deposes to always tell the truth and to cooperate as provided herein and that both are terms material to this release;

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

**WHEREAS**, TelexFree Class Plaintiffs have requested all information and documents related to the subject matter of the MDL 2566 Action(s) and Nehra has agreed to provide, within seven (7) days of the execution of this agreement, all related information he possess or has control over relating to the conduct referred to in the 2566 MDL Action(s) 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" also defined below);

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

**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 Nehra is in the best interests of TelexFree Plaintiffs and the Settlement Class because the value of the Full Cooperation that Nehra 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**, Nehra, 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 Nehra and Releasees 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 Nehra 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 Nehra 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 Nehra, 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 11-39 and to each material Nehra representation.

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 Nehra or contained in Nehra’s business records or personnel files; and the persons and entities identified in Attachments B and C.

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, and cloud-based 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 Nehra’s custody, possession, or control as well as those appearing in another language.

4. “Releasees” shall refer jointly and severally, individually, and collectively to Nehra, and Nehra’s disclosed parents, subsidiaries, affiliates, divisions, predecessors and successors, their respective past and present officers, directors and employees, insurers, and reinsurers. The term Releasees does not include any other Defendant in the MDL 2566 Action other than Nehra.

5. “Releasers” shall refer jointly and severally, individually, and collectively to the TelexFree Plaintiffs and the Members of the Settlement Class, as well as their past, present, and future employees, officers, directors, incorporators, heirs, trusts, trustees,

executors, estates, administrators, beneficiaries, distributes, 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.  
BONSIGNORE TRIAL LAWYERS, PLLC  
23 Forest Street  
Medford, MA 02155  
Telephone: 781- 350-0000  
Cell Phone: 781-354-1800  
Email: [rbonsignore@classactions.us](mailto:rbonsignore@classactions.us)  
Interim MDL 2566 Lead Counsel

Hon. Steven W. Rhodes (Ret.), Esq.  
1610 Arborview Blvd.  
Ann Arbor, MI 48103  
Email: [rhodessw@comcast.net](mailto:rhodessw@comcast.net)

James Wagstaffe, Esq.  
ADAMSKI MOROSKI MADDEN CUMBERLAND  
& GREEN LLP  
6633 Bay Laurel Place  
Avila Beach, CA 93424  
Telephone: 805-543-0990  
Facsimile: 805-543-0980  
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Telephone: 603-749-5000  
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Ronald A. Dardeno, Esq.  
LAW OFFICES OF FRANK N. DARDENO LLP  
424 Broadway  
Somerville, MA 02145  
Telephone: 617-666-2600  
Email: [rdardeno@dardeno.com](mailto: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. “Settlement Fund” refers to the funds paid by Nehra and other Defendants into the Escrow Account in connection with the Settlement Agreement.

10. “TelexFree” for purposes of this Settlement Agreement includes all TelexFree entities, agents, and affiliated entities and persons, including, but not limited to, John Merrill; Carlos Wanzeler; Katia Wanzeler; Lydia Wanzeler, Above and Beyond the Limit, LLC; Above & Beyond the Limit, LLC; Acceris Realty Estate, LLC; Botafogo de

Futebol e Regatas; Brazilian Help, Inc.; Bright Lite Future, LLC; Cleaner Image USA, LLC; CNW Realty State, LLC; Common Cents Communications Inc.; Eagleview Realty Estate, LLC; Forever Diamond Realty, LLC; Graham Bell Tele, LLC; JC Realty Co.'s; JC Real Estate Management Company, LLC; JC Real Estate Investment Company, LLC; KC Realty State, LLC; K&C Cleaning, Inc.; Sun Wind Energy Group, LLP; Sunwind Energy Solutions LLLP; TelexElectric, LLLP; TelexFree Canada; TelexFree Dominican Republic; TelexFree Financial, Inc.; TelexFree, Inc.; TelexFree International, LLC; TelexFree, LLC; TelexFree LLC DBA TelexFree of Miami; Telex Mobile Holdings, Inc.; TelexFree, Ltd.; TelexFree Jamaca; TelexFree Nevis; TelexFree UK; Ympactus Comercial Ltda; P.L.I. TelexFree Rwanda, Ltd.; and those otherwise as identified in good faith by the TelexFree Plaintiffs or Nehra or as contained in Nehra's business records or personnel files.

**B. Agreement to Cooperate.**

11. Nehra agrees to promptly, timely and fully provide Full Cooperation to TelexFree Class Plaintiffs as set forth below at Nehra's own expense except as specifically articulated within this Settlement Agreement.

12. "Cooperation" means:

(a) to provide: (i) all information relating to TelexFree and the conduct referred to in or related to the MDL 2566 Action, including all past and present Defendants as reasonably necessary including that referenced in the preamble to the Settlement Agreement; (ii) sworn affidavit(s) relating to TelexFree and the conduct referred to in or related to the MDL 2566 action, including all past and present Defendants, as reasonably necessary including that referenced in the preamble to the Settlement Agreement ; (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 documents or other material or information possessed by or under the control of Nehra 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 Nehra must be provided as reasonably needed during the litigation and a failure by Nehra to fully cooperate shall constitute a material breach of the terms of this settlement agreement as to Nehra and trigger the termination provisions of Paragraph 13;

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

(d) If third parties file claims against Nehra, Plaintiffs will allow Nehra



access to material provided by that party during discovery within 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 Nehra 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 Nehra under this Agreement), the Plaintiffs shall provide Nehra with notice of the non-cooperation and a reasonable period to cure of no less than fourteen (14) days. If Nehra fails to cure within fourteen (14) 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 Nehra has failed to adhere to the terms of this Agreement. Upon a finding by the Court that Nehra 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 Nehra and authorize Plaintiffs to proceed to pursue the full extent of damages against Nehra 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 Nehra 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 and things.

17. Relevant Documents shall include all English translations, to the extent they exist.

18. To the extent that electronic documents exist on Nehra's back-up computer hard drive used at the time referred to above, Nehra shall cooperate with Plaintiffs' efforts to extract the data including metadata from that electronic device. The Plaintiffs shall pay the related costs of extracting the data. Nehra shall make that electronic device available to Plaintiffs and their Vendor on or prior to the day this Settlement Agreement is executed.

19. Nehra has agreed to complete, and has represented that such completion has taken place, document dumps of all files other than those on laptops and phones that are relevant to TelexFree from inception to date and continuing that are required to be provided under this Agreement on or prior to the day this Settlement Agreement is executed. These transmittals shall not waive Nehra's attorney-client privilege.

20. Nehra 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, Nehra will produce on or prior to the day this Settlement Agreement is executed all Documents as set forth herein in their respective possession, custody or control that were created or that otherwise came into Nehra's 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 C

and D.

(b) The Documents shall include, but not be limited to, all such Documents that Nehra has produced to the DOJ, the SEC, the COMSOC, the Chapter 11 Trustee for TelexFree, each past and present MDL 2566 Defendant, 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.

(c) Additionally, Nehra will produce on or prior to the day this Settlement Agreement is executed all Documents as set forth herein in their respective possession, custody or control that were created or that otherwise came into their possession as of January 1, 2010 through to this date, all exchanges with each past and present Defendant 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 are not named.

(d) To the extent that the formal discovery may involve confidential information concerning customers of Nehra may move for an appropriate protective order.

(e) Nehra submits as part of this Settlement Agreement that the documents 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.

(f) Nehra's Cooperation obligations shall include, but are not limited to, the following:

(1) Nehra will personally make himself available for formal or informal interviews;

(2) Nehra will also provide, upon request, a more comprehensive affidavit(s) to TelexFree Class Plaintiffs' counsel;

(3) Nehra will authenticate documents;

(4) Nehra will testify at hearings and trial.

(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 Nehra nunc pro tunc

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

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

(j) Following execution of the Settlement Agreement and court approval of the Protective Order, Nehra 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 Nehra agrees as a material term to this Settlement Agreement to provide the ongoing cooperation deemed necessary by Plaintiffs' counsels until Final Judgement against all Defendants with no further appeal has been entered including, but not limited to, providing answers and facts as are referenced with the documents from Nehra's electronic devices/cloud storage, otherwise provide answers to questions and facts posed to Nehra by Plaintiffs' counsel; 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 Nehra, all such information may be sealed or coded to protect the interests of those customers.

21. Cooperation interviews may be conducted by Zoom meeting or some other such provider at the convenience of Nehra and Plaintiffs' counsel.

22. TelexFree Class Plaintiffs' Counsel and Nehra agree the following terms will govern the use of documents produced.

(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 shall identify to Nehra all documents produced or provided by Nehra that they intend to publicly file in Court or disclose to anyone other than the persons allowed access by the Protective Order in MDL 2566 and found at Docket #855. This Agreement supersedes Docket #855 only as to the TelexFree Class Plaintiffs' Counsel and Nehra in that it shortens time frames.

(b) Nehra shall then have a reasonable period of five (5) business days after notice is sent 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.

(c) 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 same.

(d) Pursuant to the above procedure, if the Parties are unable to reach agreement on whether a document is not privileged or confidential and thus able to be filed on the public docket or otherwise shared, Nehra shall file a Motion for a Protective Order within ten (10) business days of Plaintiffs' notifying Nehra that they wish to make use of a document or witness to which Nehra objects.

(e) The parties shall simultaneously request that the Court refer this dispute to a Magistrate Judge or JAMS for resolution within fourteen (14) days of the filing of the Motion for Protective Order.

(f) Prior to that time, nothing shall prevent the Plaintiffs from filing the documents in dispute under seal.

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

(h) Any documents previously produced by Nehra to Plaintiffs in connection with this Settlement Agreement or the negotiation of the settlement described herein shall be treated in accordance with such a Protective Order.

23. At the request of TelexFree Class Plaintiffs' Counsel, Nehra will provide and sign declarations/affidavits under oath, upon personal knowledge, regarding Cooperation Materials and other informal or formal discovery responses, in connection with motion practice or trial as needs are deemed necessary or reasonable by Plaintiffs' counsel. It is understood that Nehra will testify as to Nehra's best current recollection.

24. As Plaintiffs' counsel deems it necessary to have Nehra authenticate one or more documents for admission at trial, they shall identify those documents to Nehra and Nehra shall support the admission of the identified documents. It is understood that Nehra will testify as to Nehra's best current recollection.

25. Nehra agrees to appear and testify at trial if deemed necessary or reasonable according to Plaintiffs' counsel. It is understood that Nehra will testify as to Nehra's best current recollection.

26. All Cooperation shall be coordinated in such a manner so that all unnecessary duplication, burden, and expense is avoided.

27. Nehra has not entered into any Joint Defense Agreement in this matter.

28. Nehra will immediately notify Plaintiff if any party, person, or entity contacts Nehra related to TelexFree and Plaintiffs' counsel shall be copied on all related communications and be present for all Zoom or in person communications, and calls setting up same.

29. 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.

30. The Settlement Class Counsel will be provided with correspondence from and to all non-Nehra 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 Nehra to any non-Nehra Defendant as related to the subject matter of the Litigation and TelexFree's Pyramid Scheme and money laundering.

31. Should an impromptu communication take place it is the affirmative obligation of Nehra to immediately terminate it and provide a full disclosure to Plaintiffs' Counsel.

32. Failure of any term within this Settlement Agreement, including the Preamble shall be considered a material breach.

33. From and after the date of this Settlement Agreement, Nehra 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 he receives from another Defendant, person, or entity, provided such communication has not already been served on Plaintiffs' counsel. The notice and such copies shall be promptly provided upon receipt.

34. Nehra will provide notice to Plaintiffs' Lead counsel, or his designee, of any oral communication related to TelexFree or this litigation together with a summary of same within 48 hours.

35. Any statements made by Nehra in connection with and/or as part of this



settlement shall be governed by Federal Rule of Evidence 408.

36. The obligation of Nehra to provide Cooperation includes providing ongoing assistance as described above, to the extent known by him, to TelexFree Class Plaintiffs to understand the contents of Nehra's 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 Nehra during the interviews conducted pursuant to this Agreement. 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, Nehra's obligations to provide Full Cooperation and Cooperation Materials under this Agreement shall continue as reasonably necessary to understand any point, evidence, data and all else until otherwise ordered by the Court, or the date that Final Judgment has been entered in the Action with no further appeal against the last Defendant.

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

38. Notwithstanding the Parties' agreement to inform the Court of the fact of this Settlement, Nehra 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.

39. Nehra shall use all best efforts to cooperate under the terms of this

Agreement. If Nehra fails to cooperate under the terms of this Agreement, and that failure continues after specific notice and a reasonable opportunity to cure as set forth above, 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.**

40. Except as specified in Paragraphs 13, 20, and 29 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 50 of this Agreement, and in consideration of Nehra's Cooperation, as specified in Paragraphs 11-39, 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 Releasors, 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 Nehra 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").

41. Releasors 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 Nehra 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.

42. In exchange for the release, Nehra shall provide Full Cooperation and \$500 to the TelexFree Class Plaintiffs as set forth herein, which is considered a material term.

43. In addition to the provisions of Paragraphs 40 and 41 of this Agreement, Releasors 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 Nehra**

44. TelexFree Class Plaintiffs and Nehra 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 Nehra Settlement will be combined with another future settlement. The Settlement class shall not be required to pay for a separate Class Notice.

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

46. 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. No less than five (5) business days before filing, TelexFree Class Plaintiffs will submit a draft of the Motion to Nehra for approval consistent with the terms of this Settlement Agreement, which shall not be unreasonably withheld.

47. 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.

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

49. 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 Nehra 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 Nehra for the duration of their provision 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 Nehra 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.

50. 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 Nehra from the MDL 2566 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 Nehra described in (i) hereof has expired or, if appealed, approval of this Agreement and the final judgment as to Nehra 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.

51. 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 Nehra have executed this Agreement, TelexFree Class Plaintiffs and Nehra shall be bound by its terms and this Agreement shall not be rescinded except in accordance with Paragraphs 13, 36 or 41 of this Agreement.

**E. Exclusions.**

52. Within three (3) 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 Nehra and placed on file. With respect to any potential Settlement Class Member who requests exclusion from the Settlement Class, Nehra reserves all their legal rights and defenses.

**F. Electronic Notice to The Class.**

53. 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 56 below which provides a period during which they shall be afforded the option of presenting the Court with an alternative form of Notice.

54. Nehra shall not be otherwise 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.

55. Publication of Notice of this Settlement shall be made in conjunction with another Settlement that Class Counsel enters 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.

56. 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 or to withdraw from the settlement.

**G. The Settlement Fund.**

57. Releasors shall look solely to Full Cooperation for satisfaction against the Releasees of all Released Claims and shall have no other recovery against Nehra.

58. After this Agreement becomes final within the meaning of Paragraph 50, the Settlement Fund shall be distributed in accordance with a plan to be submitted at the appropriate time by Settlement Class Counsel, subject to approval by the Court. In no event shall any Releasee have any responsibility, financial obligation, or liability whatsoever with respect to the investment, distribution, or administration of the Settlement Fund, including, but not limited to, the costs and expenses of such distribution and administration, except for the provisions set forth in Paragraphs 12(c), 33, and 39 of this Agreement.

**H. Terms of Final Approval Order and Final Judgement.**

59. The terms of that order and final judgement (Final Judgement) must 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. 231 B, §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 Nehra 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 Nehra for the duration of their provision 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 judgement of dismissal as to Nehra 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.

(i)

**I. Settlement Class Counsel’s Attorneys’ Fees, Payment of Costs and Expenses, and Incentive Awards for Class Representatives.**

60. Subject to Court approval, TelexFree Class Plaintiffs and Settlement Class Counsel shall be reimbursed and paid solely out of the Settlement Fund for all past, current, or future litigation costs and expenses and any award of attorneys' fees after this Agreement becomes final within the meaning of Paragraph 43. Incentive awards to any of the TelexFree Class Plaintiffs named above, if approved by the Court, will also be paid solely out of the Settlement Fund. Attorneys' fees and costs and expenses awarded by the Court shall be payable from the Settlement Fund. If a dispute arises relating to the allocation of attorney fees or costs, each such dispute will be submitted to binding arbitration before JAMS.

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

61. 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 49 and 50 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 Nehra 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 Nehra.

62. Written notice of the exercise of any such right to rescind shall be made according to the terms of Paragraphs 13, 36 or 41. 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.

63. In the event that this Agreement does not become final, or this Agreement otherwise is terminated pursuant to Paragraphs 13, 36 or 41, then this Agreement shall be of no force or effect. Nehra expressly reserves all their rights and defenses if this Agreement does not become final.

**K. Miscellaneous.**

64. 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.

65. 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 Nehra.

66. Nehra 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”). Nehra will provide all such materials reasonably required under CAFA. Defendants shall mail the CAFA notices. No part of this paragraph shall violate the express terms of CAFA or its interpretive cases.

67. 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.

68. 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 other's alleged illegal conduct, are specifically reserved by TelexFree Class Plaintiffs and Settlement Class Members.

69. Nehra'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-Nehra 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.

70. Unless otherwise specified, as is the case with disputes of the allocation of attorney fees or lawyer advanced case expenses, 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 Nehra.

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

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

73. 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 20, 26, and 28 of this Agreement, Nehra will not object to complying with any of the other provisions set forth in this Agreement on the basis of jurisdiction.

74. This Agreement constitutes the entire, complete and integrated agreement among TelexFree Class Plaintiffs, their counsels, and Nehra pertaining to the settlement of the Actions against Nehra, and supersedes all prior and contemporaneous undertakings, communications, representations, understandings, negotiations and discussions, either oral or written, between TelexFree Class Plaintiffs and Nehra in connection herewith.

75. This Agreement may not be modified or amended except in writing executed by TelexFree Class Plaintiffs and Nehra and approved by the Court.

76. This Agreement shall be binding upon, and inure to the benefit of, the successors and assigns of TelexFree Class Plaintiffs and Nehra. 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, Counsel, Releasors and Releasees. The Releasees (other than Nehra who is a party hereto) are third-party beneficiaries of this Agreement are bound by this Agreement and the Parties are otherwise authorized to enforce its terms applicable to them.

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

78. Neither TelexFree Class Plaintiffs nor Nehra shall 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.

79. 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.

80. 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.

81. 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 49 and 50 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 Nehra 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 Nehra.

82. 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' counsels and/or Nehra, except as otherwise provided.

83. Nothing shall prohibit the parties from being obligated to first seek or to agree otherwise mutually to have disputes arising under this Agreement submitted to binding arbitration.

84. This Agreement constitutes the entire, complete, and integrated agreement among TelexFree Class Plaintiffs and Nehra pertaining to the settlement of the Actions against Nehra, and supersedes all prior and contemporaneous undertakings, communications, representations, understandings, negotiations, and discussions, either oral or written, between TelexFree Class Plaintiffs and Nehra in connection herewith.

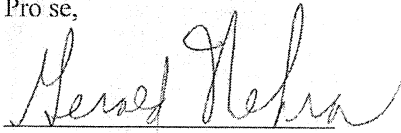
85. This Agreement may not be modified or amended except in writing executed by TelexFree Class Plaintiffs' Lead Counsel and Nehra and approved by the Court.

Dated: May 14, 2024

Dated: May 14, 2024

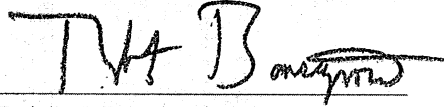
**THE REPRESENTATIVE PARTIES AGREE TO THE ABOVE  
TERMS AND CONDITIONS.**

GERALD NEHRA,  
Pro se,



Gerald Nehra  
Pro se  
Email: [gnehra@comcast.net](mailto:gnehra@comcast.net)

TELEXFREE CLASS PLAINTIFFS  
By their attorneys,



Robert J. Bonsignore, Esq.  
Melanie Porter  
MDL 2566 Interim Lead Counsel  
Melanie Porter, Esq.  
Bonsignore Trial Lawyers, PLLC  
23 Forest Street  
Medford, MA 02155  
Office: 781-350-0000  
Cell Phone: 781-354-1800  
Email: [rbonsignore@classactions.us](mailto:rbonsignore@classactions.us)  
[melanie@classactions.us](mailto:melanie@classactions.us)  
*Interim MDL 2566 Lead Counsel*

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1610 Arborview Blvd.  
Ann Arbor, MI 48103  
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James Wagstaffe, Esq.  
ADAMSKI MOROSKI MADDEN  
CUMBERLAND & GREEN LLP  
6633 Bay Laurel Place  
Avila Beach, CA 93424  
Telephone: 805-543-0990  
Facsimile: 805-543-0980  
Email: [wagstaffe@ammcglaw.com](mailto:wagstaffe@ammcglaw.com)





**NEHRA TELEXFREE RELATED FEES**

**ATTACHMENT B - TARGETED IDENTIFIED U.S. NET WINNERS****Net Winners**

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

**ATTACHMENT C – LIST OF DEFENDANTS**

The First through Fifth CAC are incorporated herein by reference.

**ATTACHMENT D**

**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. John Merrill;
2. Carlos Wanzeler;
3. Katia Wanzeler;
4. Lyvia Wanzeler
5. Above and Beyond the Limit, LLC;
6. Above & Beyond the Limit, LLC;
7. Acceris Realty Estate, LLC;
8. Botafogo de Futebol e Regatas;
9. Brazilian Help, Inc.;
10. Bright Lite Future, LLC;
11. Cleaner Image USA, LLC;
12. CNW Realty State, LLC;
13. Common Cents Communications Inc.;
14. Eagleview Realty Estate, LLC;
15. Forever Diamond Realty, LLC;
16. Graham Bell Tele, LLC;
17. JC Realty Co.’s;
18. JC Real Estate Management Company, LLC;
19. JC Real Estate Investment Company, LLC;

21. K&C Cleaning, Inc.;
22. Sun Wind Energy Group, LLP;
23. Sunwind Energy Solutions LLLP;
24. TelexElectric, LLLP;
25. TelexFree Canada;
26. TelexFree Dominican Republic;
27. TelexFree Financial, Inc.;
28. TelexFree, Inc.;
29. TelexFree International, LLC;
30. TelexFree, LLC;
31. TelexFree LLC DBA TelexFree of Miami;
32. Telex Mobile Holdings, Inc.;
33. TelexFree, Ltd.;
34. TelexFree Jamaca;
35. TelexFree Nevis;
36. TelexFree UK;
37. Ympactus Comercial Ltda;
38. P.L.I. TelexFree Rwanda, Ltd.; and
39. 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**

*Muskegon Office – Gerald P. Nehra*  
Telephone: 231-755-3800  
Fax: 231-755-4700  
E-Mail: [gnehra@mlmatty.com](mailto:gnehra@mlmatty.com)  
Web Site: [www.mlmatty.com](http://www.mlmatty.com)

***Nehra & Waak***  
**ATTORNEYS AT LAW**  
**1710 Beach Street**  
**Muskegon, Michigan 49441**

*Delton Office – Richard W. Waak*  
11300 East Shore Drive  
Delton, Michigan 49046  
Telephone: 269-623-6222  
E-Mail: [rwaak@mei.net](mailto:rwaak@mei.net)

## VITA of Gerald Nehra

**ADMITTED IN:** Michigan, 1970; New York, 1972; and Colorado, 1992  
Federal Courts in Michigan, 1970; and New York, 1972  
Sixth Circuit Court of Appeals, 1976

### CAREER EXPERIENCE:

Private practice attorney, specifically focused on direct sales and multilevel marketing issues, August 1992 to date. Representative clients include Amsoil, Ardyss, Dove Chocolate, FDI-Youngevity, Gano Excel, Isagenix, Life Plus, Loving Works, Organo Gold, Pinnacle Communications, TuneCity, Unittus, and Wachters' Organic Sea Products.

Vice President-Legal and Human Resources, The Fuller Brush Company, November 1991 to August 1992, when, at my request, I became independent outside counsel for the company.

Director-Legal Division, Amway Corporation. Began in September of 1982 as Deputy Chief Attorney and became head of the legal division in 1984, continuing through October 1991. Added responsibilities included Assistant Secretary in 1984, Profit Sharing Trustee in 1986, and Corporate Secretary in 1991.

Vice President, General Counsel, Church & Dwight Co. Inc. (The Arm & Hammer Company), 1979-1982.

Attorney, Staff Attorney, Senior Attorney, and Regional Counsel, International Business Machines (IBM) Corporation, 1971-1979, at locations in Armonk, New York; Owego, New York; and Franklin Lakes, New Jersey.

Sales Representative and Systems Engineer, IBM, Dearborn, Michigan, assigned to the Ford Motor Company account from May 1967 to June 1971.

### EXPERT WITNESS CREDENTIALS:

Have counseled and testified on many legal issues of direct selling, including comprehensive evaluations of business plans and whether they meet the legal standards established in the landmark FTC v. Amway case and cases which followed. Have analyzed in detail the differences and legal significance of plan design, controlled by the company, and plan implementation, where distributor conduct is often the challenge. Gave testimony on direct selling legal issues in *Herbalife v. McCormack*, *Dunda v. Mary Kay*, *Florida v. P.R.S.I.*, *FTC v. Trek Alliance*, *International Galleries Inc. v. LaRaza*, and *In Re: AdSurfDaily*.

### MULTI-LEVEL SPECIFICS:

- Handled the legal and personnel issues for conversion of the single-level direct sales organization to a multi-level system at Fuller Brush. Issues included marketing plan legal review and necessary modification, sales force transition and conversion, literature review, sales training rules and ethics enforcement, advertising guidelines, product line selection and pricing, and creation of a distributor advisory board.
- Negotiated multilevel compliance issues, including consent orders and assurances of voluntary compliance, with the Attorney General Offices in numerous states, including Arizona, Arkansas, Florida, Georgia, Indiana, Iowa, Kansas, Louisiana, Maryland, Michigan, Missouri, New Mexico, New York, North Carolina, Ohio, Oklahoma, Pennsylvania, and Wisconsin.
- Took immediate corrective action with a high ranking distributor for practices that put an entire program in jeopardy in the state of Florida.
- Meet and speak regularly with corporate officers and top distributors to evaluate progress of programs, listen to recommendations for adjustments, and discuss and advise on future plans.
- Processed through to completion more than 350 trademark applications for numerous clients.

### WHILE AT AMWAY:

- Directed the corporate legal function, including counsel to senior management and subsidiaries. Hired and managed outside counsel, and advised on legal issues associated with corporate operating and corporate planning decisions.



- As Corporate Secretary, attended to all matters of corporate governance and corporate structure for the parent corporation and over 70 subsidiaries.
- Negotiated with the FTC, FDA, CPSC, and other agencies regarding Amway's products and services and sales plan positioning. Reviewed and modified labels and literature to comply with regulatory requirements.
- Managed the patent function and over 4000 trademark registrations in over 31 countries.
- Built an in-house litigation capability by hiring and supervising two litigators and three paralegals, significantly reducing outside counsel expenses. Actively managed counsel outside Michigan and second-chaired two distributor related litigations, a two-week trial to a successful jury verdict and a three-day, non-jury trial to favorable disposition.
- Advised Amway's Nutrilite Products Inc. subsidiary on food supplement product positioning, claims platforms, literature, and avoidance of drug claims.
- Resolved a serious challenge with Dominican Republic Customs regarding duty valuation on imports through personal negotiation and the creation of a sales and warehousing subsidiary in-country.
- Managed the government affairs function, including monitoring legislation and lobbying pending bills at the state and federal level.
- Implemented and administered the conciliation and enforcement procedures for distributor to distributor and distributor to corporation disputes.
- Resolved favorably civil and criminal charges brought against the company and a distributor by the Canadian Government for claims made in sales literature.

#### TEACHING/LECTURES:

- Presented the Legal Issues segment at each New Amway Direct Distributor Seminar.
- Frequent guest speaker on direct selling legal issues at seminars and forums, averaging over ten per year for the last ten years, at events hosted by clients and industry associations.

#### PUBLICATIONS:

Antitrust Law Developments, *ABA Press*, 1975 (Contributor)

Legal Issues of Side-Line Businesses, *Amway*, 1985

"Give Your MLM 'The Test,'" *Emerald Coast News*, 1992

"Amway Case from the Price Fixing Perspective," [www.mlmaty.com](http://www.mlmaty.com) website

"Pyramid or Ponzi," *MLM Insider Newsletter*, 1995, updated version republished in *Network Marketing Business Journal*, August 2008

"The Intrinsic Value Position Paper," *MLM Insider Newsletter*, February 1998

"Don't-Even Think About It," *Mlmatty.com Newsletter Volume 18*

"Who are the PARTICIPANTS?," [www.mlmaty.com](http://www.mlmaty.com) website

"What is Direct Selling PRIMARILY About?" *Direct Selling Today*, October 1998

"RAMBLINGS OF A TIRED LAWYER," *Mlmatty.com Newsletter Volume 19*

"How Confidential are Names and Addresses?," *Direct Sales Journal*, October 2000

"Prohibited Activity," [www.mlmaty.com](http://www.mlmaty.com) website

"Business Opportunity—What do the Words Mean?," [www.mlmaty.com](http://www.mlmaty.com) website

"The ABCs of MLM 2000," [www.mlmaty.com](http://www.mlmaty.com) website

"Looking Past the Paper," [www.mlmaty.com](http://www.mlmaty.com) website

"The Thinkin' Needs Fixin,'" *Network Marketing Business Journal*, October 2003

"Are They Worth It?" *Network Marketing Business Journal*, October 2004

"PONZI, THE PERSON," *Network Marketing Business Journal*, December 2004 and re-published in *Network Marketing Business Journal*, September 2008

“BUILD IT BIG—101 INSIDER TIPS from TOP DIRECT SELLING EXPERTS,” *Dearborn Trade Press*, 2004 (Contributor)

“THE MICHIGAN SINGLE BUSINESS TAX—MLMs BEWARE,” *Network Marketing Business Journal*, February 2005

“Another Look at Commissions on Sales Aids,” *Network Marketing Business Journal*, July 2005

“About Agents,” *Network Marketing Business Journal*, August 2005

“Database Confidentiality,” *Network Marketing News*, September 2005

“What is MLM? My Biased View,” *Network Marketing Business Journal*, January 2006

“Gifting Programs—Stay Away!,” *Network Marketing Business Journal*, March 2006

“Business Volume—Its Critical Importance,” *Network Marketing Business Journal*, April 2006

“FTC – What Were You Thinking?,” *Network Marketing Business Journal*, August 2006, and filed with the Federal Trade Commission

“Where to Incorporate,” *Network Marketing Business Journal*, July 2007

“The Michigan Business Tax ‘Super-Sized,’” *Network Marketing Business Journal*, February 2008

“Louisiana—It’s Different Down There,” *Network Marketing Business Journal*, June 2008

“Are Two-Tier Affiliate Programs Multilevel Marketing,” *Network Marketing Business Journal*, March 2009

“The Ethics of Network Marketing,” *Network Marketing Business Journal*, June 2009

“Trademark Use Guidelines,” *Network Marketing Business Journal*, September 2009

“Differentiating Customer Satisfaction, Right To Cancel, and Buy-Back,” *Network Marketing Business Journal*, November 2009

“Coupons, Vouchers, Gift Certificates, and Down Payments,” *Network Marketing Business Journal*, February 2010

“It’s Not A Free-For-All,” *Network Marketing Business Journal*, March 2010

“About Binary Compensation Plans,” *Network Marketing Business Journal*, April 2010

“Buy-Back Provisions Increase,” *Network Marketing Business Journal*, June 2010

“Independent Contractors – Things To Think About,” *Network Marketing Business Journal*, August 2010

“Company Names as Trademarks,” *Network Marketing Business Journal*, September 2010

“Establishing US Presence,” *Network Marketing Business Journal*, November 2010

“Paperless Signup,” *Network Marketing Business Journal*, December 2010

“The Mail/Telephone Order Merchandise Rule,” *Network Marketing Business Journal*, February 2010

“Direct Selling in Washington State,” *Network Marketing Business Journal*, April 2010

**EDUCATION:**

J.D. 1970, Michigan State University College of Law (formerly Detroit College of Law), top 15 percent.

B.I.E. 1962, Kettering University, Flint, Michigan (formerly General Motors Institute)

**PROFESSIONAL AFFILIATIONS:**

State and Federal Bars in Michigan, New York, and Colorado.

Association of Network Marketing Professionals.

Direct Selling Association (DSA-US), Supplier Member.

DSA, Lawyers Council and Government Relations Committee.

Multi-Level Marketing International Association, Board Member, Hall of Fame.

Direct Selling Women’s Alliance, Support Member.

Professional Association for Network Marketing.

# **EXHIBIT 4**

**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 24<sup>th</sup> day of May 2024, in Milwaukee, Wisconsin.



---

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  
32<sup>nd</sup> Floor  
New York, NY 10004  
P: 646-290-9137

**Washington DC**

915 15<sup>th</sup> 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 PayPortal<sup>SM</sup>, 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., 15<sup>th</sup> 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*

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- *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](http://www.abdataclassaction.com).



# **EXHIBIT 6**

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](http://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.**

<b>YOUR LEGAL RIGHTS AND OPTIONS</b>	
<b>OBJECT BY</b> _____, 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>
<b>EXCLUDE YOURSELF BY</b> _____, 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>
<b>GO TO THE HEARING ON</b> _____, 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>
<b>DO NOTHING</b>	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.

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See Questions 9–10 for more information.

## WHAT THIS NOTICE CONTAINS

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4. What is the status of the litigation?
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## 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.

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**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](http://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](http://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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*In re: TelexFree Securities Litigation*, Case No. 4:14-md-2566-NMG

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](http://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](http://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](http://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](http://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