

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

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

- A class action lawsuit brought on behalf of victims of the TelexFree pyramid scheme is currently pending.
- Plaintiffs allege that they were injured as a result of the Defendants' assistance and participation in the TelexFree pyramid scheme. Defendants dispute Plaintiffs' claims.
- New settlements have now been reached in this litigation regarding claims against: Estate of Jeffrey A. Babener ("Babener Estate"); Steven Labriola ("Labriola"); and Nehra Law Office, Gerald Nehra (individually), and Gerald P. Nehra, Attorney at Law, PLLC ("Nehra") (collectively the "Settling Defendants"). The settlements with Babener Estate and Nehra total \$3,450,500. All Settling Defendants agreed to cooperate with the ongoing litigation to the extent set forth in their individual Settlement Agreements.
- Your legal rights will be affected whether you act or do not act. This Notice includes information on the new settlements and the lawsuit. Please read the entire Notice carefully.
- The Court in charge of this case still has to decide whether to approve the settlements.

This Notice and additional information, translated in a variety of other languages, is available by visiting www.TelexFreeSettlement.com. You may also call 877-829-4140 to obtain additional information in a variety of other languages. Translators are available upon request.

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

YOUR LEGAL RIGHTS AND OPTIONS	
OBJECT BY APRIL 18, 2025	Submit your objection explaining why you disagree with the settlements and/or the requested attorneys’ fees and litigation expenses. <i>See Question 9 for more information.</i>
EXCLUDE YOURSELF BY APRIL 18, 2025	This is the only option that allows you to individually sue the Settling Defendants about the claims asserted in this case. You will no longer be a member of the Settlement Class, and you will not receive any funds from the settlements. <i>See Question 9 for more information.</i>
GO TO THE HEARING ON JUNE 11, 2025	Ask to speak in Court about any aspect of the settlements and/or the requested attorneys’ fees and litigation expenses. <i>See Questions 11–12 for more information.</i>
DO NOTHING	You will remain a member of the Settlement Class. You will give up any rights you currently have to separately sue the Settling Defendants for the conduct that is the subject of the lawsuits. <i>See Questions 9–10 for more information.</i>

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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” means that the Settlement Class Member’s total payments to TelexFree exceeded the payments they received from TelexFree.

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.

2. Who are the Defendants?

The Defendants fall into several categories. These are the Defendants that currently remain in the case. A full list of Defendants can be found at www.TelexFreeSettlement.com.

The other Defendants are people and entities alleged to have participated in, or aided or abetted, the pyramid scheme. A full list may be found on the above website. Some Defendants have settled, some have been dismissed, and some have been defaulted.

TelexFree Founders, Principals, Executive Office Members, and Associated Individuals: James M. Merrill, Carlos N. Wanzeler, Steven M. Labriola and Katia Wanzeler.

Attorney Defendants: Gerald P. Nehra, Esq., Gerald P. Nehra, Attorney at Law, PLLC, and the Estate of Jeffrey Babener.

Bank Defendants: Wells Fargo Bank, N.A. and Michael Montalvo.

Payment Processing Service Companies: ProPay, Inc. D/B/A ProPay.com, Vantage Payments, LLC, Dustin Sparman, Allied Wallet, Ltd., Allied Wallet, Inc., Ahmad Khawaja, Mohammed Diab,.

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

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.

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

4. What is the status of the litigation?

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

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

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

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

5. What is a class action?

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

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

THE SETTLEMENT CLASS

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

The Settlement Class includes persons who purchased TelexFree AdCentral or AdCentral Family packages and suffered a Net Loss during the period from January 1, 2012, to April 16, 2014.

A "Net Loss" means that the Settlement Class Member's total payments to TelexFree exceeded the payments they received from TelexFree.

7. What do the settlements provide?

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

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

8. When can I get a payment?

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

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

9. What are my rights in the Settlement Class?

Remain in the Settlement Class: If you wish to remain a member of the Settlement Class, you do not need to take any action at this time. If you remain in the Settlement Class and participate in the settlements, you retain

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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;
- 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 April 18, 2025**, 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);

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- 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.

Objections must be submitted to the Court by mailing them to the Clerk's Office, United States District Court for the District of Massachusetts, John Joseph Moakley U.S. Courthouse, 1 Courthouse Way, 2nd Floor, Suite 2300, Boston, Massachusetts 02210.

Objections must be filed or postmarked on or before **April 18, 2025**.

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

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

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

THE SETTLEMENT APPROVAL HEARING

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

The Court will hold a Fairness Hearing in Courtroom 4 at **3:00 p.m. on June 11, 2025**, at the United States District Courthouse, John Joseph Moakley U.S. Courthouse, 1 Courthouse Way, Boston, MA 02210. 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

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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), and Ronald Dardeno, Esq. of the Law Offices of Ronald A. Dardeno PLLP (Somerville, MA); as Class Counsel for the Settlement Class. You do not have to pay Class Counsel. If you want 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. James Lewis, Esq. Bonsignore Trial Lawyers, PLLC 3771 Meadowcrest Drive Las Vegas, NV 89121 Telephone: (781) 350-0000	James Wagstaffe, Esq. Adams, Moroski, Madden, Cumberland & Green LLP 6633 Bay Laurel Place Avila Beach, CA 93424 Telephone: (805) 543-0990
Steven Rhodes, Esq. Steven Rhodes Consulting, LLC 1610 Arborview Boulevard Ann Arbor, MI 48103 Telephone: (734) 646-7406	Ronald A. Dardeno, Esq. Law Offices of Ronald A. Dardeno PLLP 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 **June 11, 2025**. Class Counsel will ask the Court for attorneys' fees of 28% of the total settlement fund, or \$966,000.00, 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.

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Class Counsel will file their Application for Attorneys' Fees and Expenses on or before **April 4, 2025**. On the same day, Class Counsel will post their Application for Attorneys' Fees and Expenses on the settlement website, **www.TelexFreeSettlement.com**.

You may comment on or object to Class Counsel's Application for Attorneys' Fees and Expenses by following the procedure set forth in Question 9 above. Any comment or objection must be filed with the Court or postmarked by **April 18, 2025**.

GETTING MORE INFORMATION

15. How do I get more information?

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

You can also get more information by contacting Class Counsel at the addresses listed above under Question 13, by accessing the Court docket in this case through the Court's Public Access to Court Electronic Records (PACER) system at **<https://ecf.mad.uscourts.gov/cgi-bin/login.pl>**, or by visiting the office of the Clerk of the Court for the United States District Court for the District of Massachusetts, John Joseph Moakley U.S. Courthouse, 1 Courthouse Way, 2nd Floor, Suite 2300, Boston, Massachusetts 02210 between 8:30 a.m. and 5:00 p.m., Monday through Friday, excluding Court holidays.

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

Dated: January 10, 2025

BY ORDER OF THE COURT