

EXHIBIT 3

DECLARATION OF GRAY ECHAVARRIA REGARDING WEBPAGES CAPTURED FROM PUBLICLY AVAILABLE INTERNET SOURCES FOR IN RE TELEXFREE SECURITIES LITIGATION, MDL NO.: 4:14-md-2566-TSH

I, Gray Echavarría, under oath, swear and depose the following:

1. I am over the age of eighteen and have personal knowledge of the facts set forth herein. I would testify competently about the specific statements contained below, and only within the scope of said statements, if called as a witness, except where I specify that I am declaring on information and belief, in which case I am informed and believe the facts to be true.
2. I have worked as a legal assistant for Bonsignore Trial Attorneys.
3. As a legal assistant, my duties include assisting with filing documents with the courts to make sure that they are submitted properly, preparing copies of court submissions to be sent to other attorneys involved, organizing documents, training new staff, and other administrative tasks.
4. I have personal knowledge of the facts stated herein, except as for those stated upon information and belief, which I believe to be true and correct.
5. On February 15, 2015, I accessed the publicly available website <http://behindmlm.com/companies/telexfree/telexfree-lawyer-describes-company-as-ponzi-scheme/>. Attached hereto as **Attachment 1** is a true and correct copy of that webpage that I saved in pdf format to the firm's private server.
6. On February 15, 2015, I accessed the publicly available website <http://behindmlm.com/companies/telexfree/brazilian-telexfree-audit-delayed-another-120-days-due-2015/>. Attached hereto as **Attachment 2** is a true and correct copy of that webpage that I saved in pdf format to the firm's private server.

7. On February 15, 2015, I accessed the publicly available website <http://behindmlm.com/companies/telexfree/trustee-telexfree-was-a-1-8-billion-dollar-ponzi-scheme/>. Attached hereto as **Attachment 3** is a true and correct copy of that webpage that I saved in pdf format to the firm's private server.
8. On February 15, 2015, I accessed the publicly available website <http://behindmlm.com/companies/telexfree/ey-audit-of-telexfree-reveals-evidence-of-ponzi-scheme/>. Attached hereto as **Attachment 4** is a true and correct copy of that webpage that I saved in pdf format to the firm's private server.
9. On March 10, 2015, I accessed the publicly available website <http://behindmlm.com/companies/telexfree-review-spam-the-internet-for-20-a-week/>. Attached hereto as **Attachment 5** is a true and correct copy of that webpage that I saved in pdf format to the firm's private server.
10. On March 10, 2015, I accessed the publicly available website <http://behindmlm.com/companies/telexfree-under-criminal-investigation-in-brazil/>. Attached hereto as **Attachment 6** is a true and correct copy of that webpage that I saved in pdf format to the firm's private server.
11. On March 10, 2015, I accessed the publicly available website <http://behindmlm.com/companies/telexfree/brazilian-court-suspends-telexfree-operations/>. Attached hereto as **Attachment 7** is a true and correct copy of that webpage that I saved in pdf format to the firm's private server.
12. On March 10, 2015, I accessed the publicly available website

<http://behindmlm.com/companies/telexfree/telexfree-lose-final-interlocutory-appeal/>.

Attached hereto as **Attachment 8** is a true and correct copy of that webpage that I saved in pdf format to the firm's private server.

13. On March 10, 2015, I accessed the publicly available website

<http://behindmlm.com/companies/telexfree/telexfree-12th-appeal-denied-in-superior-court/>.

Attached hereto as **Attachment 9** is a true and correct copy of that webpage that I saved in pdf format to the firm's private server.

14. On March 10, 2015, I accessed the publicly available website

<http://behindmlm.com/companies/telexfree/telexfree-13th-appeal-denied-in-supreme-court/>.

Attached hereto as **Attachment 10** is a true and correct copy of that webpage that I saved in pdf format to the firm's private server.

15. On March 10, 2015, I accessed the publicly available website

<http://behindmlm.com/companies/telexfree/14th-telexfree-acre-injunction-appeal-denied/>.

Attached hereto as **Attachment 11** is a true and correct copy of that webpage that I saved in pdf format to the firm's private server.

16. On March 10, 2015, I accessed the publicly available website

<http://behindmlm.com/companies/telexfree-bankruptcy-denied-bbom-fraud-thwarted/>.

Attached hereto as **Attachment 12** is a true and correct copy of that webpage that I saved in pdf format to the firm's private server.

17. On March 10, 2015, I accessed the publicly available website

<http://behindmlm.com/companies/telexfree/telexfree-mediation-fails-sky-also-still-blue/>.

Attached hereto as **Attachment**

13 is a true and correct copy of that

webpage that I saved in pdf format to the firm's private server.

18. On March 10, 2015, I accessed the publicly available website

<http://behindmlm.com/companies/telexfree/judge-rejects-telexfrees-mediation-proposals/>.

Attached hereto as **Attachment 14** is a true and correct copy of that webpage that I saved in pdf format to the firm's private server.

19. On March 10, 2015, I accessed the publicly available website

<http://behindmlm.com/companies/telexfree/superior-court-rejects-telexfree-desertion-appeal/>. Attached hereto as **Attachment 15** is a true and correct copy of that webpage

that I saved in pdf format to the firm's private server.

20. On March 10, 2015, I accessed the publicly available website

<http://behindmlm.com/companies/telexfree/acre-pp-telexfree-under-investigation-in-the-us/>. Attached hereto as **Attachment 16** is a true and correct copy of that webpage that I

saved in pdf format to the firm's private server.

21. On March 10, 2015, I accessed the publicly available website

<http://behindmlm.com/companies/telexfree/telexfree-lose-2nd-bankruptcy-case-costa-rages/>. Attached hereto as **Attachment 17** is a true and correct copy of that webpage that

I saved in pdf format to the firm's private server.

22. On March 10, 2015, I accessed the publicly available website

<http://behindmlm.com/companies/telexfree/more-warrants-issued-in-brazilian-telexfree-investigation/>. Attached hereto as **Attachment 18** is a true and correct copy of that

webpage that I saved in pdf format to the firm's private server.

23. On March 10, 2015, I accessed the publicly available website

<http://behindmlm.com/companies/telexfree/new-telexfree-criminal-case-filed-over-voip-irregularities/>. Attached hereto as **Attachment 19** is a true and correct copy of that webpage that I saved in pdf format to the firm's private server.

24. On March 11, 2015, I accessed the publicly available website

<http://behindmlm.com/companies/telexfree/telexfree-mislead-affiliates-on-brazil-injunction/>. Attached hereto as **Attachment 20** is a true and correct copy of that webpage that I saved in pdf format to the firm's private server.

25. On March 11, 2015, I accessed the publicly available website

<http://telexfree.pissedconsumer.com/telexfree-is-a-scam-and-they-were-order-shutdown-in-brasil-and-abroud-20130626423406.html>. Attached hereto as **Attachment 21** is a true and correct copy of that webpage that I saved in pdf format to the firm's private server.

26. On March 11, 2015, I accessed the publicly available website

<http://patrickpretty.com/2013/07/08/telexfree-affiliates-gave-adsurfdaily-like-coaching-tips-instructed-prospects-to-make-deposits-at-bank-of-america-and-to-copy-slips-to-team-leaders-gmail-address-for-expedited-service-t/>. Attached hereto as **Attachment 22** is a true and correct copy of that webpage that I saved in pdf format to the firm's private server.

27. On March 12, 2015, I accessed the publicly available website

<http://behindmlm.com/companies/telexfree/telexfree-fined-for-acting-in-bad-faith/>.

Attached hereto as **Attachment 23** is a true and correct copy of that webpage that I saved in pdf format to the firm's private server.

28. On March 12, 2015, I accessed the publicly available website

<http://behindmlm.com/companies/telexfree/telexfree-claim-no-affiliate-data-fined-again/>.

Attached hereto as **Attachment 24** is a true and correct copy of that webpage that I saved in pdf format to the firm's private server.

29. On March 13, 2015, I accessed the publicly available website

<http://www.facebook.com/mlmsuccessgroup/posts/772337832778294>. Attached hereto

as **Attachment 25** is a true and correct copy of that webpage that I saved in pdf format to the firm's private server.

30. On March 13, 2015, I accessed the publicly available website

<http://www.mpac.mp.br/nota-de-esclarecimento-caso-telexfree/>. Attached hereto as

Attachment 26 is a true and correct copy of that webpage that I saved in pdf format to the firm's private server.

31. On March 13, 2015, I accessed the publicly available website

<http://amlmskeptic.blogspot.com/2013/02/telexfree-under-investigation-in-brazil.html>.

Attached hereto as **Attachment 27** is a true and correct copy of that webpage that I saved in pdf format to the firm's private server.

32. On March 24, 2015, I accessed the publicly available website

<http://behindmlm.com/companies/telexfree/telex-free-civil-action-case-filed-in-brazil/>.

Attached hereto as **Attachment 28** is a true and correct copy of that webpage that I saved in pdf format to the firm's private server.

33. On March 24, 2015, I accessed the publicly available website

<http://behindmlm.com/companies/telexfree/espírito-santo-irs-fines-telexfree-r70-million/>.

Attached hereto as **Attachment 29** is a true and correct copy of that webpage that I saved in pdf format to the firm's private server.

34. On March 24, 2015, I accessed the publicly available website

<http://behindmlm.com/companies/telexfree/ipayout-shutdown-telexfree-ewallet-services/>.

Attached hereto as **Attachment 30** is a true and correct copy of that webpage that I saved in pdf format to the firm's private server.

35. On March 24, 2015, I accessed the publicly available website

<http://behindmlm.com/companies/telexfree/ipayout-hint-at-telexfree-money-laundering/>.

Attached hereto as **Attachment 31** is a true and correct copy of that webpage that I saved in pdf format to the firm's private server.

36. On March 24, 2015, I accessed the publicly available website

[http://behindmlm.com/mlm-reviews/telexmob-review-shameless-telexfree-reload-](http://behindmlm.com/mlm-reviews/telexmob-review-shameless-telexfree-reload-scheme/)

[scheme/](http://behindmlm.com/mlm-reviews/telexmob-review-shameless-telexfree-reload-scheme/). Attached hereto as **Attachment 32** is a true and correct copy of that webpage that I saved in pdf format to the firm's private server.

37. On March 24, 2015, I accessed the publicly available website

<http://dennis.wickedlocal.com/article/20140401/News/140409503>. Attached hereto as

Attachment 33 is a true and correct copy of that webpage that I saved in pdf format to the firm's private server.

38. On March 24, 2015, I accessed the publicly available website

<http://behindmlm.com/companies/telexfree/telexfree-us-business-plagued-with-rampant-fraud/>. Attached hereto as **Attachment 34** is a true and correct copy of that webpage that I saved in pdf format to the firm's private server.

39. Attached hereto as **Attachment 35** is a true and correct copy of the Facebook page with Instructions to Deposit at Bank of America, Shrewsbury, Massachusetts, that I saved in pdf format to the firm's private server.

40. Attached hereto as **Attachment 36** is a true and correct copy of the Administrative Complaint of Instituted by the *SOC*, Dkt No. 2014-0004, that I saved in pdf format to the firm's private server.

41. Attached hereto as **Attachment 37** is a true and correct copy of the "*Signup Procedures for TelexFree*," that I saved in pdf format to the firm's private server.

42. On March 24, 2015, I accessed the publicly available website

<http://behindmlm.com/companies/ministry-of-finance-telexfree-not-sustainable/>.

Attached hereto as **Attachment 38** is a true and correct copy of that webpage that I saved in pdf format to the firm's private server.

43. On March 13, 2015, I accessed the publicly available website

<http://behindmlm.com/companies/telexfree/telexfree-financial-schedules-filed-creditors-named-shamed/>. Attached hereto as **Attachment 39** is a true and correct copy of that webpage that I saved in pdf format to the firm's private server.

I affirm under penalty of perjury under the laws of the Commonwealth of Massachusetts that the foregoing is true and correct.

Dated this 31st day of March, 2015



Gray Echavarria

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TelexFree lawyer describes company as Ponzi scheme

Jul.10, 2013 in [TelexFree](#)



Earlier this week on Monday TelexFree had their formal appeal unanimously rejected by three judges in Acre's Civil Court.

Despite the granting of a business crippling injunction and rejection of two appeals filed against it, TelexFree continues to talk up its current legal position. In additional ongoing efforts to appease their Brazilian affiliate investors, the company also routinely has its lawyers publicly reassure everyone that the Acre injunction does not pose a risk to the company's operations.

Shortly after Monday's appeal denial was handed down, TelexFree lawyer Djacir Falcão acknowledged the company was "going through a difficult situation" but that it was "not at risk of bankruptcy".

Fellow lawyer Horst Fuchs later echoed Falcão's statement, claiming

the new defeat (does not) endanger the survival of the company. There's no chance of that happening.

The catch 22 here of course being that with little to no retail activity, it's quite obvious that TelexFree use affiliate investments to pay out existing \$20 a week guaranteed ROIs. It would therefore logically follow on that if the company can't recruit new investors and take in new investments, they're ROI liabilities would eventually cause bankruptcy.

TelexFree of course can't admit that, because they'd basically be confirming the company is a Ponzi scheme.

Quoting the newspaper Rio Branco, Tribune da Bahia reports

According to TelexFree's lawyer, Djacir Falcão, if the injunction continues the company may enter into bankruptcy.

"Running the company really becomes difficult because of the court decision, so we will appeal," said Falcão, quoted by the newspaper Rio Branco.

The lawyer tried to appeal to judges on the grounds that **should the company spend a few more days being prohibited from signing up new investors, they would have no money to pay the old ones.**

The comments by appear to have been made by Falcão at the filing of TelexFree's injunction against the Acre injunction yesterday.

Whilst I for one applaud TelexFree's new-found sense of honesty amidst a sea of lies about insurance contracts, approval of said contracts and the general mountain of misinformation being fed affiliates, unfortunately it appears Falcão's honesty was a once off.

Following the courtroom session in which Falcão made the above comments, he then

called the press to backtrack on the allegations he made on the floor, saying that "this scenario does not have to happen".

Right you are Mr. Falcão, right you are. Say one thing in court and then when you walk out the door, feed the public and media a completely different story.

In related TelexFree news it appears that, unlike his business partners Carlos Wanzeler and James Merrill who are currently MIA, Carlos "hockay?" Costa appeared to testify 'on the activities of the company' after being subpoenaed by Public Prosecutors in Acre.

As the investigation is ongoing however, no information about Costa's testimony has been made public, nor has any indication as to when the Public Prosecutor's investigation will conclude.

TelexFree announced yesterday that they're expecting a preliminary decision on their injunction filing "later this week".

Will a judge grant TelexFree's injunction based on Falcão's argument that should they continue to be prohibited from signing up new investors to pay off existing ones, TelexFree faces bankruptcy?

Stay tuned...

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Hover to Expand

Brazilian TelexFree audit delayed 120 days (due 2015)

Oct.23, 2014 in [TelexFree](#)

 News broke a few weeks ago that the firm charged with conducting an audit of TelexFree's Brazilian operations had requested an additional 120 day extension.

By my records this is the second extension Ernst & Young have sought, with the first requested and granted back in July.

Ernst & Young trotted out the same reason they used in July for the [recent request](#), citing issued of complexity in auditing TelexFree's Brazilian operations.

So far, thousands of checking accounts with ties to Telexfree were found. Also identified was a large volume of resources handled by business in Brazil.

TelexFree supporters in Brazil still hold out that the final audit report, now due in early 2015 will absolve TelexFree.

Personally I think "complexity" is just code for "the level of fraud we have uncovered is unprecedented". Regulators in the US meanwhile are currently going over 400 terabytes of data seized when TelexFree's US offices were raided earlier this year.

Realistically, if everything was above-board there'd be no need for what now cumulatively constitutes an 8 month delay in Ernst & Young's audit. What perfectly explains the delay though is the strenuous piecing together of forensic accounting information.

The task of accurately tracking the flow of money from new TelexFree investors to those who had invested

Working out where and how TelexFree's owners hid the money they skimmed off the top is also likely to pose a challenge for the firm.

Meanwhile word on the grapevine is that Carlos Costa is currently under medical observation. Apparently things have taken a turn for the worse after his crushing defeat in recent Brazilian elections.

Costa hasn't been seen or heard from publicly since the election earlier this month. His campaign Facebook page and website were deleted just days after the elections were held.

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Related Posts:

1. **Brazilian feds launch "Operation Orion" against TelexFree** - Jul 24th, 2014
2. **TelexFree's attempt to bury E&Y audit report denied** - Mar 18th, 2015
3. **E&Y audit of TelexFree reveals evidence of Ponzi scheme** - Feb 13th, 2015
4. **More warrants issued in Brazilian TelexFree investigation** - Oct 24th, 2014
5. **Brazilian Court suspends TelexFree operations** - Jun 20th, 2013

5 Comments on "Brazilian TelexFree audit delayed 120 days (due 2015)"



1. #1
suncase

Oct 23rd, 2014 at 8:05 pm (Q)

On November 22, 2013 were published in the Journal of Justice Acre doubts to be clarified by the end of

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First Name Last Name State

Trustee: TelexFree was a \$1.8 billion dollar Ponzi scheme

Feb.04, 2015 in [TelexFree](#)

 **TelexFREE** Ahead of a status conference in the TelexFree bankruptcy proceedings to be held tomorrow, comes a status report filed by the court-appointed Trustee, Stephen Darr.

In the report, among other things, it's revealed that the extent of fraud that took place within TelexFree far exceeded any previous estimates.

(TelexFree) purported to be operating a multi-level marketing company engaged in the sale of voice over internet protocol services, but they were, in actuality, perpetrating a pyramid scheme involving as many as a million or more participants.

(TelexFree) and an affiliated company located in Brazil, known as Ympactus Comercial Ltda. ("Ympactus"), together **obtained as much as \$1,800,000,000** from individuals located throughout the world over a period of approximately two years.

\$1.8 billion dollars?! Bloody hell.

The new figure reestablishes TelexFree as the biggest MLM Ponzi scheme of all time. Previous estimates by the SEC suggested TelexFree had only stolen around billion dollars or so.

No doubt largely contributing to a more accurate picture of TelexFree's fraud, was the locating of a "key database" within seized equipment belonging to the company.

After obtaining a copy of the Debtors' servers from federal authorities, MFC, through a process of experimentation, ultimately located a large database operating on one of the Debtors' servers that

MFC attempted to access the contents of the database through a variety of means, initially without success.

MFC also determined that its copy of the database did not contain all of the information on the Debtors' server from which it was copied due to the manner in which the data was stored.

MFC worked with HSI to access the missing data and through a variety of means, HSI and MFC were able to acquire the necessary data from the Debtors' servers to allow MFC to access all relevant data from the Debtors' database.

Through the process of virtualizing the Debtors' network, MFC identified additional servers that were necessary to operate the Debtors' network.

MFC and HSI worked together to locate and copy the missing drives. Once the key component servers were operating, it was necessary to obtain system passwords.

Passwords were ultimately obtained through a combination of research into various document productions received by the Trustee, communications with federal authorities, and password cracking.

After considerable research, the Trustee was able to ultimately determine that three (3) physical servers virtualized by MFC were necessary to access most of the essential data to understand the Debtors' operations and Participant activity.

HSI are currently working on the TelexFree criminal case, so expect this new information to be presented there too.

To give you an idea of why this all took so long though, consider that

the database contains billions of records and perhaps over a trillion individual data points.

There was no instruction manual or documentation of any kind. The database was developed by programmers in Brazil; hence all field references are in Portuguese.

The developers apparently lacked the expertise to create and manage a system of this magnitude. As a result, system modifications were often done in a haphazard and disorganized fashion.

The Trustee's report claims that

reconstructing the Debtors' electronic records without configuration details was akin to assembling an airplane based upon 1,000 parts scattered on a manufacturing floor without assembly instructions.

Additionally, further information from Brazil has yet to be pored over;

The Trustee is informed that additional electronic records of the Debtors, including electronic mail communications, may reside on servers in Brazil, and the Trustee is working with law enforcement authorities in Brazil and the United States to obtain access to these records.

Additionally some interesting facts and figures in the run up to TelexFree being shutdown in the US are also provided:

- by the end of 2014 and 2015, TelexFree is generating cash of as much as \$50,000,000 per month
- when TelexFree changed its compensation plan affiliate investors initiated a “run on the bank” (rush to withdraw)
- \$58,000,000 or more was paid out to certain Participants in the several weeks leading up to the filing of the (bankruptcy) petitions
- an additional \$100,000,000 was requested by Participants but was not paid

Other interesting bits of information include:

- approximately 25,000 claimants have filed proofs of claim, either hard copy or electronic versions, with the Debtors’ claims agent, Kurtzman Carson Consultants or the Clerk of the Court
- approximately 10,000 Participants have submitted victim notification forms with the Federal Bureau of Investigation or the Commonwealth of Massachusetts, Secretary of State
- James Merrill might have a secret ownership stake in Ympactus (TelexFree’s Brazilian operations)
- TelexFree and Ympactus investor activity was recorded in the same database
- some 2.1 million email addresses and 17 million affiliate investors accounts (affiliates could have more than one account), are recorded in the TelexFree key database
- including monopoly money reinvestment, TelexFree generated approximately \$4.2 billion dollars of non-existent investment funds (\$1.8 billion in actual money went in)
- \$151 million was paid by TelexFree insiders to certain investors for no apparent reason (the report describes these transactions as “a fraud within the larger fraud”)
- the “telexfree.com” domain name is registered to Carlos Wanzeler’s company, Disk a Vontade – as such the registrar has thus far refused to hand over control of the domain (which would include the TelexFree website) to the Trustee
- a filing of schedules and statements (pertaining to the bankruptcy case) is expected to be filed by the end of this month
- claim forms to address indirect investment with TelexFree (money paid to uplines etc.) are in the works

All in all,

the Trustee’s investigation is by no means complete.

The Trustee has made substantial progress toward the administration of these cases, particularly given the chaotic state of affairs that existed upon his appointment – the absence of any accessible books and records, the reluctance of the Debtors’ principals and some key employees to provide assistance, the proliferation of litigation involving the federal government, state government, and private plaintiffs, and the competing concerns of each constituency.

Since the Trustee’s appointment, a working version of the Debtors’ electronic records has been established and is being dissected, substantial assets have been recovered, and a framework has been established for working with governmental bodies and administering the cases.

The bankruptcy status conference is scheduled for February 5th. I’m not anticipating any surprises and expect that the court will direct the Trustee to continue his work.

Footnote: A copy of the TelexFree Trustee’s 3rd February 2015 Status Report is available from [Kurtzman Carson Consultants](#).

Update 5th February 2015 – Following the publication of Stephen Darr’s Status Report, Judge Hoffman has

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Investigative Audits

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E&Y audit of TelexFree reveals evidence of Ponzi scheme

Feb.13, 2015 in [TelexFree](#)



Much importance has been placed on the Ernst & Young report on TelexFree that was due out this month.

Despite the [SEC's case against TelexFree](#), [criminal proceedings](#) currently taking place against its owners and Trustee [Stephen Darr's damning evaluation](#) of the company earlier this month, many Brazilian investors believed the Ernst & Young audit would somehow absolve the company.

Those hopes appear to have been dashed, with preliminary reports of Ernst & Young reports confirming fraudulent activity has been found. After a series of delays, attributed to the complexity of auditing TelexFree's business operations, Ernst & Young's report was due on the 11th of February 2015.

Thus far Judge Borges, currently hearing the case, has only [acknowledged receipt of the audit](#).

According to information obtained from the Acre Court, the magistrate of the 2nd Civil Court, Thais Borges, who is responsible for the Telexfree case, acknowledged receipt of the expertise, but stated that she will not provide any information or summary of the content.

"The magistrate will not provide any information to the press. It will not speculate, because in their understanding, speculation can harm the (judicial) process, since (the case) has not yet reached the final stage, that is the conclusion," she said through an assistant.

"Those who would like information about what is contained in the report can get it through TelexFree company representatives involved or even the MPE," concluded the assistant.

At the forefront of the information released thus far, is the claim that *'that there is evidence that the activities of Telexfree have characteristics of a "financial pyramid"'*.

The term "financial pyramid" is commonly used in Brazil to describe what are otherwise known as Ponzi and pyramid schemes.

For more information we turn to [Acre Alert](#), a blog otherwise known for being quite pro-TelexFree, who have published what they claim are various excerpts from Ernst & Young's audit:

Sale and viability of the product or service

We observed evidence that even in a "financial pyramid" there can be the existence of a product or service, but with low utilization.

The results of our tests (in relation to TelexFree) indicate that in addition to low utilization of minutes (there were) limitations regarding the guaranteed functionality of the product.

Telexfree guarantees providing only 10% (ten percent) of quality service and does not allow the use of the minutes made available for commercial activities.

We also note that (i) the principal advisers did not use the minutes that they had at their disposal; and (ii) the use of minutes of Telexfree Network comprises 0.23% (twenty three percent) of the total available to its users.

Describing what is otherwise known as a "product-based pyramid scheme", where a product is attached to a Ponzi or pyramid scheme solely to lend it some credibility ("how can we be a scam, we have a product?"), Ernst & Young state that only 0.23% of the minutes TelexFree's investors accumulated were actually used.

This is typical of product-based pyramid and/or Ponzi schemes, where the attached product or service is purchased in large quantities as a side-effect of participating in the scam, but is ultimately insignificant (in this case, the VOIP minutes bundled with TelexFree investment were not used).

Staggered Gains

The definition of staggered gains permeates the fact that the members at higher levels within a financial pyramid, would show higher yields with respect to lower levels of members.

(In TelexFree), the Promoters may purchase more than one kit, and therefore have more than one access login.

To observe the existence of scaling, we selected certain participants and noted that they had several access logins and the sum of their incomes were higher compared to the other levels.

We emphasize that we were not able to examine the entire Telexfree Network to collect evidence of staggered gains, due to limitations in the quality of the database in relation to advisers and partner's registration.

Did TelexFree investors who invested more receive a higher ROI than those who invested less?

Yep.

As described in the Technical Note 116 of the Department of Consumer Protection and Defense, one of the clues to the identification of a “financial pyramid” would be free access to transfer of benefits between participants of the pyramid.

As shown in the aforementioned aspect, we observed the existence of elements that show that they have made transfers of balances between Promoters and Partner’s, totaling the equivalent of USD \$4,555,256,256.86 (four billion, five hundred fifty-five million, two hundred and fifty-six thousand , two hundred fifty-six US dollars and eighty-six US cents), which correspond to 7,141,821 (seven million, one hundred forty-one thousand, eight hundred twenty-one) transfers.

Did TelexFree investors transfer funds among their respective investor accounts (including multiple accounts owned by the same investor to reduce withdrawal processor fees?

Yep.

Of note is that four billion dollar figure. Darr recently pegged TelexFree at \$1.8 billion, with this latest figure more than doubling that.

Promise to pay, sales efforts and attraction for the benefits

As described throughout the detailed reply in this regard, the high remuneration promise in a short time, with low sales effort is indicative of the existence of pyramid.

As a result of our procedures on this point we observed the existence of elements indicating promises of high returns and high financial returns in a short time.

In addition, we can see the attraction of Promoters and Partner’s by high yields, since they and their advisers networks, have low use of minutes and a high volume of ad posting, activity this that allowed access to the volume of benefits to the universe of publishers, without generating economic value for this activity, and, representing 67% (sixty-seven percent) of the total compensation of Telexfree.

We also note that we observed the existence of computer programs that perform the posting of notices automatically, a fact that was confirmed in the database, and that would be evidence of low effort (“work”) to achieve the goals for the benefit of gain.

This is probably the most damning finding in Ernst & Young’s audit. That being that TelexFree and its affiliates advertised low to no effort “high-remuneration” (ROIs) within a short period of time.

AdCentral ROIs are attributed to 67% of the total commissions paid out by TelexFree, with the rest likely being recruitment commissions (the pyramid scheme component of the opportunity).

Ernst & Young note that the publishing of AdCentral ads failed to provide “economic value” to TelexFree (ie. it was a waste of time), and that automation of the posting of such ads (widely promoted by TelexFree investors), meant that the activity was also “low effort”.

In short, Ernst & Young found TelexFree investors were compensated large sums of money for performing meaningless tasks for the company.

With the tasks performed themselves generating no significant revenue for the company, left unsaid is the fact that the funds paid out were sourced from affiliate investors themselves.

According to the CFE Manual at least 70% (seventy percent) of the commissions of a “distributor” must come from direct sales.

In regards to TelexFree, we note that the relative proportion of direct and indirect compensation arising from publishing advertisements, is 67% (sixty-seven percent) of all remuneration generated by Network Telexfree.

Regarding the direct commissions, we observed that these represent 30% (thirty percent) and indirect fees 3% (three percent), both on the total remuneration of the Network.

Here Ernst & Young apply TelexFree’s business model to a CFE Manual (not sure what that is) rule, which states that 70% of commissions must come from direct sales.

Finding that 67% of commissions paid out to affiliate investors were AdCentral ROI payments, TelexFree quite obviously failed this criteria.

Direct commissions, which I believe are the affiliate recruitment commissions component of TelexFree’s compensation plan, constituted 30% of commissions paid out.

Reinvestment

Due to the high earnings generated by Promoters, contracts of Telexfree products and services required a position of Reservation Cost (CRP), which deducts 20% of all remuneration of Promoters and Partner’s obtained during the the contract period, in order for the Promoter’s position in the network to be maintained.

Thus, we understand that the CRP constitutes a way of encouraging reinvestment and hence the maintenance of the promoter in Telexfree Network indefinitely.

This reinvestment design was aimed at propping up the pyramid scheme for longer.

Was the 20% fee TelexFree charged affiliates a meaningless excuse to claw invested funds back into the system to stall the inevitable Ponzi scheme collapse?

You betcha!

Economic and financial viability of the services and products offered by Telexfree

We observed that Telexfree had the following scenarios regarding the financial viability of the operation:

Based on the preparation of financial information Combined “Pro-forma” of Telexfree Network, we can observe the absence of liquidity.

We developed four product feasibility studies on hypothetical scenarios and as a result of reviews, we noted the lack of financial support from the Telexfree business model; and we developed a projection considering the result of Telexfree Network from its 17th operating month and evaluated the viability of operations considering its actual results to June 2013.

As a result, we also observed that there was a lack of sustainability of the operation.

This was a bit of a headache to understand, but I believe Ernst & Young sought to ascertain the feasibility of

After running four product feasibility studies using separate hypothetical scenarios, they were unable to come up with a suitable model that would demonstrate the sustainability of TelexFree relying on its service product alone.

Advance payment

We observed that the services and products offered by Telexfree are paid in advance by Promoters and Partners.

However, this element itself is a feature that aggregate to the others and becomes clear when we supported the feasibility study.

Thus, as noted elements that show a lack of financial support Telexfree Network, there is evidence that the advance payment would have been used for short-term debt settlement with members of higher levels of the network.

What we're talking about here is, in it's most simple break down, the use of new affiliate funds to pay off existing investors.

Ernst & Young reason that TelexFree's affiliates clearly weren't using the service, so by making them pay for a year upfront (AdCentral's were sold on 52 week contracts), TelexFree was quite obviously using new funds to pay off those they already owed.

It's important to note that Ernst & Young weren't charged with determining whether or not TelexFree was a Ponzi and/or pyramid scheme. They were handed a set of questions by the Acre Court which, through a thorough audit of TelexFree's operations in Brazil, they have answered.

The court itself (Judge Borges) will now take that report and draw a conclusion.

That said, the writing is pretty much on the wall at this point. Any shred of hope Carlos Costa had of walking free from this Ponzi mess is dashed.

Or so one would think. Paid to do what they do, TelexFree's lawyers were quick to denounce the Ernst & Young report as "inconclusive".

"It is one thing is to say that there are elements that indicate a pyramid (scheme), but another thing to say that it is a pyramid (scheme).

The report is inconclusive, so Telexfree is not a financial pyramid," says Wilson Furtado.

I don't know what crack TelexFree's Brazilian legal team are smoking, but from what little we've seen of the 200 page Ernst & Young report – it sounds pretty darn conclusive to me.

Looking forward, both the Acre Public Prosecutor's Office and TelexFree's legal team now have 30 days to discuss the finer points of the audit in court.

After that, it's game over.

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TelexFree Review: Spam the internet for \$20 a week

Jul.27, 2012 in [companies](#), [TelexFree](#)



If you were running a business and were looking at advertising options, how much would you consider paying someone to publish unsolicited and untargeted ads on 'free to publish' classified ads on the internet?

10 cents an ad? 5 cents... even less?

If TelexFree are to be taken seriously, they believe that advertisers are willing to pay you \$2.85 per ad you publish.

Read on for a full review of the TelexFree MLM business opportunity.

The Company



TelexFree claim to be headed up by a Mr. James Merrill (also credited as "Jim Merrill", photo right).

Born in 1961, Son of a traditional American couple, James Merrill graduated in the class of 1985 in economics at Westfield State University.

Man of great vision, he saw a large market at meeting some Brazilians and learning how much they spent to call Brazil. Knowledgeable of a new technology at the time (VoIP) decided to found in 2002 Telexfree Inc. to serve this market.

There is an image on the TelexFree website showing what appears to be company registration record in the US state of Massachusetts. A quick visit to the [Corporations Division of Massachusetts](#) (punch in "telexfree" into the search box) confirms that such a record exists, however "TelexFree Inc" itself only came into existence earlier this year.

Prior to TelexFree Inc the company was known as Common Cents Communications, which was established in 2002 with Jim Merrill serving as Treasurer and Clerk and Carlos Wanzeler as company President.

No explanation is given as to why the company changed its name.

Furthermore I wasn't able to find any information on Common Cents Communications other than they appear to have had less than 5 employees and were involved in telecommunications (probably VOIP as the TelexFree website mentions).

If I had to take a guess I'd say the renaming of Common Cents Communications to TelexFree was to start fresh and introduce a MLM compensation plan into the business (Common Sense Communications was not MLM). The domain 'telexfree.com' was only registered on the 30th January 2012 so this fits



Curiously enough, James Merrill is credited as being TelexFree's founder and President, however the Massachusetts company registration clearly lists the President of TelexFree as Carlos Wanzeler (photo right). Wanzeler's name does not appear anywhere on the TelexFree website, although his name does appear as the 'administrative contact' for the domain 'telexfree.com'.

The actual registrant of the TelexFree domain is listed as 'Disk a Vontade', operating out of a PO Box in Massachusetts.

From the Disk a Vontade website, it appears to be a company offering VOIP services. Not surprisingly, Disk a Vontade's domain ('diskavontade.com') is registered to Wanzeler indicating he owns the company.

Meanwhile Disk a Vontade offer a distributor program (I don't think it's in MLM but I'm not 100% sure as the company website is in Portuguese) and at a recent company event in Brazil, sitting next to Wanzeler was none other than James Merrill:



The exact relationship between TelexFree and Disk a Vontade is uncertain based on what I've been able to find but it appears as if both companies are operated out of the US, share key management and have a target market in Brazil.

Why none of this is openly disclosed on the TelexFree website is a mystery (particularly why Merrill is publicly credited as President of TelexFree when official documents filed with the state of Massachusetts show Wanzeler as holding this position).

The TelexFree Product Line

TelexFree has a "customer" section on their website where the company markets a product called "99TelexFree".

99TelexFree is a telephone service that costs \$49.99 a month and provides

- free calls between mobiles on the carriers "Vivo-claro-tim" and "Oi" (Brazilian carriers?)
- free calls to any landline in Brazil
- free calls to mobiles and landlines in the US and Canada

Additionally TelexFree company membership is also marketable by members, with membership granting participation in the TelexFree compensation plan and attracting a commission upon sale.

The TelexFree Compensation Plan

TelexFree offer members the opportunity to earn an income via the publishing of unsolicited advertisements on the internet, the sale of the 99TelexFree communications plan and the recruitment of new TelexFree members.

AdCentral Commissions

TelexFree do not state any further information, such as where the ads come from, who they are for or where specifically members will be publishing them.

If a member publishes one ad each day of the week, TelexFree claim a payout of \$20 (\$1040 annually).

One membership position in TelexFree is called an 'AdCentral', with each member able to have 5 membership accounts (called an "AdCentral Family Membership") for an annual cost of \$1375.

These five memberships can be bought together in a lump sum or incrementally (\$299 for the initial membership and then \$269 for each of the four additional memberships allowed).

Recruitment Commissions

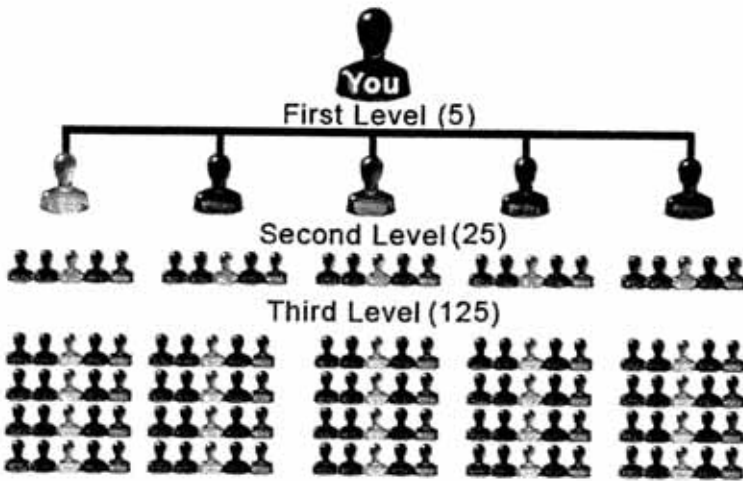
TelexFree pay members \$20 per recruitment of a new member who purchases an AdCentral membership (\$299) and \$100 per recruitment of a new member who purchases an "AdCentral Family Membership" (\$1375).

99TelexFree Commissions

99TelexFree is a communications plan offered by TelexFree that costs \$49.99 a month.

Using a 5x5 matrix, TelexFree pay out a percentage commission on the sale of each 99TelexFree plan sold.

A 5x5 matrix starts with you at the top and then branches out into 5 legs underneath you (your level 1). In turn, these five legs branch out into another 5 legs (your level 2) and so on and so forth down five levels. To give you a visual, the first few levels of a 5x5 matrix look something like this:



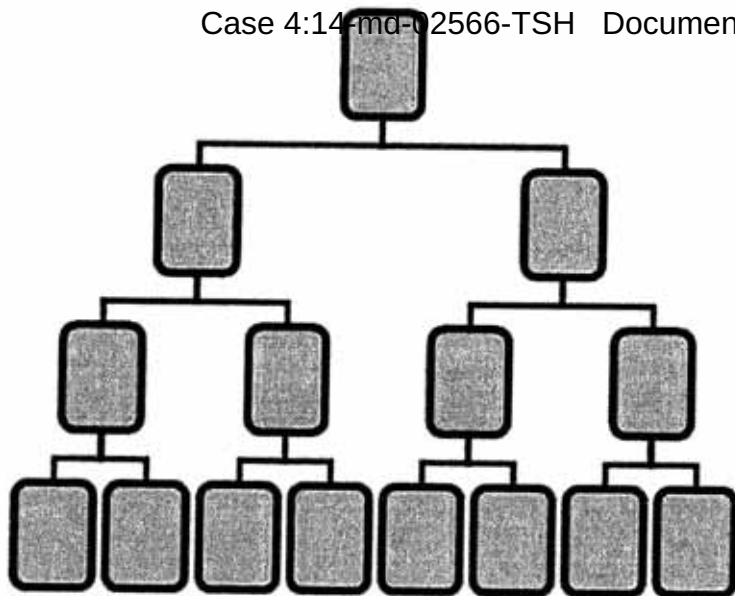
Each of these positions is filled by a 99TelexFree subscriber and how much of a commission earned depends on where this customer falls on your matrix (matrices are filled top to bottom):

- Level 1 (5 positions) – \$4.99 per subscription
- Levels 2 to 5 (3905 positions) – 99 cents per subscription

Binary Commissions

TelexFree use a binary compensation structure to pay out commissions on the recruitment of new members and their payment of membership fees.

A binary compensation structure starts with you at the top and branches out into two legs under you (your level 1). In turn, these two legs branch out into two legs (your level 3) and so on and so forth:



The first two members placed in your binary compensation structure form the basis of two teams, split equally down the middle. You have to recruit the first two new members in order to qualify for TelexFree's binary commissions but thereafter any new members recruited by those already in your binary are also placed in your binary.

The first of the binary commissions paid out by TelexFree is a flat 40 cents a week commission per member in your binary team (regardless of which side they are on).

The second binary commission offered is based on the pairing of new memberships on both your left and right binary sides. For example, if you recruited 6 new members and 3 fell on your right team and 3 your left, you'd earn a \$60 (3 * \$20) paired binary commission that day.

If however 4 of these newly recruited members were placed on your left team and only 2 on your right, you'd earn a paired commission on two pairs (2 on the left and 2 on the right) with the extra 2 on the left team carrying over, waiting to be paired up.

These paired binary commissions are capped at 22 cycles a day (\$440).

Bonus Pool

If a TelexFree member manages to sell 22 AdCentral membership positions in 20 days of any given month, they are eligible for a share in a bonus pool which is made up of '1% of the company's business volume'.

Joining TelexFree

Membership to TelexFree is \$299 annually with members able to purchase an additional four membership positions for \$269 each.

Conclusion

The corporate structure of TelexFree and the obvious business relationship between the company and Disk a Vontade and complete lack of disclosure on either company's website is cause for concern.

As it currently stands, it appears as if TelexFree are mere resellers of the VOIP technology owned and operated by Disk a Vontade. Both companies appear to be owned by Carlos Wanzeler though but TelexFree's website states that James Merrill is the founder of TelexFree.

I think clarification on these points by the two companies, Wanzeler and Merrill would go a long way as currently the nature of the structure and relationship between both companies is ambiguous to say the least.

Business model wise while there is a legitimate aspect of the TelexFree MLM business opportunity, it's certainly disappointing to see so many apparently dubious aspects that overshadow the company as a legitimate MLM income opportunity.

On the legitimate side you have the telecommunications service plan which is readily able to be marketed at a retail level by members. Commissions paid out here are on the sale of an actual product and you don't have to be a TelexFree affiliate to purchase the product.

The fact that TelexFree might just be resellers of Disk a Vontade's VOIP services doesn't really matter given that TelexFree members are able to market the service at a true retail level.

Things however start to fall apart when you consider the whole 'AdCentral' side of the TelexFree business. First and foremost is the weekly guarantee of \$20 a week for what is essentially publishing spam on the internet (unsolicited advertising).

Far more likely I suspect is the idea that all TelexFree members will be doing is publishing ads advertising the income opportunity itself. I wasn't initially sure if TelexFree themselves would be supplying inhouse ads to their members to publish but this was confirmed in the company's 'Terms and Conditions':

The Promoter shall have no liability for the services and/or products announced in our ads that he publishes in ad sites on the Internet, thus the responsibility is on behalf of the advertiser itself, **being Telexfree itself** or any business partner that will use the announcement service of the company.

I don't think TelexFree are going to have much luck attracting third-party advertisers at those prices, meaning the bulk of ads are just going to be marketing the opportunity itself.

It is my hope that this can be confirmed or denied at a later date if a TelexFree finds themselves reading this review and wishes to clarify this point.

Personally I believe the ridiculously high membership fee charged by TelexFree (a \$299 fee to publish ads for the company?) and the fact that individual members are able to purchase up to five membership positions *strongly* indicates a lack of external revenue here.

Ultimately each AdCentral account is bringing in \$299/\$269 while paying out \$1040 a year. The idea here appears to be the hope that a TelexFree member will bring in more than 3 new members during the course of their membership year to cover their \$1040 commission payout.

When you consider that the binary commissions rely on a minimum of two recruited members to qualify, this again only strengthens this idea. Also supporting this is the qualification of the Bonus Pool being the selling of 22 new membership positions in 20 days with the company promising to pay out '1% of the company's business volume'.

What's the bet that this "business volume" primarily consists of membership fees being paid for new AdCentral positions?

Not to mention the flat \$20 incentive paid out exclusively on the recruitment of new members.

The problem of course with the above scenario is that once new and existing members stop purchasing membership, the entire business will fall apart due to the sales of telecommunications services and third-party advertiser revenue not nearly being able to cover a guaranteed \$20 a week per AdCentral account payout.

There appears to be far too much weight on the dubious 'publish an ad a day and earn \$20 week' side of the TelexFree MLM opportunity when contrasted to the telecommunications side of things and my opinion is this in itself inadvertently reveals where TelexFree believes they bulk of company revenue will be sourced from. That being the sale of TelexFree membership and AdCentral positions rather than telecommunications services and third-party advertisers.

Anyone looking to join TelexFree would be *strongly* advised to check with the person looking to recruit them as to how many telecommunications subscribers they have **who are not TelexFree members** and the percentage of third-party advertiser ads they have been required to publish since joining, as opposed to TelexFree ads advertising the income opportunity itself.

The answer to both questions should give prospective members a pretty good idea of what's going on behind the scenes of TelexFree and where the bulk of their commissions revenue is coming from.

As a final note, I'd naturally welcome anyone who does get a chance to ask these questions to share the answers they receive as a comment below.

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TelexFree under criminal investigation in Brazil

Feb.15, 2013 in [companies](#), [TelexFree](#)



Using the old “invest with us, do pointless tasks for us and we’ll pay you a ROI with new investor money each week” business model, it comes as no surprise that authorities in Brazil have launched an investigation into [TelexFree](#).

On the 11th of January the Brazilian Bureau of Consumer Protection (known as Procon), after receiving numerous enquiries about the business and having launched their own investigation, put out a [press release](#) (in Portuguese) advising it had ‘*detected evidence of crimes*’.

The investigation initiated by civil prosecution of Consumer Protection (no. 01/2013) shows several controversial issues and possible crimes that put consumers at risk in time to accept that kind of deal.

Among the possibilities, there is a breach in the Federal Law No. 1.521/51, art. 2, according to which it is a crime:

“Obtaining or attempting to obtain illicit gains at the expense of the people or of undetermined number of people through speculation or processes fraudulent (‘snowball’, ‘chains’, ‘pichardismo’ and any other equivalent)” including Ponzi pyramid”.

There is also the possible violation of the Code of Consumer Protection (CDC), with false advertising, failure of product information and company, abuse of weakness or ignorance of consumers and conditions unreasonable disadvantage, among others.

In light of this discovery, the agency lodged a complaint against Telexfree and forwarded it to the State

None of which have thus far publicly commented but have no doubt since launched their own investigations into the company.

Not only do TelexFree utilise a Ponzi scheme business model for their "AdCentral" commissions, but they also utilise a pyramid scheme structure offering straight recruitment commissions and binary recruitment commissions. These commissions directly compensate existing affiliates upon the recruitment of new affiliates into the scheme.

Last I heard, having most likely exhausted the local Brazilian market TelexFree were now trying to make inroads into the US. At the time of publication, Telexfree is traffic ranked by Alexa as 57th in Brazil, 462nd in Portugal and 11,263rd in the US.

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26 Comments on "TelexFree under criminal investigation in Brazil"

1.  #1
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Brazilian Court suspends TelexFree operations

Jun.20, 2013 in [TelexFree](#)



When news broke back in February that [TelexFree was under criminal investigation in Brazil](#), many TelexFree affiliates went into a panic with the company's then recent attempt at US market penetration stalling.

Then, after the Ministry of Finance came out and publicly declared that TelexFree was "not sustainable" and "a Ponzi scheme", court action escalated and, to the best of my knowledge, somewhere along the line an order was passed prohibiting the Ministry of Finance from issuing any further statements on the case (which remained in progress), and to take down information they had already published.

As is common with Ponzi schemes, affiliates with the most to lose in the company and fearful of the impact the Ministry of Finance's statements would have on their investor recruitment efforts, news of the above order somehow got turned [into this](#):

It's official! The investigation on TelexFree has been absolved of what Behind MLM has researched and posted.

Comments like the above were widely circulated by TelexFree affiliates in a campaign of misinformation, aimed at reassuring existing and prospective investors that TelexFree's Brazilian regulatory problems were over.

Cue breaking news of continued Brazilian regulatory action against TelexFree in 3... 2... 1...

Spearheaded by public prosecutors in the Brazilian state of Acre, yesterday a nationally binding court ordered injunction put a stop to TelexFree's business operations, including the registration of new affiliate investors, acceptance of new investments and paying any returns owed on existing affiliate investments.

The 2nd Civil Court of Rio Branco upheld a civil action proposed by the prosecutor of Acre, and suspended payments and the accession of new contracts multilevel marketing company Telexfree until the final judgment of the principal action, under penalty of a daily fine R \$ 500 thousand.

Holding a press conference yesterday immediately after the order against TelexFree was handed down, Nicole Gonzales from Brazil's Consumer Protection body stated

Owners of the company are suspected of mounting a financial pyramid.

Telexfree in Brazil is recruiting investors and creating a pyramid scheme under the guise of multilevel marketing.

There are multilevel marketing companies already established in the market as Herbalife, Mary Kay and Tupperware.

They work with this system, in the case of Telexfree the interest is not to sell products but to recruit new people.

The focus of Telexfree in Brazil is not the sale of products or services, but membership new people to feed the payment system.

Or in other words, precisely what I had concluded back in July 2012 when I published my initial review of TelexFree.

The order, handed down by Judge Thais Borges, orders TelexFree to effectively cease all business operations in Brazil with the decision affecting *'the promoters of Telexfree across the country or outside'*.

The measure was taken to prevent new people end up involved in the scheme and may be harmed.

An order was also made blocking the bank accounts of administrative and management staff of Telexfree.

What this means for TelexFree's US affiliate investors, and those who were sucked into the recent US recruitment drive is currently unclear.

One thing seems certain though, anybody who tells you TelexFree's regulatory problems in Brazil are over is clearly feeding you porky pies.

Quick to respond to the decision and seeking to reassure their investors that everything was fine, TelexFree uploaded a video to YouTube claiming

the company has not yet been officially notified of the decision but that is taking all measures to overturn the injunction of Justice Acre.

Yeah, good luck with that guys.

Footnote: The injunction order against TelexFree can be read in its entirety over at the [Acre Public Prosecutor's Office website](#) (Portuguese).

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TelexFree lose final interlocutory appeal

Aug.12, 2013 in [TelexFree](#)



You knew it was coming. I knew it was coming.

After nine previous appeal denials in court it seems the only people who refused to believe it was game over were TelexFree investors outside of Brazil still trying to convince people to invest, and those in Brazil who had invested their money with the company.

In what must have been a rather short hearing, once again upon consideration of evidence presented both by TelexFree and the Public Prosecutor's Office of Acre, TelexFree has lost yet another appeal in court.

The hearing was for an interlocutory hearing and was held to decide once and for all whether the injunction barring TelexFree from paying commissions and its affiliates recruiting new investors should be lifted.

Things got off to a bit of an interesting start with Public Prosecutor William Silvia asking to be excused from the hearing, citing a possible conflict of interest given some of his family had invested in TelexFree.

Silvia was excused with the Public Prosecutor's Office then being represented by Alvaro Pereira. After hearing both sides of the case, a panel of judges unanimously decided to uphold the injunction against TelexFree, denying the company relief by way of an interlocutory appeal.

Not only was the appeal denied but the judge's were quite candidly blunt about what they thought of TelexFree.

Judge Samoel Evangelista noted

that the scheme has a short life and that selling VOIP is not the main activity those who join the

“The company’s entire advertising effort is designed not to promote the product but to attract new affiliates,” he explained.

Federal Judge Valdirene Cordeiro explained his own vote against the appeal, stating that

all that has been publicized in the media and presented in the (Public Prosecutor’s) file confirms the existence of a pyramid scheme.

Sympathising with TelexFree affiliates who had invested more than they could afford to lose, Judge Eva Evangelista remarked

I feel a sense of compassion towards the people who sold their only home and only car on the promise of easy money (with TelexFree).

This should be assessed through further civil action, with compensation paid out dependant on how much was invested.

As it stands now, I believe the question of TelexFree resuming business operations in Brazil is a closed book. No matter what TelexFree’s affiliates or the company might tell you, it’s just not going to happen.

TelexFree do now have the option of filing an appeal in the Superior Court, however that would appear to be a complete waste of time.

Ten appeals denied and you really think TelexFree hasn’t already served up every defence its lawyers can think of? Please.

Looking forward, from Judge Evangelista’s remarks it would appear that the next step will be determining what funds have been and can be recovered, with the goal of returning invested money to affiliate investors who were net losers in the scheme.

Whether or not that will involve a Receivership and clawback litigation of the net winners in the scheme remains to be seen. Criminal proceedings against TelexFree, its owners and possibly its affiliates beyond the investigatory stage are also yet to be announced.

Meanwhile to those investing and continuing to attract investors in offshore markets TelexFree operates in, be warned – the company just lost its major investment market in Brazil and two of the owners are currently hiding out in the US.

This is not a company projecting a steady and prosperous future. Like all Ponzi schemes one way or another business operations have come to an end – with it only being a matter of time before the permanent shutdown of business operations in Brazil reverberate elsewhere in TelexFree’s global operations.

Evidence of this is already observable, with news that Acre Public Prosecutor’s have now ‘*asked a U.S. court to prevent the recruitment of new affiliates into Telexfree*’.

Personally I for one will be glad to put this at times entertaining but altogether sorry chapter of MLM history to rest.

I’d express my hope that the closure of yet another pseudo-compliance based Ponzi scheme would prove yet again to participants that no matter how you dress one up, a Ponzi is still just that – however by the looks of some of the schemes in my inbox that I’ve yet to review, that hope would largely be a wasted effort.

Update 13th August – I can confirm that an appeal in the Superior Court will be filed (groan):

Wilson Roberto Furtado, a TelexFree lawyer, stated that TelexFree will take the case to the Superior Court of Justice.

Meanwhile Horst Fuchs, another of TelexFree’s lawyers, appears to be in outright denial over the decision:

Another attorney, Horst Fuchs, said that TelexFree’s new defeat was predictable since the case, from his point of view, is not being treated in accordance with the legal rules.

Good luck with that Mr. Fuchs.



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23 Comments on “TelexFree lose final interlocutory appeal”



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TelexFree's 12th appeal denied in Superior Court

Aug.29, 2013 in [TelexFree](#)



Around the seventh or eighth appeal, the TelexFree legitimacy horse was bruised, bloodied and bashed to a pulp. Now after the twelfth appeal, the carcass has long since decomposed and all that's left are some bones and entrails. And still TelexFree management rattle the debris and kick at the dirt.

Adamant that paying affiliates a guaranteed \$20 a week ROI using new affiliate investor money isn't a Ponzi scheme, TelexFree continued their crusade of appeals in the Brazilian courts with the filing of an appeal in the Superior Court.

After being denied their final interlocutory appeal in the Civil Court of Acre, the eleventh such appeal filed in relation to the business halting injunction issued against TelexFree back in June, Carlos Costa and his band of merry lawyers took their fight to the Superior Court by way of a new appeal.

...and you can probably guess how that turned out.

Having failed eleven times prior at convincing Brazil's judges that TelexFree isn't a blatant Ponzi scheme, this time around the company sought to obtain a restraining order against Acre's Public Prosecutors.

The idea being I suppose that, if granted, the restraining order would cancel out the injunction against the company, given it was granted at the behest of Acre's Public Prosecutors. The restraining order would also prohibit the PP from pressing forward with their criminal investigation into TelexFree.

That's right folks, run a massive Ponzi scheme and when the authorities come knocking, simply take out a restraining order against them. I mean, who are they to rain down on your Ponzi parade?

Having suffered twelve defeats in court, one would think TelexFree might finally realise that they have a better chance of proving the sky isn't blue over the company not being a Ponzi, however that doesn't seem to be the case (no pun intended).



Determined not to flee Brazil to join Carlos Wanzeler and James Merrill, fellow TelexFree co-owners who are currently hiding out in the US, Carlos Costa made the following announcement yesterday on TelexFree's Facebook page:

Dear affiliates,

Please be advised that due to the decision of the Supreme Court today, a new appeal is being filed with appropriate adjustments.

It's important to note that there was no judgement on the merit (of the company) yet, which is why we remain confident that when the company's merit is effectively analysed in the Superior Courts, we will win.

For reasons unknown, Costa appears determined to ignore the twelve instances Acre's Public Prosecutors have had TelexFree's appeal denied, solely based on the merit of the company and its business model via presentation of evidence against the company being presented to the judges hearing the appeals.

Stay tuned for TelexFree's thirteenth epic court failure, coming soon to a BehindMLM article near you.

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TelexFree's 13th appeal denied in Supreme Court

Sep.09, 2013 in [TelexFree](#)



Another week, another TelexFree appeal rejected by the courts of Brazil.

Shortly after [TelexFree's twelfth appeal was denied in the Acre Superior Court](#) in late August, TelexFree rushed off to the Supreme Court to file for a Preventative Action preliminary injunction against the existing Acre Public Prosecutor's injunction against the company.

Having initially failed to convince a single Judge in Brazil that they weren't a Ponzi scheme, of late TelexFree has attempted to have the injunction lifted on legal technicalities. An effort that has proved as in effective as arguing their case on the merits of the TelexFree business model.

Their latest attempt, filed in the Supreme Court somewhere between the 28th and 30th of August, saw the company demand the Acre injunction be lifted on the grounds that the company "would never be succesful" obtaining an appeal from the lower courts.

With no legal precedent or basis to argue their appeal on, not surprisingly the Judge hearing the case was quick to deny it.

Judge Barroso noted that, as per Supreme Court precedent, it was only after a case had been concluded that an "extraordinary appeal" could be filed. And even then, it had to be filed in the court that the initial injunction was granted in.

Barroso also noted that it was "unacceptable" to file an extraordinary appeal for the purposes of obtaining an injunction against a judgement made on the basis of "precautionary measures", which the Acre injunction was made on.

Case argued: 02/26/13. Document 505-2 at Filed: 06/06/17. Page 48 of 51
Noting that the only argument TelexFree had ever presented successfully winning an extraordinary appeal in Acre, Barroso denied the appeal.

In addition to losing their thirteenth filed appeal against the Acre injunction, TelexFree was also dealt another blow late last week when the Criminal Chamber Court of Acre lifted the injunction that was suspending criminal investigation of the company.

Previously Judge Fransico Djalma had granted an injunction, however this time around three Judges ruled on the injunction with Eva Evangelista and Samoel Evangelista voting against Djalma (who maintained his vote in favour of the injunction).

As such, police in the Brazilian state of Espírito Santo are now free to resume the criminal investigation against TelexFree. In addition to the re-opening of the Espírito Santo case, the Judges also acknowledged that there was nothing stopping police in other states from opening their own criminal investigations.

This was of particular significance as TelexFree affiliates are only able to be interrogated by local police in connection to a criminal investigation. Police in Espírito Santo would therefore only be able to interrogate TelexFree affiliates based out of Espírito Santo. If other states were to open their own criminal investigations, law enforcement would have access to a much larger affiliate-base to question as required.

I'm currently unaware of any additional criminal investigations having been opened but with the week just starting, I'm sure we'll hear of any beginning during the week.

Meanwhile there's been no word on the what the gameplan now is for TelexFree or whether or not they're going to file a fourteenth injunction. With the company admitting it has zero chance of convincing Judges in Acre that it's not a Ponzi scheme and the Supreme Court throwing them out, filing more appeals would appear to be a waste of time.

One would have thought that was painfully obvious after the first few appeals were denied, but here we are...

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14th TelexFree Acre injunction appeal denied

Sep.15, 2013 in [TelexFree](#)



With TelexFree themselves seemingly having exhausted their injunction appeal options over no less than thirteen separate appeals, all unanimously denied, the company's affiliates have taken up the slack in the hope that they can convince a judge to lift the Acre injunction.

The Acre injunction, granted to Public Prosecutors back in June, prohibits TelexFree from paying affiliates in Brazil or signing up new affiliate investors.

Fifty-two TelexFree affiliates filed an application for an injunction against the Acre injunction. The group of affiliates claimed that the decision to effectively put a stop to TelexFree's Brazilian operations is illegal because it infringed on their right to participate in the opportunity and earn from it.

By allowing the Acre injunction to remain in place, (the affiliates) also said they run the risk of losing part of the amounts invested in TelexFree, due to the closure of their contracts within the specified period (of twelve months).

They also stressed that the case does not only infringe on their collective rights, but also that of the individual.

With the argument that a Ponzi scheme should be restarted on the basis that affiliate investors are unable to participate (invest and recruit) and get paid being about as flimsy as wet toilet paper, not surprisingly Federal Judge Denise Bonfim denied the appeal.

Judge Bonfim stated that TelexFree is being investigated for running a financial pyramid scheme and, if found guilty, the crime against the economy would make any contracts signed between

The magistrate said it is a case of collective interest, because, as the TelexFree network grows, it exponentially increases the financial loss of untold numbers of people and that judicial intervention is a way of protecting the population.

In explaining her decision the magistrate pointed out that the TelexFree case was now sub judice and that a restart of business operations would counteract the judicial process and examination of TelexFree.

The magistrate also indicated a lack of demonstration by the affiliates of a clear legal basis for the appeal, one of the requirements for an injunction to be granted for the purpose of protecting the illegally violated rights violated or claims of abuse of power.

Where to from here?

As reported yesterday, TelexFree are currently experiencing problems paying their affiliates outside of Brazil. After the payment processor Global Payroll Gateway dumped them, the company is now looking to pay affiliates using the services of International Payout Systems Inc.

Meanwhile in Brazil, the company's prospects are looking as bleak as ever, with charges of money laundering and embezzlement looming over the heads of TelexFree's owners and top affiliates.

Stay tuned...



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TelexFree bankruptcy denied, BBOM fraud thwarted

Sep.24, 2013 in [BBOM](#), [companies](#), [TelexFree](#)

Brazilian regulators are currently **on fire** in their handling of both the TelexFree and BBOM Ponzi scheme fraud cases.

Setting an example that India and other countries drowning in Ponzi and pyramid scheme fraud would do well to follow, Monday firstly saw TelexFree denied their bankruptcy protection application and then on Tuesday, the uncovering of a fresh \$8.6 million USD fraudulent transfer attempt by BBOM that prosecutors managed to thwart.



Late last week news broke that TelexFree was going to file a Bankruptcy Protection application in the Brazilian state of Espirito Santo. The application, filed on Thursday, was largely seen as a desperate attempt to stall investigations into the company. The granting of Bankruptcy Protection to TelexFree would have seen all investigations into the scheme automatically suspended for 180 days.

In order to win their application, TelexFree had to present a judge with a “recovery plan”, in which the company was not permitted to use *‘assets and bank accounts blocked by the (Acre) injunction’* to settle its debts.

Upon hearing this I figured TelexFree were going to dip into their global affiliate investment funds, much to the peril of TelexFree’s non-Brazilian affiliates.

Turns out TelexFree’s plan was *much* simpler than that, with the company arguing that, despite having the same owners, Ympactus Commercial LTD was a separate individual company to TelexFree.

Case 4:12-md-02566-SP Document 505-3 Filed 06/06/17 Page 7 of 45
The basic thrust of the argument is that TelexFree could pay off Ympactus' debts, presumably using Ympactus' money. Ympactus couldn't use the money frozen by the Acre injunction but TelexFree could.

Ympactus also claimed to have "severed ties" with TelexFree, and that they would seek a partnership with another VOIP provider if granted Bankruptcy Protection (which would no doubt somehow be connected to TelexFree), with the goal of regaining their Brazilian VOIP marketshare.

As absurd as that logic sounds, that's what TelexFree presented in court. Along with the labelling of the Acre injunction as '*teratological, illegal and unconstitutional*'.

Not suprisingly a Judge tore TelexFree's argument to pieces and denied the application.

Hearing the case, Judge Braz Aristóteles dos Reis firstly pointed out that in the public eye, TelexFree and Ympactus are one and the same company. That withstanding, they both also list James Merrill as the owner in official company-related documents.

Furthermore, according to Brazilian law a company provided as a credit source in a Bankruptcy Protection application has to demonstrate active operation for over two years. Ympactus failed on this count with tax filings only dating back to 2012.

TelexFree's lawyers attempted to argue that Ympactus had been in business since 2010, however the Judge threw that argument out after it was revealed for the months of September and October 2011 at R\$63 (\$28.63 USD) and R\$21 (\$9.54 USD) respectively.

These amounts, in the Judge's opinion, clearly demonstrated Ympactus' failure to meet the requirement of "regular (business) operations) for two years prior.

With a successful Bankruptcy Protection application likely seeing the unfreezing of Ympactus' Brazilian assets, quite obviously the plan was to get the assets unfrozen and to pay off affiliates using TelexFree.

Effectively Ympactus would pay itself by routing the money through TelexFree, thus circumventing the Acre injunction which prohibits Ympactus from paying its affiliates.

TelexFree are free to appeal the Judge's decision, however TelexFree winning an appeal would appear to be an unlikely scenario.



Meanwhile over in the BBOM case, the company was again caught with its pants down as it attempted to pay off its affiliates through a shell gift card company.

Setting up the company "Webcard Administrator Card Ltd" in the name of BBOM's Managing Director, Aline Rizato Riguetti, the company hoped to transfer \$8.6 million USD to the company, load the funds on to gift vouchers and then passed onto BBOM affiliates as a ROI payment on investments made with the company.

Public Prosecutors picked up on the attempted fraud when BBOM attempted to transfer money to Webcard Administrator Card from one of BBOM's currently frozen bank accounts.

Whether or not BBOM will be fined for trying to circumventing an asset freeze on the company is unclear.

Case 1:14-md-02566-TSH Document 505-3 Filed 06/06/17 Page 4 of 45
Just last month BBOM was granted an injunction against BBOM thwarting the transfer. Public Prosecutors uncovered the transfer were granted an injunction against BBOM thwarting the transfer.

As always, stay tuned for more hilarity as two of Brazil's biggest scams of late continue to battle Public Prosecutors in court.

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72 Comments on "TelexFree bankruptcy denied, BBOM fraud thwarted"



1. #1
Frontier

Sep 25th, 2013 at 3:42 am (Q)

I wished I was joking about this one, but this is what Telexfree top distributors are saying on facebook:

This is false news! Hackers attacked the Court Justice website!

(no comments... lol)

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TelexFree mediation fails, sky also still blue..

Nov.15, 2013 in [TelexFree](#)



Yesterday saw the mediation settlement conference between TelexFree and Acre's Public Prosecutors take place and, not surprisingly, nothing came of it.

Public Prosecutors announced last month that they would accept nothing less than the dissolution of TelexFree and immediate return of invested funds to investors.

In addition to this, they also presented what appears to be a legitimate business model that would see TelexFree affiliates actually sell VOIP to retail customers, earning a commission on each sale.

The catch is that the company would have to first return all invested money to its affiliates.

Not wanting to give up their \$20 a week ROI Ponzi business model, TelexFree rejected this proposal. Carlos Costa then presented two alternatives of his own.

The first proposal appears to be the continued operation of TelexFree (registered as Ympactus in Brazil). Why Costa even bothered to make this proposal I have no idea.

The second proposal was a little interesting. Costa again sought the restart of TelexFree's Brazilian business operations, but only to the extent that existing investment contracts (52 weeks) would be honored. At the conclusion of said investments contracts, TelexFree's Brazilian affiliates would then be required to re-register with the company via their US operations.

What's interesting is that Costa seems to be of the opinion that the US has no problems with a company taking hundreds of dollars from affiliates and paying them \$20 a week from newly deposited money, under the guise of

It also signals a willingness by the company to withdraw officially from Brazil, giving up a registered presence in their largest affiliate investor market.

With both of Costa's proposals being rejected by Acre's Public Prosecutors, it now falls on Judge Thais Borges to make a decision on Carlos' proposals. This decision is expected to be handed down within 10 days.

On one hand a decision in favour of TelexFree would effectively see the court sanctioned legalisation of Ponzi schemes in Brazil.

A decision against the company would see the greater legal case against TelexFree continue, with Judge Borges stating that due to the size of the case it would not be decided upon until sometime next year.

10 days puts us at next Sunday the 24th. I'd assume Judge Borges will have handed down her ruling by Friday the 29th at the latest (ten business days).

Thus far at least one Brazilian Judge has openly referred to TelexFree as a "pyramid scheme" in court.

Stay tuned...

Footnote: There was a civil case brought about by an affiliate that was dismissed yesterday for "lack of jurisdiction".

In handing down her decision, Judge Menez remarked

There is strong evidence of the existence of a financial pyramid, formalized in the contract between the parties (affiliates and TelexFree).

The case was filed in the 3rd Special Court of Mossley by a TelexFree affiliate against the company, with its dismissal having no bearing on the Acre case.

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Judge rejects TelexFree's mediation proposals

Nov.22, 2013 in [TelexFree](#)



With Acre's Public Prosecutors rejecting Carlos Costa's mediation proposals late last week, it fell on Judge Thais Khalil to go over the proposals and make a decision.

Khalil's decision was handed down yesterday in the shadow of Carlos Costa running all over Brazil to declare "god used him" to create TelexFree and that "nobody will take it" away.

This was followed up by a rather amusing "the battle is coming to an end" video, which was published on TelexFree's Facebook page:

The battle is coming to an end. We trust in God, we trust in justice.



In stark contrast to the deceptive narrative TelexFree are shoving down their affiliate's throats, common-sense has once again trumped the company's marketing theatrics.

Appearing personally at the mediation conference, Costa first proposed that TelexFree be continued to run their Ponzi scheme as if the authorities had never intervened.

The second proposal was a bit less laughable, with Costa proposing that the company be permitted to pay out existing affiliate investors, who would then be required to re-register in the US to continue to invest with TelexFree.

Basically in both instances Costa pushed for a restart of TelexFree's Brazilian business operations, so it's not really surprising that Judge Khalil rejected both proposals.

Short of being permitted to lure new Brazilian affiliate investors into the scheme, TelexFree's gameplan appears to be get their funds unfrozen and transfer as much of it as possible offshore. For reasons unknown, TelexFree appear to believe their US operations will not attract the attention of the SEC.

In addition to sending Costa on his way and in a rather surprising move, Khalil also blocked the previously permitted release of TelexFree funds to pay off a construction firm to retain TelexFree's stake in the project.

It had been previously ruled that the Acre court would use TelexFree's funds to pay off the construction firm, looking to preserve TelexFree's stake in the project to be used at a later date to refund affiliate investors.

I'm not really sure why this decision was "suspended", but I can only presume Public Prosecutor's must have presented evidence that shows the construction company had other plans for the money (of the "wink wink, nudge nudge" variety).

Looking forward, Judge Khalil's decision yesterday now paves the way for the civil action to continue against TelexFree. TelexFree had argued that Acre's Public Prosecutor's had no business suing the company, but this argument was rejected by Khalil.

As the case continues, it is expected that a trial will occur sometime in 2014. Judge Khalil is currently going through over 40,000 documents of evidence Acre's Public Prosecutors have provided her for review.

Case 4:14-md-02566-TSH Document 505-9 Filed 06/06/17 Page 11 of 45
Personally I think yesterday's decision sounds pretty plausible. If the issue of whether or not TelexFree is a Ponzi scheme has been determined, now it's just a matter of putting together the evidence to cement it in court.

Telexfree's business model alone should be enough for that.

Stay tuned...

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31 Comments on "Judge rejects TelexFree's mediation proposals"



1.

#1
DFN

Nov 22nd, 2013 at 6:12 pm (Q)

In the end, the governor of Acre says he is willing to testify in Costa and Telexfree's favor – "How could I be against this? I did not see or hear anyone complaining about [Telexfree]".

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Superior Court rejects TelexFree desertion appeal

Dec.03, 2013 in [TelexFree](#)



Fourteen, fifteen, sixteen appeals rejected – I’ve lost count of the exact number of times TelexFree have had their various appeals dismissed, but I’m starting to think they found their lawyers in one of those 20 cent skill-based claw machines.

TelexFree’s latest appeal was filed in the Superior Court and appears to be an objection to a ruling in São Paulo.

According to the [Superior Court website](#),

Desertion occurs when the part does not collect or collects less judicial fees required for filing an appeal.

So as I understand it, an administrative decision was made in São Paulo against TelexFree for either not paying or not paying in full, fees incurred via the filing of appeal(s) there.

This latest appeal was an attempt to overturn that decision, which has also failed.

The Minister Joao Otavio de Noronha, stressed that the complaint, in accordance with understanding the STJ can only be made against the judgment of the state appellate class, not against monocratic court decision.

Moreover, according to him, the Administrator of Telexfree points to the existence of jurisprudential disagreement procedural matter, which can not be done through complaint.

The use of the complaint to resolve differences between classes and the state appellate case law

This isn't the first time TelexFree have had appeals rejected due to jurisdiction issues either, so what their legal team are basing their decision to file appeals on is a mystery (crapshoot?).

Meanwhile the "desertion" administrative penalty appears to have been made only after TelexFree were first 'given the opportunity to (pay) the collection (of fees)'.

File appeals, ignore fees, get slapped with a desertion decision and then file more appeals.

Just another day in TelexFree's alternate reality...

In other TelexFree news, a twenty-two year old TelexFree affiliate has died after jumping out of a fifth floor window of a shopping mall a week ago.

The woman took out a R\$ 50,000 (\$21,770 USD) bank loan to invest in TelexFree, and then apparently went into a panic when the authorities shut it down and she realised she wasn't going to get her Ponzi ROI money.

Two weeks ago the Governor of Acre, in a bid to drum up voter support, threw his weight behind TelexFree. Tiao Viana announced his full support of TelexFree 'because he under(stood) that no one (had been) injured so far'.

Perhaps now might be a good time to retract that statement...

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Acre PP: TelexFree under investigation in the US

Jan.12, 2014 in [TelexFree](#)



Over the last few days a veritable sea of information has been released pertaining to TelexFree's sponsorship of the Bazillian football club, Botafogo.

Patrick Pretty's [covered the Botafogo story](#) and subsequent [fallout with their main sponsor](#), Viton 44.

This morning [the latest on the Botafogo story](#) comes from Alessandra Marques, of the Acre Public Prosecutor's Office:

Botafogo could be harmed by accepting sponsorship from Telexfree, now accused of being the biggest financial pyramid the history of Brazil with warnings issued in at least two more countries.

According to the prosecutor Alessandra Marques, responsible for the action that blocked the deal in Brazil, the freezing of assets of members of Telexfree can, in theory, include funds from the contract with the club, even if the funds are held external (to TelexFree).

As interesting as it is to watch the prospect of Acre seizing TelexFree investor funds transferred to Botafogo develop, of far more significance were comments made by Marques on US radio.

Speaking on Boston's "Vem Viva" radio station (650 AM) about the Botafogo sponsorship fiasco, Marques [revealed that](#)

the governments of Brazil and the United States are already in contact to investigate the actions of (TelexFree) in the United States.

the U.S. government can intervene and prevent (TelexFree) from continuing operating in (the US).

Unfortunately Marques stops short of going into specific details about the US investigation into TelexFree, only stating that

I can not say give details (as) this is a sensitive issue, but (I can confirm) that an existing investigation is already happening (in the US).

What I can say is that the American government takes a much stricter view on (Ponzi) criminals than the Brazilian (government).

In a phone conversation with Globo, Marques did however name the IRS “in addition” to other US regulators as being part of the investigation. Whether or not the SEC are involved is currently unclear.

It should be noted that its standard procedure for US regulators to make no comment on investigations until they are concluded (and only then if further action is taken).

In the meantime though, now that a US investigation has been confirmed it’s probably going to be a matter of counting down the days until regulators make their move.

As in Brazil, TelexFree’s business model has it accept \$299 deposits from affiliates on the promise of a \$20 a week ROI for 52 weeks. The company also pays affiliates directly based on how many deposits recruited downline affiliates make via a matrix.

How this will be seen as anything but the sale of unregistered securities by TelexFree remains to be seen.

TelexFree are currently registered in the US state of Massachusetts. Back in November 2013 Massachusetts’ SEC division suspended the operations of another Ponzi scheme, WCM777.

WCM777 responded by “shutting down” their US operations and fleeing back to Hong Kong. Shortly after they confirmed they were indeed guilty of selling unregistered securities in the US.

Just a few days ago WCM777 announced they were changing their name to Kingdom777, along with plans to return to the US and “register with the SEC”.

Are TelexFree next on the Massachusetts Ponzi chopping block?

Stay tuned...

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TelexFree lose 2nd bankruptcy case, Costa rages

Feb.14, 2014 in [TelexFree](#)



Back in September last year TelexFree tried to convince a court in Acre that, despite being owned by the same three people, TelexFree should be able to use Ympactus' funds to pay off Ympactus' debts, including ROIs owed to affiliate investors.

As part of the injunction handed down against TelexFree, Ympactus' funds are currently frozen.

Not surprisingly, a judge rejected TelexFree's bankruptcy application, as it was clear the company was just trying to wriggle free funds it had been blocked from. Practically speaking, other than using a different name, there's no difference between Ympactus and TelexFree.

Hearing the case, Judge Braz Aristóteles dos Reis firstly pointed out that in the public eye, TelexFree and Ympactus are one and the same company. That withstanding, they both also list James Merrill as the owner in official company-related documents.

Furthermore, according to Brazilian law a company provided as a credit source in a Bankruptcy Protection application has to demonstrate active operation for over two years. Ympactus failed on this count with tax filings only dating back to 2012.

Same owners, same business, same AdCentral driven Ponzi scheme.

Now, almost six months later, it appears TelexFree figured they'd try their luck in a different Brazilian state by filing another bankruptcy application. This time filed in Espírito Santo, here's how TelexFree's latest attempt to circumvent the Acre injunction went down...

In filing their second appeal, once again TelexFree's arguments remained consistent with what they presented in Acre. They claimed Ympactus should be granted bankruptcy protection because they had been in business for two years.

The problem with this argument is, as it was in Acre, that while Ympactus was indeed first registered in 2010 (well over two years ago), it was initially registered as a company to '*market cosmetics, perfumery and toilet personnel*'.

These amounts, in the Judge's opinion, clearly demonstrated Ympactus' failure to meet the requirement of "regular (business) operations) for two years prior.

It wasn't until March 2012 that owners Carlos Costa, James Merrill and Carlos Wanzeler repurposed Ympactus to front the TelexFree Ponzi scheme in Brazil.

March 2012 of course putting us at less than two years (which I believe is counted up until the time the company was effectively shutdown in Brazil in June 2013).

Mirroring the Judge's decision in Acre and based on the fact that Ympactus' *'contract with Telexfree was made less than two years' ago,*

Judges Lyrio Regis de Souza Lyrio, Janet Vargas Simões and Annibal de Rezende Lima unanimously voted to dismiss (TelexFree's) appeal.



Following the rejection, an angry Carlos Costa took to YouTube to declare that *'he found the decision to be strange'*. Costa claimed that

the obligation of (the) Justice is (to ensure) the firm's survival, especially thinking of its creditors and the affiliates.

Costa stated he wants to pay the advisers, however (the appeal was) treated more as an attempt to unlock £29 million for Telexfree International.

Whether intentionally or not, with that last statement Costa hits the nail on the head. Underlying the "we want to pay our affiliates' hookline is the simple fact that, being barred from recruiting or paying out affiliate investors in Brazil, TelexFree is likely to siphon off any released funds offshore. Then, with Costa on board a plane to join fellow TelexFree owners James Merrill and Carlos Wanzeler in the US, the company could abandon what's left of their Ponzi legacy in Brazil.

Evidence of this has already surfaced, with TelexFree closing it's Brazilian office earlier this month:

Those associated with Telexfree will not meet at the headquarters of Ympactus anymore. Those who invested in TelexFree were surprised by a sign warning that the company will no longer be receiving people at the Brazilian office, only in Massachusetts.

What hasn't been widely discussed is the obvious, that those affiliate investors who still believe in Brazil are being urged to re-sign up as affiliates fraudulently through the US and other countries. Additionally any money paid out to existing Brazilian investors on the condition that TelexFree be permitted to resume operations would then likely then be re-invested back into the company (to be then paid out to those at the top of the scheme).

And that's precisely why TelexFree's bankruptcy claims, along with every other appeal they've filed, has been thus far denied.

Reading between the lines, it would appear the frozen funds is the only reason Costa remains in Brazil. It might have

Meanwhile in other TelexFree news, Public Prosecutors in Acre have tracked down the publisher of false claims that one of their own had been murdered. The claims, published on Facebook back in December of last year, alleged

that a prosecutor involved in the TelexFree pyramid-scheme probe had been murdered. The bogus report was supplemented by photos of a mutilated body purported to be that of the prosecutor.

Turns out using death hoaxes against Public Prosecutors in the vein hope they'll drop the case against your favorite Ponzi scheme wasn't the smartest idea...

One person, a resident of Rio Branco, was identified as the owner of the computer where the news originated.

According to the prosecutor Adenilson de Souza, member of the Special Action Group for Combating Organized Crime (Gaeco), conductor of the investigation, so the news began to appear, a procedure was established to determine the facts.

The procedure now, according to Souza, is to forward all investigation material to the Special Court under a "crime of threat" complaint. "When the Judgeship receives it, (they) will probably make a complaint and then (the publisher) will have the responsibility of answering in court for this illegal act," he adds.

Sounds good to me...

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More warrants issued in Brazilian TelexFree investigation

Oct.24, 2014 in [TelexFree](#)



Operation Orion was launched by Brazilian Federal Police back in July.

The launch of the operation saw Brazilian regulators execute search warrants on multiple properties connected to TelexFree's Brazilian operations (Ympactus).

As of yet the results of those raids are not clear, however it is understood that the "second phase" of Operation Orion is now underway.

This second phase saw another round of search warrants executed yesterday.

Four search warrants were executed in total, with the raids led by 20 federal police officers and 12 investigators with the Receita Federal (Brazilian IRS).

The targets were TelexFree's Brazilian headquarters in Espírito Santo and three residential properties owned by individuals in the cities of Vitória and Vila Velha.

At the time of publication who owned the residential properties raided is not clear.

Globo contacted TelexFree lawyer Horst Fuchs for comment yesterday morning. Fuchs stated he was "out of town and had no knowledge of the operation".

TelexFree owners Carlos Costa and Carlos Wanzeler, along with top TelexFree investor Sann Rodrigues are believed to be hiding out in Espírito Santo.

Sannderly Rodrigues meanwhile is currently being sued by the SEC and is the subject of an investigation by the Massachusetts Securities Division.

Stay tuned...

Update 25th October 2014 – Globo are reporting that the Federal Court in Brazil has frozen bank accounts and assets and ‘removed banking and tax privacy’ of one company and six individuals linked to TelexFree in Espírito Santo.

The request was made by federal prosecutors in the state (MPF-ES), as announced on Friday (24).

The measure was considered necessary because, during the first phase of Operation Orion , in July this year, were seized various documents and evidence that were seized revealed the involvement of new people in the TelexFree pyramid scheme.

The second phase of Operation Orion was held on Friday. The names of those involved in the latest enforcement action will not be released because the operation is in progress and the court order was filed under seal.

Hat tip to BehindMLM reader Diego.



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New TelexFree criminal case filed over VOIP irregularities

Jan.28, 2015 in [TelexFree](#)



Sure to add to the legal stress TelexFree owners are already currently under, news today that regulators in Brazil have filed another criminal case against the company.

The new case revolves around regulatory issues surrounding TelexFree's VOIP offering in Brazil, and is the culmination of a criminal investigation that began back in 2013.

Named in the criminal proceedings are TelexFree owners Carlos Wanzeler and Carlos Costa. Wanzeler is currently hiding out in Brazil, after he was indicted in the US last year on charges of fraud and conspiracy.

At the core of the case is TelexFree's offering of VOIP and failure to register with Brazil's National Telecommunications Agency (Anatel).

As per the Federal Public Ministry, TelexFree's business registration in Brazil stated the company was "working with VOIP" and "exploring multimedia and fixed telephone communication services", but had no authorization to do so.

The investigation began after Anatel, in an inspection, found irregularities.

The prosecution for crimes against the system of Telecommunications was accepted on Monday, 26th (of January).

Anatel technicians and the police found that the VoIP Telexfree operated in two modes: the first was through a software installed on computers.

You could communicate with others who also have the program installed on their machines. For this type of service there is no requirement for Anatel authorization.

However, the application – called 99Telexfree – also made calls to landlines and cellular service (which) would force Ympactus to obtain a grant from Anatel and contracts with telecom operators because of the need for interconnection.

The other crime, according to the complaint, was using the Call Back system in which the subscriber connected to the provider number, inserted the password and the phone number at which you would like to speak, hung in and then waiting for that posteriamente, the system do the recall.

For this type of service, (the company) also needed Anatel's authorization.

TelexFree's initial response to the case was to place the blame on the company's US operations.

The owners of Ympactus asserted they were not responsible for the VoIP and the operation of the system was conducted by Telexfree in the United States.

Set up to launder funds between Brazil and the US, Ympactus is the name TelexFree operates under in Brazil.

Up until 2013'ish, Carlos Costa, James Merrill and Carlos Wanzeler were the owners of the company. Court documents in the US revealed Costa would eventually "sell" his share in TelexFree to Merrill, still retain his stake in Brazilian operations.

Meanwhile how blaming TelexFree for Ympactus' regulatory woes makes any sense escapes me.

When the same people own both companies (which are in reality just one company), all you're doing is shifting blame from yourself... to yourself.

TelexFree's defense gets even more ridiculous when you consider, as per the MPF's complaint,

to operate its business model, Telexfree used the company's infrastructure Disk a Vontade, which belongs to the family of Carlos Wanzeler, and also had no license to operate.

TelexFree did go on to buy Voxbras, a company actually registered and licensed to offer VOIP services – but this was only *after* Anatel began investigating. By then the offenses had already been committed.

In the grand scheme of things not having a VOIP license might seem trivial in contrast to what TelexFree and its owners are facing in the US, but bear in mind

if convicted, the Telexfree owners can be fined up to R\$10,000 BRL (\$3886 USD) and sentenced to two to four years in prison.

The fine is of course laughable but not the attached jail time. Add that to what Wanzeler is facing in the US and, extradition issues aside, he could be spending a considerable amount of time behind bars.

Carlos Costa meanwhile is yet to face legal action in the US. At some point one would imagine legal proceedings to be filed against him for his part as an insider of TelexFree.

A criminal investigation into TelexFree, code-named "Operation Orion" was launched by Brazilian feds back in July of 2014. As of yet however, no arrests have been made.

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PUBLIC RECORDS SEARCH

FIRST NAME LAST NAME STATE

SEARCH

TelexFree mislead affiliates on Brazil injunction

Jun.22, 2013 in [TelexFree](#)



Following the granting of an injunction to Brazilian authorities which resulted in the effective shutdown of TelexFree yesterday, the company scrambled to put together a conference call assuring affiliate investors in the US that legal action in Brazil would not affect them.

Convincing affiliates in the US, appreciated financially as the “wet dream” market of the Ponzi world once penetrated, that it was business as normal was of particular importance to TelexFree since, as one affiliate shared on social media, ‘*a large group from the U.S. just joined recently...*’

It’s no secret that TelexFree have stepped up their affiliate investor recruitment activity in the US over the past 12 months or so, eager to stake out their piece of the US Ponzi market.

Appearing on the TelexFree “everything is ok, we weren’t shutdown” call was the company’s International marketing Director, Steve Labriola, President Carlos Wanzeler and unofficial President James Merrill.



The call opened with a brief introduction from Labriola, who simply introduced Wanzeler. Much of what Wanzeler (right) said on the call was indecipherable, however a few key interesting statements were made.

Referred to as “the facts”, Wanzeler placed much emphasis on the fact that the Acre court that granted the injunction ‘is a state court, not a federal court’ [3:24]. What that has to do with anything is unclear, given the suspension of business operations placed on TelexFree are nationally binding.

Additionally, despite the Acre Court also freezing

all movable property, immovable property and values in bank accounts and investments owned by the first required and its managing partners, Carlos Costa and Roberto Carlos Nathaniel Wanzeler, extending the decision as to these properties past, also to their spouses, and the lock values in bank accounts and investments maintained by *Ympactus Comercial Ltda.*, Carlos Costa and Roberto Carlos Nathaniel Wanzeler through the issuance of letter to the Central Bank of Brazil,

Wanzeler again asserted at [4:03] that the Acre injunction ‘*is not gunna affect US or any other country*’.

With TelexFree’s funds frozen in Brazil, how the company plans to pay affiliates overseas remains unclear. Especially when the company is under court order prohibiting it from making ‘*payments to partners and publishers*’ and paying ‘*commissions, bonuses and any benefits derived from the network Telexfree (from sales of accounts VOIP Telexfree 99, of new registrations, ad postings, training binary direct or indirect, of royalties from Team Builder)*’, under penalty of \$100,000 USD for each payment or commission paid out.

Worryingly, Wanzeler finishes up by urging US TelexFree affiliates to bury their heads in the sand and refuse to believe any of the news coming out of Brazil:

[5:05] TelexFree is not shut down in Brazil, there’s a lot of news there, it’s liar (sic). Everything you hear from news, it’s not true.

Our company, everything is ok.



[6:02] does not affect the US market, we're still growing like crazy thanks to your efforts.

Seeking to diminish the effects of a Brazilian court effectively shutting down TelexFree's business operations, Merrill insists that

[6:09] Inquiries like this are very common in network marketing. I believe here in Brazil there's still some issues with Herbalife. Amway's had its challenges here and in the US.

To the best of my knowledge, neither Amway or Herbalife have ever had their business operations shutdown via way of a court ordered injunction. Furthermore, in Brazil or elsewhere, neither are injunctions like the one granted against TelexFree "common in network marketing".

Satisfied that Wanzeler and himself had satisfied the concerns of their US based affiliate investors, Merrill goes onto urge US affiliates to continue to recruit new investors:

[6:30] Again, nothing will affect the US. Please continue your continued dedication, this company will persevere.

Steve Labriola closes out the call by reassuring those listening that 'these things happen to network marketing companies over and over again'.

TelexFree have since filed an appeal against the Acre injunction, however a decision on that has yet to be passed.

According to media reports a decision is expected soon,

The judge Samoel Evangelista, president of the 2nd Civil Chamber of the Court of Acre, received on the morning of Friday (21) an appeal from Attorney Telexfree, Horst Fouchs, trying to overturn the decision of the judge of the 2nd Civil Court of Rio White, Thais Queiroz de Oliveira Borges Abou Khalil.

The magistrate's decision, published on Tuesday (18) and **valid throughout Brazil and abroad, prevents Telexfree to make payments to its promoters, as well as registering new participants.**

Already being predicted is the rejection of the appeal, on the grounds that

In civil cases like this, the rapporteurs hardly go against the judge's determination, since it is an objective analysis of the evidence presented in the action.

Basically injunctions like the one passed against TelexFree are not given out like candy. Prosecutors need to come before a judge and lay out a case against the party they are seeking an injunction against *based on evidence*. If a judge is convinced by the evidence presented, the injunction is granted – which is exactly what has happened here.

Meanwhile Judge Thais Borges has clarified why the injunction against TelexFree was passed, stating

"The main proceedings will be designed to determine whether or not this is a pyramid financial.

If the thesis that TelexFree is a financial pyramid is confirmed, the consequence will be to use company resources to compensate those investors who lost money.

If the process is completed and TelexFree is determined not to be a financial pyramid, i.e., that the activity of Telexfree is lawful, then the company will be allowed to resume normal activities,” said the judge.

According to the magistrate, there is evidence that the activities of Telexfree can be configured on a financial pyramid, and so the injunction is intended to prevent the network grow.

“The idea is, first, do not allow the network to grow, since there is the possibility that it consists of a network unlawful.

Nor let there be the distribution of resources so that these resources are allocated in the future to repair any damage that a publisher may have had,” she said.

As I understand it the Public Prosecutor’s Office has 30 days from the granting of the injunction to file a criminal case against TelexFree. They’ve *already* convinced a judge (based on presented evidence) enough dodgy is going on to get an injunction against TelexFree, so the conclusion of any criminal proceedings are likely to be a formality.

The good news is that as per the Judge’s comments above, once legally determined to be a Ponzi scheme in court a claims process for affiliate investors is likely be initiated.

The writing is on the wall guys and barring the unlikely granting of their injunction appeal, TelexFree is done.

Or you could just swallow what TelexFree management are pushing and continue to pretend none of this is happening...

Footnote: You can listen to the recent TelexFree crisis call in its entirety below:



ATTACHMENT 21

TELEXPREE IS A SCAM, AND THEY WERE ORDER SHUTDOWN IN BRASIL AND ABROUD.

4 of 4 Telexfree Reviews

Jun 26, 2013 by anonymous 737 VIEWS 109 COMMENTS 1/5 REVIEW RATING



Advertisements and Cons



Telexfree

THEY POSTED THESE ON THERE WEBSITE IN BRAZILIAN AT 2AM AND THEY TOOK IT DOWN AT 3AM.. AND IN ENGLISH THEY JUST WROTE SERVER MAINTANCE:

AT By virtue of a court decision handed down on June 13, 2013, the Judge in Thais Queiroz B. Oliveira Abou Khalil, in the records of Preventive Action No. Preparatory 0005669-76.2013.8.01.0001, filed by the Prosecutor of the State of Acre, pending in the 2nd Civil Court of Rio Branco-AC, new members are prohibited to the network Telexfree on condition partner or adviser; receipts are sealed by Telexfree, Returnable Deposit Funds and Costs Reserve Position, are prohibited sales kits VOIP accounts 99Telexfree modalities ADCentral ADCentral and Family; payments are prohibited, with partners and publishers, commissions, bonuses and any benefits derived from the network Telexfree (from sales of VOIP accounts 99 Telexfree of new registrations, ad postings, training binary direct or indirect, royalties, Team Builder, among others perhaps due), that the breach of any of the above determinations entails a fine of U.S. \$ 100,000.00 (one hundred thousand reais) per new registration or reregistration and each overpayment.

Por força de decisão judicial proferida em 13 de junho de 2013, pela Juíza de Direito Thais Queiroz B. de Oliveira Abou Khalil, nos autos de Ação Cautelar Preparatória nº 0005669-76.2013.8.01.0001, ajuizada pelo Ministério Público do Estado do Acre, em trâmite na 2ª Vara Cível da Comarca de Rio Branco-AC, estão proibidas novas adesões à rede Telexfree, na condição de partner ou divulgador; estão vedados os recebimentos, pela Telexfree, de Fundos de Caução Retornáveis e Custos de Reserva de Posição; estão proibidas as vendas

de kits de contas VOIP 99 Telexfree nas modalidades ADCentral e ADCentral Family; estão proibidos os pagamentos, aos partners e divulgadores, de comissões, bonificações e quaisquer vantagens oriundas da rede Telexfree (decorrentes de vendas de contas VOIP 99 Telexfree, de novos cadastramentos, de postagens de anúncios, de formação de binários diretos ou indiretos, de royalties, de Team Builder, dentre outras porventura devidas); que o descumprimento a qualquer das determinações acima enseja o pagamento de multa de R\$100.000,00 (cem mil reais) por cada novo cadastramento ou recadastramento e por cada pagamento indevido.

THE BAD PART IS THAT THEY CANT DO BUSINESS IN AMERICA AND THERE PROMOTER ARE STILL RECRUITING PEOPLE. THE COURT IN BRASIL FOUND THERE BUSINESS TO BE PURE PONZI SCHEME. NO PRODUCT IS BEING SOLD ONLY BRINGING IN NEW PEOPLE PAYING 10K 5K OR 15 K TO MAKE MORE THEN 100% RETURN ON INVESTMENT. READ THE FULL ARTICLE BELOW.

The 2nd Civil Court of Rio Branco upheld a civil action proposed by the prosecutor of Acre, and suspended payments and the accession of new contracts multilevel marketing company Telexfree until the final judgment of the principal action, under penalty of a daily fine R \$ 500 thousand.

According to the MEP, the owners of the company are suspected of mounting a financial pyramid. The decision was announced late in the afternoon of Tuesday (18).

On Wednesday (19) the promoter of Consumer Protection, Nicole Gonzalez, gave a press conference where he explained what led the MEP to formalize the complaint. According to her, the Telexfree in Brazil would be doing the recruiting investors and creating a pyramid scheme under the guise of multilevel marketing.

"There are multilevel marketing companies already established in the market as Herbalife, Mary Kay and Tupperware. They work with this system, in the case of Telexfree the interest is not to sell products but to recruit new people," he explains. She believes that about 70 thousand people have contracts with Telexfree in Acre.

Nicole says that the focus of Telexfree in Brazil is not the sale of products or services, but membership new people to feed the payment system. She argues that the alleged product offered by Telexfree, software for performing the connections

"However we are facing a software, that site just register, download and pay to get. Conclude that it is to mask the membership fee," he explains. The prosecutor also said that the payments made by Telexfree actually be a kind of 'repurchase' made by the company of the kits. "If it means we do not need to repurchase the advisers," he emphasizes.

Decision affects the whole country

Nicole says the decision by Judge Thais Borges affects the promoters of Telexfree across the country or outside. She says that the measure was taken to prevent new people end up involved in the scheme and may be harmed. She says it was made an order blocking the bank accounts of members of the administrative Telexfree.

The company shall provide within two days on your page, a "pop-up", informing the court decision, and modify your system, so as not to allow new registrations through the "back offices".

The prosecutor said he sent a copy of the decision to Precinct Fraudações and Forgeries (Defa) investigating the company in the Holy Spirit.

Regarding other multilevel marketing companies that emerged after Telexfree, prosecutor says for now they are not being investigated. Nicole said that now the MPE has 30 days to file the action page.

Telexfree tries to reverse decision

The company published on the afternoon of Wednesday (19) on its website a video explaining to customers and publishers that the company has not yet been officially notified of the decision but that is taking all measures to overturn the injunction of Justice of Acre.

"Transparency has always been and always will be the foundation of this company. We have read in the media, have not yet been officially notified of the whole decision. Juridification is working to overturn the injunction," says Carlos Costa, director of marketing Telexfree.

The company's lawyer, Horst Fouchs, Rio Branco is to follow the case. "We know the process to take the necessary action. After we are fully acquainted process, we can even manifest in a more complete way," said Fouchs.

THIS IS ONE OF THERE LEADER WEBSITE BELOW, STILL PROMOTING RECRUITMENT.

<http://faithsloan.com/2013/06/20/telexfree-closed-in-brazil/>

THIS COMPANY HAS NO OFFICE IN THE USA, NO PHONE, NO WAY TO COMMUNICATE TO. AND YET THEY MANAGE TO ENROLL CLOSE TO 15K IN AMERICA IN JUST 12 MONTHS.

THE FEDERAL GOVERNMENT NEEDS TO GET INVOLVED. FROM THE WEBSITE ABOVE END THROUGH RESEARCH I FOUND THE LEADERS ARE: Jim Merrill, Steve Labriola, Carlos Costa-Rodrigues, Randy Crosby, and Santiago De La Rosa

<http://www.youtube.com/watch?v=jzndybXMs6E>

<http://www.youtube.com/watch?v=SMyl0wrIDig> - THERE VIDEOS ON YOUTUBE

Also this is not the first time Carlos (Carlos Costa-Rodrigues) has been before the courts relative to a HYIP/investment scheme or pyramid

Then he has changed his name?

I didn't find any "Carlos Costa-Rodrigues" in the document, only ...

Sanderley R. De Vasconcelos

a/k/a Sann Rodrigues

a/k/a Sanderley Vasconcelos ("De Vasconcelos")

The other defendant was Rev. Victor Sales

a/k/a Victor Sales DeBrito ("Sales")

The scam itself was about Universo

f/k/a FoneClub Incorporation (Incorporated in Massachusetts)

I believe it's a dead end, but the case had some similarities to TelexFree.

June 25th, 2013 at 10:16 am (Quote)

According to Acre prosecutor's office official news, the appeal by TelexFree has been denied (by a different judge).

SOMETHING BIG. THEY CLAIM TO HAVE PARTNERED WITH BEST WESTERN.
"BUT In a statement, Best Western inform that has NO partnership with Telexfree, but only a contractual relationship specific to lend its brand, and that before taking responsibility over any enterprise does a full inquiry on the business. In case that any irregularity is proven against the company that purchases the hotel, the company [Telexfree] may lose its right to use the brand, which is already said in the contract. "

http://gazetaonline.globo.com/_conteudo/2013/02/noticias/dinheiro/1407913-esquema-de-piramide-uma-hora-o-numero-de-participantes-se-esgota.html

USE GOOGLE TRANSLATE FOR THE ABOVE LINK.

Owners of the company are suspected of mounting a financial pyramid.

Telexfree in Brazil is recruiting investors and creating a pyramid scheme under the guise of multilevel marketing.

There are multilevel marketing companies already established in the market as Herbalife, Mary Kay and Tupperware.

They work with this system, in the case of Telexfree the interest is not to sell products but to recruit new people.

The focus of Telexfree in Brazil is not the sale of products or services, but membership new people to feed the payment system.

ITS A SCAM AND THE WORST PART, THE SO CALL LEADERS/PROMOTER ARE TELLING PEOPLE TO STILL INVEST, EVEN THE TOP LEADERS AFTER THE DECISION OF THE BRAZILIAN COURT THAT ORDER THEM TO SHUT DOWN. MADE A CONFERENCE CALL TO AMERICA TELLING PEOPLE TO STILL JOIN IN AMERICA AND THAT EVERYTHING IS OKAY. I PUT THE LINK BELOW.

http://www.youtube.com/watch?feature=player_embedded&v=zLCx7TdY3h8

PLEASE SOMEONE INVESTIGATE AND STOP THESE PEOPLE.

118b5473 review #423406

TELEX FREE SCAM 1

89 Helpful? 238 Had the same issue 0 Comments 109

Shares 0 Tweet 0



Anonymous Apr 14, 2014

Telexfree IS A SCAM and they are liars. They are nothing but bullshitters and I *** the day i signed up with them and learned about them. They have given me nothing but problems and grief sunce day one...I dont believe *** they say and I hope they close down for good here in the US so no more suckers like me go through what I went through.

1 Reply

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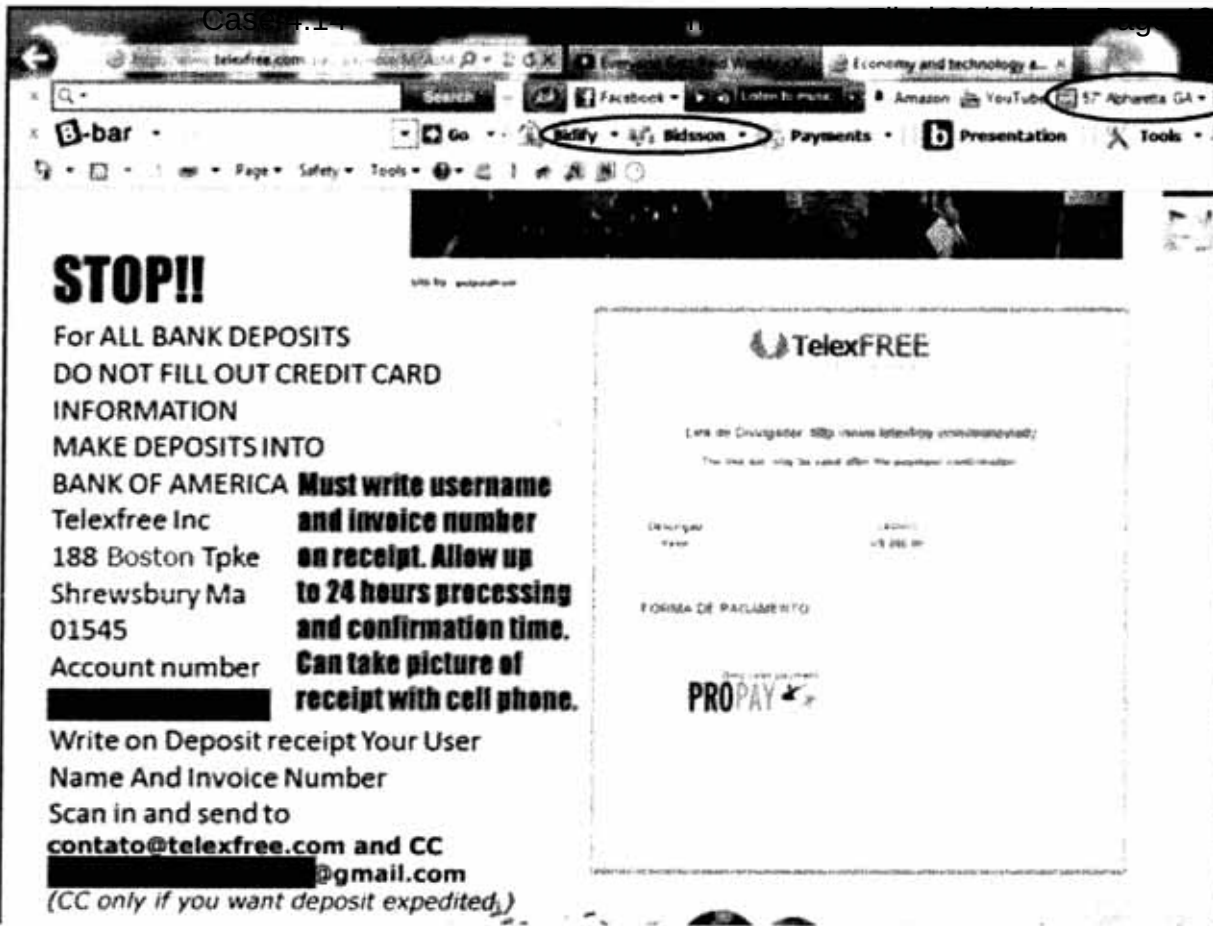
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TelexFree Affiliates Gave AdSurfDaily-Like Coaching Tips, Instructed Prospects To Make Deposits At Bank Of America — And To Copy Slips To ‘Team Leader’s’ Gmail Address For ‘Expedited’ Service; TelexFree Also May Have TD Bank Account

By [PatrickPretty.com](#) 12:11 pm Jul 8, 2013

“On or about July 14, 2008, [an undercover agent] opened an ‘upgraded member’ account with [AdSurfDaily]. ASD directs new members either to mail a money order or cashier’s check to its Florida office, or to deposit a certified check, money order or cash at ‘your nearest branch of Bank of America,’ directly into ASD’s BOA account and, thereafter, to fax a copy of the deposit receipt along with their membership number to ASD. On its website, ASD provides its BOA account number as [XXX.] Another [undercover agent] made a direct deposit to ASD’S BOA account by delivering a check to a BOA branch in downtown Orlando, Florida. Thereafter, [an undercover agent] faxed a copy of the deposit receipt via facsimile to ASD’s headquarters in Quincy, Florida.” — AdSurfDaily Ponzi scheme forfeiture complaint, Aug. 8, 2008



It was 57 degrees in Alpharetta, Ga., when this screen shot was taken to instruct TelexFree participants on how to deposit money in a TelexFree account at Bank of America in Shrewsbury, Mass. The promoter appears also to have had an interest in Bidify, an “auction” site whose business model was reminiscent of the alleged \$600 million Zeek Rewards Ponzi- and pyramid scheme. (Source: screen shot of section of a PDF instruction manual. Redactions/highlights by PP Blog.)

UPDATED 1:11P.M. EDT (U.S.A.) Information reviewed by the PP Blog shows that promoters of the TelexFree MLM scheme instructed their recruits to deposit money into a TelexFree Inc. account held at a branch office of Bank of America in Shrewsbury, Mass. The recruits then were advised to scan the deposit slip and email a copy to a TelexFree.com email address and optionally send a copy of the slip to an individual dubbed a TelexFree “team leader” who was using a Gmail email address from Google.

Recruits were told to photograph the slip using a cellphone or tablet computer before scanning it and submitting it via email, according to the instructions.

The TelexFree promoter using the Gmail address had to ability to “expedite” the process of crediting deposits in the recruits’ back offices at TelexFree, meaning recruits purportedly could start earning money from TelexFree faster because their deposits would be credited quicker, according to the instructions.

“Alternativey, you can contact your direct referrer, as several Promoters in our upline could also assist with direct deposits to their bank accounts and transfer funds to your registered account immediately,” the instructions note.

The instructions, which appeared in PDF form in January 2013, were circulated on the Internet. Among other things, the instructions suggest TelexFree has insiders who can speed the flow of money and potentially are

In the early part of the year, some TelexFree promoters worded online promos to suggest that the U.S. government had given the stamp of approval to TelexFree's operations in the United States. The U.S. government does not issue such endorsements. It is somewhat common in the HYIP sphere for "programs" or promoters to plant the seed an "opportunity" has been approved by the government.

A TelexFree promo dated March 12, 2013, on Newswire.net, for example, claims that the "TelexFree business opportunity is open to entrepreneurs in Brazil and has recently opened up internationally including being authorized to operate in the United States."

TelexFree is under investigation by multiple agencies in Brazil, amid pyramid-scheme and securities concerns. (See [BehindMLM.com story dated today](#) on the denial of a TelexFree appeal in Brazil.) Whether a U.S. investigation is under way is unknown.

What is known is that some affiliates in Brazil appear to believe incorrectly that the U.S. government has approved TelexFree's operation.

And it's also known that the deposit instructions provided to TelexFree recruits strongly resemble the instructions given recruits of the AdSurfDaily Ponzi scheme broken up by the U.S. Secret Service in 2008. The agency seized at least 10 bank accounts held by ASD President Andy Bowdoin at Bank of America and at least five other Bank of America accounts held by an ASD insider. Those 15 accounts ultimately proved to hold about \$80 million.

At least one undercover agent followed ASD's instructions to make a deposit at Bank of America and to fax the information to ASD, according to court filings in the ASD case. Federal prosecutors in the District of Columbia later applied successfully for warrants to seize the accounts, alleging that ASD was a Ponzi scheme using the U.S. banking system to sustain the scheme.

Bowdoin later pleaded guilty to wire fraud and was sentenced to 78 months in federal prison.

As appears to be the case in TelexFree, some ASD members also claimed an ability to speed the flow of money while perhaps making back-office exchanges with recruits. It is possible that ASD never knew its own real bottom line because of the back-office dealings of insiders and other sponsors, including promoters who instructed recruits to pay them directly instead of ASD.

Some TelexFree affiliates have claimed that a payment of \$15,125 to TelexFree will create an income of at least \$1,100 a week for a year. The instructions on how to deposit money in Bank of America and scan receipts also claim that TelexFree is using a credit-card processor known as ProPay.

Some TelexFree affiliates have claimed TelexFree also is banking with TD Bank. In those cases, affiliates are instructed to send money to TelexFree LLC — as opposed to sending it to TelexFree Inc., as was the case with the Bank of America instructions.

Payment Instructions for Bank Wire:

DO NOT FILL OUT THE CREDIT CARD INFORMATION FOR BANK WIRE PAYMENTS

MAKE DEPOSITS TO:

BANK OF AMERICA

TelexFree Inc.

188 Bosyon Tpke

Shrewsbury Ma 01545

Account#: [REDACTED]

Write your Username and Invoice Number on your receipt

Scan it and Send to Ticket Section (Found in Your Back Office)

=====

TD BANK

Telexfree LLC

225 Cedar Hill St Suite 200

Marlboro MA 01752

Account#: [REDACTED]

Routing#: [REDACTED]

Write your Username and Invoice Number on your receipt

Scan it and Send to Ticket Section (Found in Your Back Office)

This set of instructions appeared in a promo for TelexFree dated Jan. 17, 2013. (Source: screen shot. Redactions/highlights by PP Blog.)

TelexFree Inc. uses a Massachusetts address; TelexFree LLC uses a Las Vegas address, according to public records. Why some promoters are instructing recruits to send money to the LLC version of the name at TD Bank while others are instructing that money be sent to the Inc. version at Bank of America is unclear.

Categories: [Ad Surf Daily](#), [Alleged Ponzi Schemes](#), [The Economy](#), [Uncategorized](#), [Writing And Branding](#)
Tags: [Andy Bowdoin](#), [Bidify](#), [TelexFree](#), [TelexFree Inc](#), [TelexFree investigations](#), [TelexFree LLC](#), [U.S. Secret Service](#), [Zeek](#), [Zeek Rewards](#), [Zeekler](#)

About the Author

12 Responses to “TelexFree Affiliates Gave AdSurfDaily-Like Coaching Tips, Instructed Prospects To Make Deposits At Bank Of America — And To Copy Slips To ‘Team Leader’s’ Gmail Address For ‘Expedited’ Service; TelexFree Also May Have TD Bank Account”

1. *admin*

Jul 8, 2013 at 7:09 pm | [Permalink](#)

Quick note: We have a report that TelexFree affiliates are contacting large media outlets in the

English-speaking world to complain the actions against the firm in Brazil are unjust and that the people are being oppressed.

If this report is reliable — and it appears to be — the events in Brazil are following a pattern that emerged in the AdSurfDaily Ponzi scheme case. In the ASD case, there were bids to enlist the media, politicians and the American Association of Retired Persons to get them on ASD’s side of the argument.

Some of the bids were just plain bizarre — like claiming then-Florida Attorney General Bill McCollum should be charged with Deceptive Trade Practices for holding the view that ASD was a pyramid scheme. Some ASDers said they mailed packets of Kool-Aid to Fox News host Bill O’Reilly to somehow sway him over to ASD’s side.

Patrick

(Quote)

2. *admin*

Jul 8, 2013 at 7:15 pm | [Permalink](#)

Quick note: Looks like an NBC News Facebook site is getting spammed:

<https://www.facebook.com/NBCNews?filter=2>

CBS, too:

<https://www.facebook.com/CBS?filter=2>

And perhaps some on CNN, too:

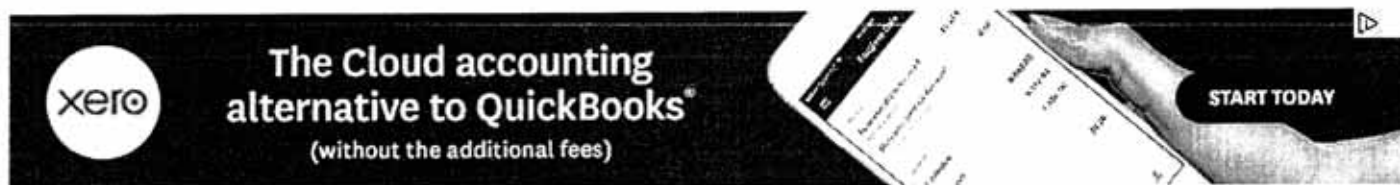
<https://www.facebook.com/cnn?filter=2>

Patrick

(Quote)

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TelexFree fined for acting in “bad faith”

Dec.26, 2013 in [TelexFree](#)



There's been somewhat of an ongoing dance taking place between TelexFree and the Brazilian court system.

TelexFree will typically make an announcement either on Facebook or YouTube about how they will undoubtedly crush anyone who opposes them with some new legal angle they are sure cannot fail.

After the courts bitchslap the company back into reality, another video or announcement appears, typically proclaiming the defeat as an overwhelming success or revealing a new ploy that, this time, will finally crush anyone who opposes them and also *cannot fail*.

This is pretty much how TelexFree's communication to its affiliates has played out ever since [Acre suspended the company's Brazilian operations back in June](#).

Now, after some fifteen plus TelexFree appeals have been denied in various Brazilian courts, it appears that *finally* the Judge handling the Acre case might have had enough.

After declaring to world that “[God used him to create TelexFree](#)“, part company owner Carlos Costa appeared in another video surrounded by stacks of books:



Trying his best to look academic and convince TelexFree's investors that he knew what he was talking about, Costa ranted on about how having lots and lots of books meant TelexFree wasn't a Ponzi scheme.

Yeah, I'm not even going to try to dissect the logic fail there – but that's pretty much the tone of TelexFree's legal arguments these days.

Anyway, not impressed with Costa's continued attempts to portray an alternative reality to TelexFree's affiliates (who then parrot his misinformation to the rest of the world), Judge Thais Borges declared TelexFree's latest appeal attempt was conducted in "bad faith".

The appeal in question appears to be an appeal of an earlier decision made on yet another appeal TelexFree had filed. I have no idea what number appeal we're up to now, but if I had to guess I'd say we hit the twenties not too long ago.

The original appeal was filed as a "motion to clarify", which I believe pertains to the Acre injunction that prohibits TelexFree from recruiting new or paying out existing affiliate investors in Brazil.

TelexFree had initially argued that the injunction was invalid in their first "motion to clarify" appeal, but this was rejected by the court.

The second motion to clarify accused the first decision of being "silent and obscure". Silent because the company claims there is a "lack of legal provisions" evident in the injunction decision, and obscure because *'the sale of VOIP services was never banned'* by the court.

TelexFree argue that they should still be able to sell VOIP services, but can't because of their assets have been frozen. The company claims that because the injunction doesn't instruct them on how they can continue to sell VOIP services despite the asset freeze, that the injunction should be overturned.

I suppose they might have a point with the "obscure" claim, but TelexFree never really sold VOIP services – so it's a moot point to make.

Denying TelexFree's second appeal in this matter, Judge Borges ruled that, while the courts did indeed not ban the sale of VOIP services by TelexFree, the courts never offered to provide TelexFree "solutions" to the

"obstacles" it is now facing. As such there is "no reason" (basis) to claim there have been contradictions in legal decisions that have gone against TelexFree.

As for a lack of "legal provisions" behind the injunction, for some reason TelexFree had to have it pointed out to them that legal rulings are not made willy nilly – but *entirely* within the framework of the Brazilian legal system.

On both accounts Judge Borges dismissed TelexFree's second "motion to clarify" appeal, ruling that it was filed with a "clear intent to procrastinate".

Judge Borges went on to state that TelexFree was guilty of acting in "bad faith", by '*repeatedly filing unfounded litigation with the aim of procrastination*'. For their efforts to delay the case, TelexFree were fined 1% of the relief claim they made in their motion, which amounted to R\$10,000 (\$4200 USD).

Judge Borges has also requested TelexFree hand over all the data it claimed was in Carlos Costa's YouTube video books, '*data relating to the registration and operation of the accounts of each of the affiliates, posted by the company (on YouTube), including twelve months of retroactive data*', within ten days.

Of note is the explicit order that TelexFree comply with this request, irrespective of any holidays that fall within the ten-day period (Christmas and New Years).

Considering the peculiarity of the case, which concerns the collective interest of hundreds of thousands of people across the country, there is a need to press the highest degree of urgency in processing this request.

On the same deadline, the defendant company (TelexFree) must also inform the court which "datacenter" it stores the company's website and data relating to the registration and transaction of affiliate accounts, providing to the court the password to access the database, which can be routed through private correspondence, addressed to me (Judge Borges).

There are also an additional rulings evident in the [court's press release](#) which, as far as I can tell, pertains to instructing TelexFree affiliates who have filed their own appeals and requests to intervene in the Acre case to wait until the case has been resolved (legal action filed by TelexFree affiliates cannot be decided upon separately).

The news reported that hundreds of (TelexFree) affiliates attended rallies in several cities around the country, seeking the resume of TelexFree's business activities.

Therefore, if even a small percentage of these affiliates wish to pursue individual legal action, there will be great turmoil in a case that has already exceeded forty thousand pages (of evidence), damaging it and (delaying) a speedy adjudication.

No surprises there as, let's face it, these affiliates are only trying to get the Ponzi ROIs they believe they're entitled to.

Looking forward, ten days puts us at early January. I'm not sure of the exact date as there's no publication date on the court's press-release (although I believe it was released only in the last few days).

Will TelexFree be able to deliver or was Carlos Costa just sitting around with a bunch of empty books? Going by Judge Borges tone, it's probably wise TelexFree don't miss the set deadline.

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TelexFree claim no affiliate data, fined again

Jan.16, 2014 in [TelexFree](#)



Following the filing of an appeal that was designed to stall legal action against TelexFree in Brazil, the company was fined R\$10,000 (\$4200 USD) for acting in “bad faith”.

Additionally Judge Borges also ordered the company hand over ‘*data relating to the registration and operation of the accounts of each of the affiliates, including twelve months of retroactive data*’.

TelexFree were given ten days to comply, however as of January 14th the company had failed to submit any affiliate data to the court.

Explaining why they hadn’t handed over the data, TelexFree ‘*argued that they had no access to information about the registrations and transfers accounts of the promoters of (the company)*’.

Yes, you read that right. TelexFree are claiming they have “no access” to TelexFree affiliate data.

This excuse is made all the more amusing given that TelexFree owner, Carlos Costa, appeared in a YouTube video days before the initial order claiming to be surrounded by books containing said affiliate data:



TelexFree claiming not to have the data would mean they were lying about having the data. Far more likely though, and reasoning Judge Borges seems to have agreed with, is that once again TelexFree are stalling.

Judge Borges rejected TelexFree's excuses and once again fined the company (specifically owner Carlos Wanzeler) R\$10,000.

Documents submitted subsequently by (MP-AC) Prosecutor's Acre revealed that one of the partners, responsible for creating the telexfree.com domain on the internet, would have access to this data.

The company has another five days to hand over the password to access TelexFree's affiliate data, and 10 days to 'submit other documents concerning the company'.

It is believed Judge Borges is demanding TelexFree's entire affiliate database because it will clearly reveal the company continuing to sign up Brazilian affiliates. Facing fines of R\$100,000 (\$42,300 USD) per Brazilian affiliate signed up or paid out, this in turn explains why TelexFree are reluctant to hand over the information.

The affiliate database might also help with potential money laundering issues between Brazil, the US and TelexFree's offshore bank accounts.

Globo reached out to TelexFree lawyer Roberto Duarte for comment, but were told '*the company will not discuss their position on the case. We will not talk about what happened*'.

Telling porky pies has unfortunately become a recurring theme within TelexFree management, with Carlos Costa having previously been caught out lying about Ponzi insurance contracts that didn't exist.

And just two days ago Steve Labriola, TelexFree's International Marketing Director (think Zeek Rewards' Dawn Wright-Olivares), instructed affiliates to "disregard" any mention of a US regulatory investigation into the company. A message some TelexFree affiliates have taken to heart.

Ponzi queen and apex TelexFree investor Faith Sloan's response to Marques' investigation revelation was

How would Alessandra Marques, of the Acre Public Prosecutor's Office know what she is alleged

to know if she is not a USA government insider?

Why would the USA tell Alessandra Marques, of the Acre Public Prosecutor's Office they are investigating TelexFREE?

I don't profess to gauge Sloan's literacy level but the answer to these questions was clearly evident in Alessandra Marques initial statement, as reported by Globo:

There is an investigation by authorities in Brazil and the United States over the actions of Telexfree.

There is a Brazilian Federal Police (investigation) in relation to the company, and research is occurring in Brazil and the United States.

I do not know how (the investigation) is progressing, but it exists. And it is natural that exists because (TelexFree) sends money abroad.

In addition other (agencies), such as the IRS, are also investigating.

Why would the Acre Public Prosecutor's Office be in contact with US regulators? Try the fact that they are spearheading legal proceedings against TelexFree in Brazil. With charges leveled at the company including money laundering, it should be a no-brainer *why* the Acre PP's Office would be in contact with US regulators.

TelexFree are registered in the US state of Massachusetts and use i-Payout for their e-wallet transactions. The company accepts deposits from affiliates and transfers money firstly through the US, and then to bank accounts held in undisclosed locations.

The notion that Marques wouldn't know of a US investigation because she's a "non-American", well that's about as flimsy as TelexFree arguing they have no access to their own affiliate data.

One point of contention is the mention of the IRS. In the Globo article this is translated from "Receita Federal", which is the Brazilian equivalent.

Given the context of the article, that being US and Brazilian co-operation I'm inclined to state that Marques was simply using the Brazilian term for their tax regulators in reference to the US.

Nonetheless I'm aware of at least one Brazilian reporter attempting to clarify this (amongst other things) with Marques, but as of yet they haven't been able to get a statement.

Regardless, even if you discount the IRS, Marques *clearly* reveals the existence of a US-based investigation. And when it comes to Ponzi busting in the US these days, although one agency's name might be on papers filed in court, now more than ever it's a joint-effort between multiple agencies.

The Financial Fraud Enforcement Task Force, who amongst other things investigate Ponzi schemes such as TelexFree, consists of the Secret Service, Homeland Security, the FBI, all the states Attorneys General, the IRS and virtually every Federal, state and local law enforcement agency.

Just last month the Department of Justice reiterated their stance on Ponzi schemes going into 2014. The DoJ issued a press release containing statements from the US Attorney's Office, the Secret Service and **the IRS Criminal Investigation Division:**

“We will continue to work with our law enforcement partners to take down greedy scam artists who think nothing of stealing the savings of hard working people,” said U.S. Attorney Tompkins.

“As today’s technology continues to evolve, cybercriminals use these advances and enhancements to perpetrate an expanding range of crimes,” said Secret Service Assistant

Director of Investigations Paul Morrissey.

“As we have seen with this case, even with the increasing complexity of online Ponzi schemes, it remains difficult for criminals to remain anonymous.

The Secret Service continues to seek new and innovative ways to combat emerging cyber threats.

Our success in this case and other similar investigations is a result of our close work with our network of law enforcement partners.”

“This case shows that the appearance of success can be a mask for a tangled financial web of lies,” said Chief Richard Weber of the IRS Criminal Investigation Division. “The underlying structure can fall apart at any time and leave many investors in financial ruin.

Criminal Investigation is committed to investigating Ponzi schemes in an effort to protect the financial well-being of the American public.”

The “case” referenced by Paul Morrissey is that of Zeek Rewards, a \$600M Ponzi scheme that, in a lot of ways, is similar to TelexFree.

Both schemes’ accept/accepted thousands of dollars of funds from affiliate investors and use/used the funds to pay out existing investors.

Both Zeek Rewards and TelexFree also down-played and attempt/attempted to mask the significance of this core investment business model mechanic by attaching (or attempting to in the case of Zeek Rewards), a series of unrelated third-party products and/or services to the model.



Meanwhile as it becomes increasingly evident that TelexFree have all but given up in Brazil and US affiliates run around trying to convince people the US isn't interested in investigating Ponzi schemes, you then have the increasingly desperate Brazilian affiliates.

A resident of São Carlos, a city in western Santa Catarina, began an indefinite hunger strike on Wednesday the 15 along the railing of the Forum of Rio Branco, Acre, to which he chained himself.

The goal is to recover the £25,000 he invested in Telexfree.

Aerci Arreal Olm, 33, is not alone: most of the 700 people he recruited into Telexfree also have claims of financial losses.

"We had a number of people who received not even £1", Olm said in an interview with iG.

You'll have to forgive me but sympathy for Ponzi pimps is in rather short supply here at BehindMLM.

Meanwhile Faith Sloan ends her "Marques is not an 'merkan'" rant with some advice I actually agree with:

Ladies and Gentlemen!! You know who you are. Please stop emailing me, facebooking me, skypeing me and phoning me about rumours related to TelexFREE.

Go find out where the official transcript or audio of the alleged interview is. Or maybe try calling the radio station yourself. Look for references to DIRECT VERIFIABLE sources in terms of TelexFREE being investigated by the IRS.

One "direct verifiable source" would be the IRS themselves which, like Sloan, I wholly encourage TelexFree affiliates to get in contact with. It's probably worth contacting other members of the Financial Fraud Enforcement Task Force too for comment ([see full list here](#)).


If they ask you what TelexFree is, be honest and tell them the truth.

www.youtube.com/watch?v=ESpsAm8zVds

The AdAssure Revenue Guarantee - When you purchase an ADCENTRAL pack (whether it's one, or more), Utilizing OUR Services will Guarantee your TelexFREE earnings.
If our job is not done properly, and causes you to lose your TelexFREE earnings, Tiferevs llc will pay you the full amount. (This does not apply if TelexFREE has issues that prohibit us from doing our job). Example AdASSureLite +Validation

Package	Cost		Revenue		AdAssureLite +Validation		Net Income	
	Package Cost	Weekly	Annual* (52 weeks)	Monthly	Annual* (12 Months)	Monthly* (4 Weeks)	Annual (less Package cost)	
Partner (No Ads)	\$50	\$0	\$0	\$0	\$0	\$0	\$0	
AdCentral (1 Ad)	\$289.00	\$20.00	\$1,040.00	\$7	\$84	\$79.66	\$617	
Family (3 Ads)	\$1,375.00	\$100.00	\$5,200.00	\$7	\$84	\$426.33	\$3,691	
Team Builder (11 Ads, 1 per Family)	\$15,125.00	\$1,100.00	\$57,200.00	\$77	\$924	\$4,689.66	\$41,101	

The above tables ARE INCOME CLAIMS, you are CONTRACTED with TelexFREE for these EARNINGS



3:30 / 32:20

TelexFREE's Steve Labriola Happy New Year Update Call 1 14 2014

As per the slide above, tell them TelexFree is a company registered in Massachusetts that you deposited \$289 – \$15,125 (or more) into, on the promise and expectation of a \$1040 – \$57,200 (or more) annual return. A return paid out of funds deposited by subsequent investors.

Oh and don't forget to mention TelexFree also pay you directly for convincing others to deposit funds into the scheme too.

Feel free to leave a comment below telling us how that goes... and be sure to thank Faith Sloan for the advice too.

I'm sure she'll appreciate any official correspondence from "directly verifiable sources" being forwarded on. Just make sure they're American though, as Sloan evidently hasn't quite grasped the concept of foreign government agencies working together with the US.

Kind of ironic when you consider TelexFree use a *communication* service to mask their AdCentral investment scheme.

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MLM Community

March 8, 2014 ·

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Hello,

From your MLM Community Admin:

Something BIG is coming our way & you get to hear about it first!!!

You have a Golden Opportunity to become a Founder Member in a new program that operates just like Zeek and Add Wallet. The early members in Zeek earned over \$1 Million and this one is better and completely offshore.

You have an opportunity to become one of the first members enrolled into this program.

I just got this email from my sponsor who is in touch with the founders of the company. I jumped right in & would like to give some of you the opportunity to get a TOP position in a HUGE launch which is underway right now!!!

Join below (use Google Chrome if you have any problem signing up)

https://backoffice.genesisglobal.bz/NMUs.../Enrollment_1.aspx...

SPILLOVER AVAILABLE IF YOU JOIN EARLY ENOUGH AND PASSIVE INCOME.

.....

Here are some of the details from my sponsor's email:

My upline had an hour long conference call yesterday morning with the owners, Donald Bernardin and Brandon Bradshaw. Together they are getting ready to launch a new profit sharing program called Genesis Global.

It's the same concept as Zeek and AddWallet except there is lot more to it. While in Beta they have asked for my assistance in notifying other leaders / promoters about Genesis before opening the program to the general public.

Brandon is my sponsors direct sponsor so obviously those coming in now are at the very top. This is important for top positioning in the 2x20 matrix portion of the comp plan.

I will be promoting it at FULL FORCE!!!.

If you want a top position in the 2x20 matrix and get a lot of my spillover, you need to register ASAP.

You should at least do the free signup and decide later if you want to upgrade.

Main thing right now is to register free and get a top spot in the matrix. I think you will be glad you did!

For those living outside the USA, choose "International" when signing up and type 00000 for now in the Zip Code area.

There is still a lot of content to be added to the backoffice.

Here is your special invite link:

https://backoffice.genesisglobal.bz/NMUs.../Enrollment_1.aspx...

SPILLOVER AVAILABLE IF YOU JOIN EARLY ENOUGH AND PASSIVE INCOME.

If you have any question, please reply to this email. Thanks.

To Our Mutual Success

- Genesis

ATTACHMENT 26

30.05.2014

NOTA DE ESCLARECIMENTO: Caso Telexfree

The prosecution of Acre, by his Prosecutors who sign below, hereby CLARIFY that the recovery of the amounts invested in the company YMPACTUS S / A relies solely on the judgment to be rendered in the course of civil action, which is currently in phase of production tests.

Thus, any extrajudicial proposal of values and refund request form filler with personal data has nothing to do with the ongoing process, which should, moreover, remember that all assets of the company and its partners, which are defendants in the civil action, are blocked in Brazil, the same way that the goods of the American Telexfree are frozen there.

Therefore, any attempt to drive values should be traced and values learned through a request to be made again to the Court, in order to enable the full repayment of the amounts invested in the Brazilian company for all that her hired.

It is worth noting also that any evidence of promoter condition in order to obtain repayment of the amounts invested, may only occur in the sentence of the execution phase, therefore, procedurally, at which interested parties can settle it, wherever they reside and present the documents evidencing the amounts invested by the judiciary.

Alessandra Garcia Marques
Promoter of Justice

Danilo Lovisaro do Nascimento
Promoter of Justice

Marco Aurélio Ribeiro

Promoter of Justice

Agência de Notícias - MP/AC

Assessoria de Comunicação Social - ASCOM

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A (MLM) Skeptic

a blog about Skepticism, MLM, Scams, and Critical Thinking

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Sunday, February 17, 2013

TelexFree under investigation in Brazil for pyramid / ponzi scheme

TelexFree, which offers both a mobile phone service plan (reselling a local service) and a \$299 "Ad Central" membership where you put in money, then able to make back a lot more over course of a year by posting merely one ad a day (making \$20 a week). There's also recruiting commissions.

BehindMLM checked Telex Free and essentially concluded it's a mix between Ad Surf Daily ponzi and Zeek Rewards ponzi. But it's still a Ponzi, albeit mixed with a legitimate product.

Apparently Brazilian regulators agreed. Their Bureau of Consumer Protection just investigated TelexFree and forwarded the case to State Prosecutor's office and Police for legal charges to be filed. Ministry of Finance and Federal Police were also notified.

Prospective members claimed that the income is guaranteed and supposedly a lawyer is speaking for the company. As I do not speak Portuguese I cannot locate the ad or understand it, so this is mere hearsay.

This "enterprise" is trying to move onto other countries, including the US. Several American "home income" blogs have started touting its "potential" in the last few days.

For more information see BehindMLM

<http://behindmlm.com/companies/telexfree-under-criminal-investigation-in-brazil/>

Related articles



Andy "Ad Surf Daily" Bowdoin is now officially in Federal Prison



Kris denies investing in Ponzi-type scam



Why do victims prolong the lie?



The problem with spread crap info: a growing snowball of crap

+1 Recommend this on Google

Labels: [Critical Thinking](#), [Fraud](#), [Law](#), [Ponzi scheme](#), [Scams and Schemes](#)

21 comments:



Andréa Silva May 13, 2013 at 7:25 PM

Which Ad haven't you could locate or understand? Today a friend of mine introduced me Telexfree and said he has already received back R\$ 1,600.00, about US\$ 800.00. But I'm still not convinced.

[Reply](#)

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\$47.99 ~~\$70.99~~ High Quality Tablecloths Of All Sizes.

tableclothsfactory.com



TelexFree civil action case filed in Brazil

Sep.06, 2013 in [TelexFree](#)



Following the business crippling injunction won against TelexFree, Public Prosecutors in Acre have followed up with a civil lawsuit filed against the company.

Alleging that TelexFree is a Ponzi scheme, the case was filed in the 2nd Civil Court of Rio Branco and is being heard by Judge Thais Borges. As is required when all public civil action cases are filed in Brazil for the benefit of consumer-awareness, Judge Borges published the notice last Monday.

TelexFree have presented their defense and I am currently hearing from the Public Prosecutors.

Then I will evaluate whether any further evidence is required to be produced, if it is, I will request it produced, if not I can pass judgement.

The notice is valid for twenty days, indicating that one way or another the case will be resolved by Saturday the 21st of September (more likely to be either Friday the 20th or Monday the 23rd).

Update 7th September 2013 -After some initial confusion it appears that the twenty day period is granted to allow consumers to respond to the case.

After the twenty day period the case will progress forward with the further presentation of evidence (if required as per the Judge's comments above) /end update

In continued attempts to get the injunction against the company lifted, thus far TelexFree have presented no less than thirteen separate defences in Brazilian courts, with each having been rejected.

Having not seen the defense filed in the civil action case myself I can't say whether or not a defense they have already used has been recycled for the case. One would think after thirteen lost appeals that the options left open to TelexFree to defend their business model and compensation plan would be all but exhausted.

In the past TelexFree's lawyers have claimed that '*should the company spend a few more days being prohibited from signing up new investors, they would have no money to pay the old ones*'.

Meanwhile TelexFree and its Brazilian affiliates don't appear to be confident in how the Acre civil action (and no doubt subsequent criminal action) will turn out.

In addition to top Brazilian TelexFree affiliates publishing YouTube videos in which they urge their downlines to create new American TelexFree affiliate accounts to continue to invest in the company, last week an address in the UK quietly popped up on the Brazilian Portuguese language portal of the TelexFree website:

www.telexfree.com

LEGAL DEPARTMENT TELEXFREE
TelexFree está orgulhosa em anunciar que temos mantido Gerald Nehra como nossa equipe jurídica

TELEXFREE FOUNDER
Conheça o fundador e presidente da TELEXFREE: negócios e tecnologia. Sr. James Merrill

FREE 50
formamos re os sites Brasil e do
33º POSIÇÃO
Fonte: Alexa

APRESENTAÇÃO
Video Primeiros Passos

SUPORTE
FAQ - Perguntas Frequentes
Entre em Contato
Política de Privacidade
Termos e Condições do Produto

COMPARTILHE
+1 54k

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EU Office: TelexFree LTD : UK Office: 15 Bromet Close, Watford, Hertfordshire, WD17 4LP

As of yet the company has made no official announcement explaining why the address appeared. Prior to the publication of the address, TelexFree wasn't known to have any publicly known executive presence in the UK.

With James Merrill and Carlos Wanzeler still currently hiding out in the US, perhaps Carlos Costa is planning to announce an extended European vacation over the next 20 days.

Stay tuned...

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Espirito Santo IRS fines TelexFree R\$70 million

Mar.18, 2014 in [TelexFree](#)



Back in January Alessandra Marques, of the Acre Public Prosecutor's Office, revealed in a radio interview that TelexFree was under US investigation. In a subsequent telephone conversation with Brazilian media, Marques went on to name the IRS as being involved.

At the time there was some confusion as to whether or not Marques was referring to the US IRS or the Brazilian equivalent. While it's been confirmed that the SEC are investigating TelexFree under suspicion it's a Ponzi scheme, whether or not the US IRS are investigating has yet to be confirmed.

What has been confirmed however is that, in addition to the SEC, the Brazilian IRS have been investigating TelexFree. That investigation recently concluded and has resulted in TelexFree being fined a whopping R\$70 million (\$29 million USD).

But wait for it... according to TelexFree the IRS fine is a *good* thing.

Appearing in the latest TelexFree news video (no. 33 for those keeping count), TelexFree co-owner Carlos Costa reveals that the IRS had been investigating TelexFree for nine months and that he'd been to their offices at least twice. Costa states that during the investigation the Espirito Santo IRS had made thirteen separate requests for documents from TelexFree.

TelexFree appear to have been fined for failing to make payments to the IRS on generated revenue. According to "article 957" of the tax code, "in the case of a lack of payment, a 75% fine (of the owed amount?) should be fined".

According to a subsection, this fine can be increased to 150% and this is what Costa is selling to TelexFree's affiliates. He even goes so far as to declare the fine "wonderful":



Meanwhile why TelexFree failed to pay the IRS remains unclear. Costa does not address the issue. Instead he appears to focus on a "lack of fraud" found by the IRS.

Now forgive me if I'm wrong here, but the IRS aren't and never were investigating TelexFree for fraud. They audited the company and fined them for failing to pay taxes on revenue generated.

The Ponzi scheme case against TelexFree in Acre is ongoing, with the IRS' fine having no bearing on the outcome. One can expect though that any irregularities would be passed onto the Public Prosecutor's Office however, as Alessandra Marques has already confirmed she the Office is in communication with the agency (they were aware of the IRS' investigation long before Costa's announcement today).

In addition to charges of TelexFree being a Ponzi scheme, Acre's PP Office has previously aired suspicion of money laundering and embezzlement taking place within the company.

A visibly sweaty Costa goes on to make a big deal about TelexFree having already paid the fine, although he does not disclose where the money came from.

The full TelexFree News no.33 broadcast can be viewed below (turn on captions and then auto-translate for English subtitles):

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Glass Jar Set

\$32.00 Free Shipping on Orders Over \$49!

Oriental Trading Company



iPayout disable TelexFree ewallet services

Apr.17, 2014 in [payment processors](#), [TelexFree](#)



TelexFREE

Just a brief update on this (working on some lengthier articles for later publication).

Earlier today TelexFree's payment processor, iPayout, pulled the company's ewallet services offline.

Whereas initially the TelexFree subdomain on the iPayout "GlobeWallet" server was timing out, it now redirects to a custom 404 error message:

← → C 📍 <https://telexfree.globalewallet.com/Public/UnknownURL.aspx>

HTTP 404 Error.

You have typed an invalid address: <https://telexfree.globalewallet.com/MemberLogin.aspx?ReturnUrl=>
Please check address spelling and try again. Also you can contact your merchant or back office for a correct web address.

Now, in addition to this, if TelexFree affiliates try to access their account, iPayout are advising them that they have "disabled" the merchant services they provided to TelexFree:

<https://telexfree.globalewallet.com/Public/InactiveMerchant.aspx>



[EWallet Features](#)

[Support](#)



Disabled Merchant

eWallet website has been disabled for your merchant's program.

It could happen due to:

- Merchant closed the program
- Merchant did not pay outstanding fees
- Merchant could not fund transactions

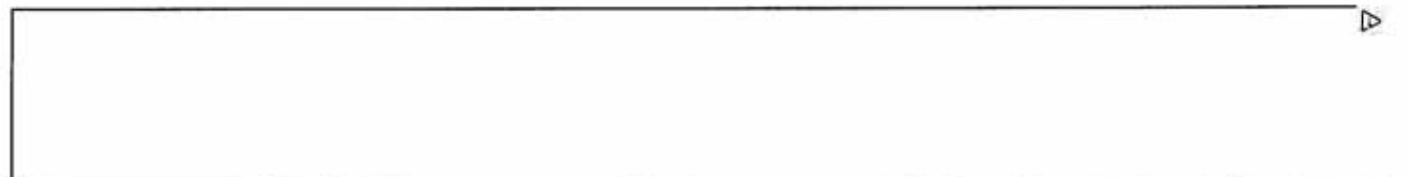
Please contact your back office for further instructions.

Whether or not any further action will be taken against iPayout is unclear at this stage.

Long-time readers will remember that when the SEC moved in to shut Zeek Rewards down, their payment processor NxPay effectively shut down as funds were frozen across the company.

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iPayout hint at TelexFree money laundering?

Apr.18, 2014 in [payment processors](#), [TelexFree](#)



Late yesterday we reported on [iPayout disabling the ewallet services they were providing to TelexFree](#).

Since then, some interesting developments have come to light.

Compare the original message iPayout were displaying to TelexFree affiliates yesterday:

<https://telexfree.globalewallet.com/Public/InactiveMerchant.aspx>



[Home](#) [EWallet Features](#) [Support](#)

Disabled Merchant

eWallet website has been disabled for your merchant's program.

It could happen due to:

- Merchant closed the program
- Merchant did not pay outstanding fees
- Merchant could not fund transactions

Please contact your back office for further instructions.

To the message the payment processor is now showing:

<https://telexfree.globalewallet.com/Public/InactiveMerchant.aspx>



[Home](#) [EWallet Features](#) [Support](#)

Disabled Merchant

eWallet website has been disabled for your merchant's program.

This could be due to one of the following reasons

- Merchant closed the program
- Merchant did not pay outstanding fees
- Merchant could not fund transactions
- Merchant terminated eWallet services ←
- Merchant violated Anti-Money Laundering policies ←

Please contact your back office for further instructions.

Phone: 888-886-5486

Email: contato@telexfree.com

As highlighted above, two new additions to the “reasons” iPayout provide are appearing; TelexFree “terminating” the ewallet services and the violation of *anti-money laundering policies*.

At the time of publication, iPayout have not made any public statement indicating whether or not they’ve been dragged into a US-based money laundering investigation into TelexFree. Outside of the hints iPayout drop above, I’m also unaware of any official regulatory money laundering investigation into the company.

Rwanda has previously announced it has [found evidence of TelexFree engaging in money laundering](#), and

iPayout hint at TelexFree money laundering?

3/24/15, 10:36 PM

Public Prosecutors in the Brazilian state of Acre have aired the possibility of raising money laundering and embezzlement charges against the company.

i-Payout wrote to BehindMLM last October, seeking to “clarify” any misconceptions about TelexFree after we raised questions about them handling the company’s money.

At the time, i-Payout assured us that after conducting ‘*complete due diligence on TelexFree*’, that they had found the company to be ‘*compliant with all US laws*’.

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90x132" Rectangle (Grandiose Rosette)...

\$47.99 ~~\$70.99~~ High Quality Tablecloths Of All Sizes.

tableclothsfactory.com



TelexMOB Review: Shameless TelexFree reload scheme

Mar.24, 2015 in [MLM Reviews](#)



TelexMOB There is no information on the TelexMOB website indicating who owns or runs the business.

The TelexMOB website domain ("telexmob.com") was registered on the 2nd of March 2015, however the domain registration is set to private.

The TelexMOB website does have an "about us" section, but no specific details of the company's ownership or management structure are provided:

Group of Investors and market analysts, who believe in a highly profitable market. The market Advertising and Technology gradually increases and already a worldwide trend. We are returning to once again make a difference in Multilevel Marketing.

Our Facilities are scattered in various world countries, so as to bring the security that everyone wants.

The TelexMob, begins operations in several countries, showing once again its market strength.

And if you're wondering what the "comeback" theme is all about, it's because TelexMOB aims to identify itself with TelexFree.

From the logo, the name of the opportunity, affiliate membership labels and marketing copy present on the website, the owner(s) of TelexMOB are clearly targeting those who lost money in TelexFree.

TelexFree was a \$1.8 billion dollar Ponzi scheme shut down by Brazilian authorities in 2013, with the SEC shutting down their global operations in 2014. Hence the line: "Our Facilities are scattered in various world countries, so as to bring the security that everyone wants."

The implication obviously being that TelexMOB believe they are safe from regulatory action.

Why would they feel the need to make such reassurances?

Read on for a full review of the TelexMOB MLM business opportunity.

The TelexMOB Product Line

TelexMOB has no retailable products or services, with affiliates only able to market affiliate membership to the company itself (\$60-\$1250).

There is brief mention of advertising in the TelexMOB compensation plan, however this doesn't appear to have anything to do with the MLM opportunity.

The TelexMOB Compensation Plan

The TelexMOB compensation plan sees affiliate sign up and invest in an affiliate membership. This is done on the expectation of an advertised weekly ROI, with affiliates also paid to recruit new affiliates into the scheme.

Commission Qualification

In order to qualify for commissions, all TelexMOB affiliates must spam the internet daily.

This is achieved via the TelexMOB affiliate backoffice, through which the company supplies affiliates pre-written advertisements to spam with.

Recruitment Commissions

TelexMOB affiliates are paid to recruit new affiliates.

How much of a commission is paid out depends on how much a newly recruited affiliate spends on their affiliate membership:

- Start (\$60) – \$15
- AdCentral (\$220) – \$30

- Advanced (\$750) – \$60
- AdFamily (\$1250) – \$120

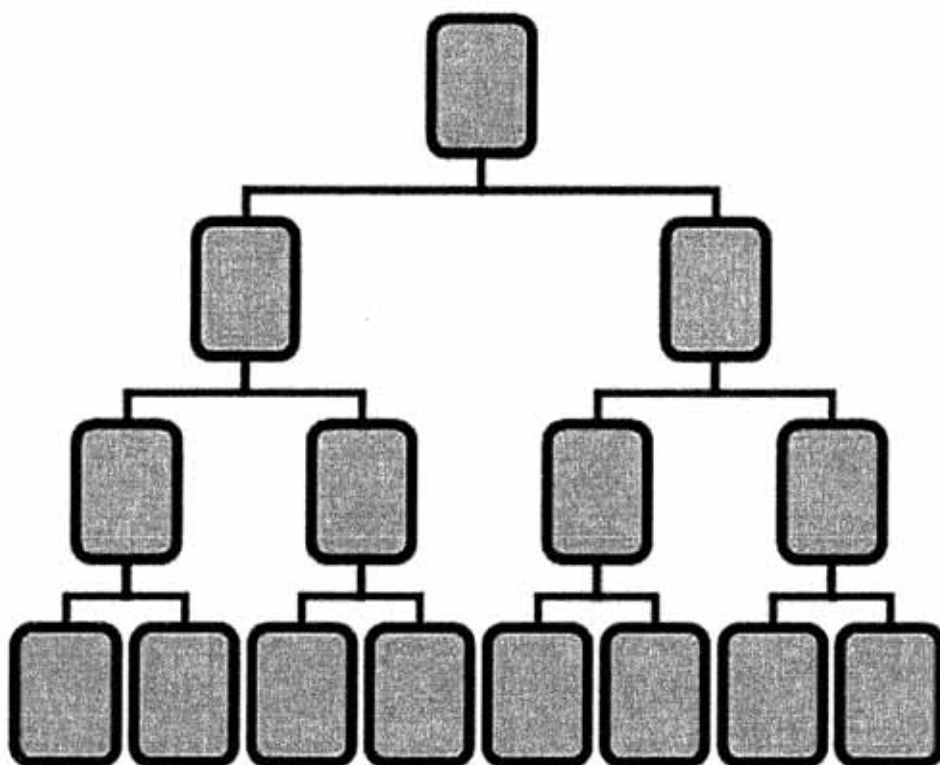
Although not explicitly clarified in TelexMOB's compensation plan material, I believe an affiliate cannot earn a higher recruitment commission than at the level they themselves bought in at.

Eg. If an AdCentral affiliate recruits an AdFamily affiliate, they are still only paid \$30. The only way to earn \$120 is to pay the fee to become an AdFamily affiliate first.

Binary Commissions

Residual commissions in TelexMOB are paid out using a binary compensation structure.

A binary compensation structure places an affiliate at the top of a binary team, split into two sides (left and right):



These teams are made up of recruited affiliates, with points tracked between the two sides.

Points are accumulated via affiliate recruitment, with each affiliate membership having a specific point amount attached to it:

- Start – 75 points
- AdCentral – 150 points
- Advanced – 300 points
- AdFamily – 600 points

At the end of each day, TelexMOB tally the points generated by both sides of the team. A percentage commission is then paid out on the points generated by the lesser team.

For the purpose of commission calculation, each points is worth \$1.

How much of a percentage of the lesser side's points is paid out, is determined by how much a TelexMOB affiliate spends on their membership:

- Start – 10% (capped at 2000 points or \$200 a day)
- AdCentral – 20% (capped at 10,000 points or \$2000 a day)
- Advanced – 30% (capped at 20,000 points or \$6000 a day)
- AdFamily – 50% (capped at 20,000 points or \$10,000 a day)

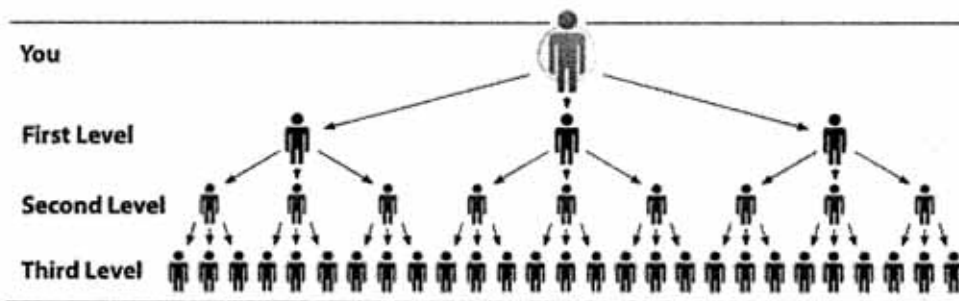
Binary Bonus

If a TelexMOB affiliate's lesser binary team generates at least 4000 points a day for a minimum 20 days in a month, they qualify for a share in 1% of the company's total revenues for that month.

Unilevel Commissions

Residuals commissions are paid out on the binary earnings of affiliates using a unilevel compensation structure.

A unilevel compensation structure places an affiliate at the top of a unilevel team, with every personally recruited affiliate placed directly under them (level 1):



In turn, if any of these level 1 affiliates go on to recruit new affiliates, they are then placed on level 2 of the original affiliate's unilevel team.

If any level 2 affiliates go on to recruit new affiliates, they are placed on level 3 and so on and so forth down a theoretical infinite number of levels.

TelexMOB cap payable unilevels at six, paying out 2% of the binary commissions earned by all affiliates in a unilevel team.

Weekly ROI

Starting at the ADCentral affiliate level, TelexMOB pay affiliates the following weekly ROIs:

- AdCentral – \$20 a week
- Advanced – \$50 a week
- AdFamily – \$120 a week

There is no maturity period for these ROIs specified in the TelexMOB compensation plan.

TelexFree paid out their ROIs for 12 months, so presumably this is the same contract length TelexMOB are using.

Team Builder Bonus

If a TelexMOB affiliate recruits at least 10 AdFamily affiliates within 60 days of joining the company, they qualify for a share in 2% of TelexMOB's company-wide revenue.

This share pays out monthly until a balance of \$39,000 has been paid out or 12 months has passed, whichever occurs first.

Joining TelexMOB

Affiliate membership with TelexMOB is tied into the purchase of one of their affiliate memberships:

- Start – \$60
- AdCentral – \$220
- Advanced – \$750
- AdFamily – \$1270

An additional monthly \$60 "activation" fee applies, irrespective of which level an affiliate signs up with.

Conclusion

Whereas TelexFree attached itself to an irrelevant VOIP offering, TelexMOB have substituted in advertising.

As with TelexFree, TelexMOB's advertising ruse has nothing to do with revenue generation, which is entirely pegged to affiliates signing up and paying their affiliate fees.

In addition to getting paid to recruit new affiliates (pyramid scheme), the inclusion of weekly ROI payments renders TelexMOB's affiliate positions securities.

Affiliates pay between \$220 to \$1270 on the expectation of an advertised weekly ROI.

The rest of the commissions offered by TelexMOB serve only as recruitment incentives, as new affiliate investment is the lifeblood of the scheme.

As with all Ponzi schemes, once new affiliate investment (in membership) dries up, TelexMOB will find itself unable to meet its weekly ROI obligations.

That is of course if regulators don't intervene and shut them down first.

Currently the TelexMOB website appears to be in an embryonic stage. If the scheme catches on, considering the use of TelexFree's logo, terminology and premeditated targeting of victims of the scheme, don't expect this to fly under the regulatory radar for too long.

Those who lost money in TelexFree would be well-advised to learn from their mistakes, rather than set themselves up to lose even more money to the person(s) unknown running TelexMOB.

ATTACHMENT 33



SAVE UP TO 50% on Select Beautiful New Carpet



NEWS NOW Brutal winter offers no reprieve from ticks Route 6A Water Project Begins Gasoline clean-up in Bourne could t

Upset customers look for answers at TelexFREE offices



COMMENT 0 Recommend 0



Ruben Nieves, who said he has "some prominence" among the other promoters, tries to convince a fellow TelexFREE promoter to leave the building. Daily News Staff Photo / Allan Jung



By Scott O'Connell
Daily News Staff

Posted Apr. 1, 2014 at 4:10 PM
Updated Apr 17, 2014 at 3:20 PM

MARLBOROUGH - Dozens of people who have paid to promote TelexFREE descended on the marketing and telecommunications company's Cedar Hill Street offices Tuesday, upset by recent changes made to their accounts.

The multinational company, which has been shut down in Brazil and is being investigated by the Secretary of the State here in Massachusetts, as of Monday night began requiring its "promoters," now known as associates, to sell five of its products, an Internet-based phone service, to be able to transfer their money to their bank accounts, according to several people who gathered at the office building.

But one associate, who declined to give his name, said most people who have signed up with TelexFREE have been making money by posting



Here's the ugly truth about diabetes medication your doctor will never tell you.

ADVERTISEMENT

1 in 10 people have unclaimed property. Look for yours NOW!



Office of the State Treasurer and Receiver General

U.S. economic growth cools Reuters



The Stylish 2015 Corolla

Let's Go Places With The Stylish Corolla. See Financing Offers Now.

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TelexFREE: Corp. v. Nieves, et al., No. 14-10566-... People become promoters by paying an entry fee - the company used to charge as much as \$1,375 for a "family kit" but now has a single rate of \$149. Some have as much as \$10,000 invested, the associate said, which they now cannot access unless they start to either sell the phone service or buy it themselves.

"It's almost impossible to sell," he said.

But Steve Labriola, a spokesman for the company, said TelexFREE has been "really successful with our product," and is trying to gear its business more toward sales of the phone service. While he confirmed TelexFREE had changed its account structure for associates, he said "the money is still there waiting for them" if they can sell the service.

"What we're really in the business of is gaining customers," he said, adding the company is rolling out new products including a new smartphone app.

TelexFREE has been accused by authorities in Brazil of being a pyramid scheme, however, and is under investigation in Massachusetts due to its similarity to another multi-level marketing operation that Secretary William Galvin's office ordered to be shut down last year, according to Brian McNiff, a spokesman for the office.

McNiff on Tuesday said the state's investigation is ongoing.

Labriola claimed executives from the company met with state officials last week to discuss TelexFREE's business model.

"I think the outcome of that day was pretty successful, but we'll have to see how it lands," he said.

Labriola said he called the police to intervene Tuesday when the crowd began to grow outside the company's offices. A TelexFREE associate who identified himself as Ruben Nieves, under the direction of Marlborough police officers, tried to get the approximately 40 people to go outside, telling them they would "discuss things in a civilized way."

"I work for you guys, because I'm a promoter like you," he said. "Let's work this together."

Nieves could not be reached for additional comment as police tried to get people off the premises. Calls made to his phone number were not returned before the Daily News's deadline.

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IS IT PAYDAY?

AAA is now offering a **FEE-FREE** way to load your paycheck!

Your **AAA Card** is also a **Prepaid American Express® Card**
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Terms and conditions apply to American Express for AAA Prepaid Card. See Card Member Agreement for complete details. Prepaid Card issued by American Express Travel Related Services Company, Inc.

TelexFree US business plagued with “rampant fraud”

Sep.07, 2013 in [TelexFree](#)



As Federal Prosecutors in Brazil contemplate whether or not they’re going to arrest and charge TelexFree’s top net winners with ‘counts of embezzlement and money laundering’, the US side of the company is now reeling from ‘rampant global credit card fraud’ and the effect it has had on their US banking channels.

On September 5th, the company sent out the following update to its affiliates:

NEWS – 05/09/2013 16:27

Dear Client,

Due to the recent amount of fraud attempts over the last two weeks, for the next 15 days our bank has limited daily payments allowed by credit card.

On a TelexFree affiliate investor call held sometime within the last 24 hours, affiliates spent nearly forty minutes discussing how to get around TelexFree’s recent credit card problems.

The call, hosted by a man only identified as “Brandon”, begins with the brief pimping of some upcoming TelexFree affiliate events, before the credit card situation is discussed.

[3:54] For the past few weeks guys we’ve all had our challenges with people y’know, paying into (TelexFree). They’re trying to get their (credit) cards whitelisted.

Case 4:14-md-02566-TSH Document 505-4 Filed 06/06/17 Page 45 of 49
And of course, and so much fraud was coming into the company and yet you've got people waiting. People who wanna get additional contracts, waiting and can't do it because their card's not whitelisted or they're getting declined.

Well yesterday the company made a very very really wise decision, and they decided to allow different ways of people paying into the system.

[4:40] Because of the fraud they had to cut down on the amount of credit cards that come through, they're only allowing so many through per day.

Ways to get around the credit card restrictions include depositing investments into an upline's bank account, after which the upline will then transfer their TelexFree virtual backoffice money in place of real money.

The above is described as '*the quickest way*' new affiliate investors can get money into "the system".

TelexFree affiliate Roy Lentz even went so far as to shatter Gerry Nehra's carefully crafted pseudo-compliance facade, when he referred to affiliates "purchasing positions" in his post-call summary:

If you do not have to use a credit card through TelexFREE, then don't. **If you are buying additional positions**, just send a cashier's check. A few days wait won't matter too much to you.

And by doing this, it allows more new enrolments to come in and be able to use a their credit card. Allow others the chance to become a part of the TelexFREE family, and we encourage you to work with your Sponsor should you wish to buy more contracts.

The second fastest way provided for affiliate to quickly invest funds with TelexFree is via the direct deposit of money into TelexFree's US bank account.

[5:50] The second fastest way is going to be, with the new system, where you're able to deposit money into the company's account three different ways.

One, by TD bank, two by cashier's check sent directly to the company or three by money order.

On the call the banking details for TelexFree's TD Bank account and money orders are displayed:

Due to the recent disruption of financial services over the last two weeks for the next 14 days our bank has limited daily payments allowed by credit card. In the next few days we will be offering other methods of payments worldwide available in more than 90 countries

Deposit inside USA information:

TD Bank

TelexFree LLC

Account Number 8250410334

Routing number 211370545

Address 225 Cedar Hill St, suite 200

Marlborough, MA 01752

Please mail Checks or Money order to

TelexFree LLC

225 Cedar Hill St, Suite 200,

Marlborough, MA 01752

USA

Ps We only accept ~~Cashier's~~ Cashier's Check or Money Order (NO CASH) for a maximum of \$ 1425.00 . Please put the invoice number in the memo

Wire transfer Outside USA ONLY

TD Bank

TelexFree LLC

Account Number = 8250410334

Routing number 211370545

Swift code: NRTTUS33XXX

Address 225 Cedar Hill St, suite 200

Marlborough, MA 01752

Deposit inside USA information:

TD Bank

TelexFree LLC

Account Number: 8250410334

Routing Number: 211370545

Address: 225 Cedar Hill St, suite 200

Marlborough, MA 01752

Please send Checks or Money Order to

TelexFree LLC

225 Cedar Hill St, Suite 200

Marlborough, MA 01753 (sic)

USA

PS. We only accept cashier's checks or money order (NO CASH) to a maximum of \$1425.00. Please put the invoice number in the memo.

Wire transfer Outside USA ONLY

TD Bank

Case 4:14-md-02566-TSH Document 505-4 Filed 06/06/17 Page 47 of 49
TelexFree
Accounting Number: 8250410334
Routing Number: 211370545
Swift Code: NRTHUS33XXX
Address 225 Cedar Hill St, suite 200
Marlborough, MA 01752

The memo for checks and money orders is needed because TelexFree affiliates deposit blind, and are then required to inform TelexFree they have made a deposit, which the company then verifies via the provided invoice number.

Why the company is limited to accepting \$1425 per check or money order is not explained.

As for TD Bank, they're

a national banking institution in the United States (chartered and supervised by the federal Office of the Comptroller of the Currency) which offers banking, insurance, brokerage, and investment banking services in Connecticut, Delaware, Florida, Maine, Maryland, Massachusetts, New Hampshire, New Jersey, New York, North Carolina, Pennsylvania, South Carolina, Vermont, Virginia, and Washington, D.C.

For reasons not apparently clear, apparently affiliates are not permitted to circulate the above banking information publicly. The following warning was sent out by TelexFree affiliate Kelly Tolar shortly after the conference call:



Kelly Isom Tolar

NEWS *** NEWS**** NO ONE IS ALLOWED TO PUT TD BANK ACCOUNT INFO on any (ANY - ANY) social media site. Please go and REMOVE any account numbers posted - here on facebook also. **ALSO** NO DEPOSITS TO THE TD Bank Account ~ A new account is being created next week. If you see any account numbers posted - ANYWHERE - please ask the person to remove the information. Thank you! Attention Faith Sloan Felix Sencion Darcy Allen Jacqueline Gooze Fred Irvin Dawna Devi ~ please spread the word.

Share · 11 hours ago near Charlotte, NC, United States

NO ONE IS ALLOWED TO PUT TD BANK ACCOUNT INFO on any (ANY – ANY) social media site.

Please go and remove any account numbers posted – here on facebook also.

ALSO NO DEPOSITS TO THE TD Bank Account ~ A new account is being created next week.

Once again, why affiliates are not permitted to circulate the information or why the TelexFree's TD bank account accepted deposits for such a short period of time is not clarified.

One other topic of interest discussed on the call that was news to me is the promise of new products that affiliates will supposedly be able to sell to customers. These include a \$49 debt consolidator and coffee.

If the products are anything like TelexFree's VOIP service however, they're likely to offer little more than thin masking of the company's affiliate-funded Ponzi investment scheme.

ATTACHMENT 35

STOP!!

For ALL BANK DEPOSITS
DO NOT FILL OUT CREDIT CARD
INFORMATION
MAKE DEPOSITS INTO
BANK OF AMERICA

Telexfree Inc
188 Boston Tpke
Shrewsbury Ma
01545
Account number [REDACTED]

**Must write username
and invoice number
on receipt. Allow up
to 24 hours processing
and confirmation time.
Can take picture of
receipt with cell phone.**

Write on Deposit receipt Your User
Name And Invoice Number
Scan in and send to
contato@telexfree.com and CC
[REDACTED]@gmail.com
(CC only if you want deposit expedited.)

TelexFREE

Link de Depósito: [http://telex-free.com/contato/201](#)
The link will only be valid after the account's confirmation.

Original: [REDACTED]
Date: [REDACTED]

FORMA DE PAGAMENTO

PROPAY

ATTACHMENT 37

Signup procedures for TelexFREE

Note : Be aware that the day your account gets activated, is the start date for your week for posting ads. Make sure you post your ad starting the very first day by 9:00 PM EST

Recent changes. Starting immediately, when you enroll and pay by credit card you will be activated immediately. You will have 5 days from then to upload your ID, see below.

- 1) Go to the webpage for your sponsor, www.telexfree.com/sponsorname
- 2) Click on the little American Flag at the top right of the screen for English.
- 3) Click on "register". Make sure your sponsor's name is shown at the top next to "indicated now"
- 4) Use the menu options for "packages" to select the package you want to purchase.
- 5) Create your login name. click on "validate" (or anywhere else on the page) and if the message comes up Green, you are good. If it comes up Red, you will have to select another name.
- 6) Complete the rest of the form. **NOTE: Whatever "name" you put down, whether it be your personal name or a company name, is going to be the default name shown on your credit card payment form. So you have to use the name that is on the credit card you will be using to pay with.** Under the address section, the program requires something in the "address 3" box. This can be your suite number or apt number, or you can just put your town name here. The program is looking for a "community" name here. But you have to put something in this box.
- 7) Make sure and select your country.
- 8) Read the policies and procedures and click on the agree button.
- 9) Enter the security code in the box provided, then click on the "sign here" button. The whole process has to be completed within a certain amount of time. If you click the final button and get an error message it will take you back to the input form and you will have to reenter the information needed. Once you click on the assinar button you will get another message asking if you are sure you want to sign up under your sponsor and you will see your sponsors name. As long as the sponsor name is correct, click yes.
- 10) This takes you to a payment screen. Click on the Propay logo and you will get to the screen to enter your credit card info.
- 11) Enter all of your information. For country, the US is shown as Estados Unidos Am?rica.
- 12) Once you click submit, you will get a message that it has been sent for approval. You will be immediately activated. Within 5 days you have to log into your account and submit a signed credit card authorization and a government ID like a drivers license. This is for the credit card processor. Go to the Telexfree website and enter your login info in the top right corner. You should now see a message in the box which says you still need to load documents. If not click on Statement, Pay Bills. A screen will come up asking you to submit two documents. The first is a signed authorization. Click on the link to download the PDF form. Fill this out and sign it. You will see your invoice number on the screen. Scan it in as a pdf file and upload it using the upload button on the page. If you cannot upload it, you can fax it to the company.
- 13) You also have to upload a copy of your driver's license or other photo ID or fax it to the company.

- 14) **IMPORTANT** – Once you have uploaded the files, a green button will appear that says “Enviar”. This translates to “send”. You have to click on this button to actually send your files. If you don’t, they don’t actually get uploaded and you will have to do it again.
- 15) **Make sure you start posting your ads right away.** The day you sign up is the day your week starts for posting ads.
- 16) **IMPORTANT** – TelexFREE will only let you use a credit card 2 times in any one month. If you are purchasing multiple positions, you will have to deposit funds into the corporate account for some of your positions. To use the corporate account, make a deposit at either Bank of America or at TD Bank. Write on the deposit slip your user name and the invoice number you are paying. Scan a copy of the deposit slip into your computer and email it to the company at contato@telexfree.com.

Bank account info: (choose one of the two options)

1) Bank of America

TelexFREE LLC

225 Cedar Hill St. Suite 200

Marlboro, MA 01752

Acc: 004635167408

Routing No. 011000138

2) TD Bank

TelexFREE LLC

225 Cedar Hill St. Suite 200

Marlboro, MA 01752

Acct. 8249392808

Routing No. 211370545

Note – if you make deposits at TD Bank – send a copy of the deposit slip, with your user name and invoice number written on it to, sdelarosavanterpool@gmail.com and sann@vicss.com

Customers:

How to become BINARY Qualified:

To be fully qualified to earn commissions in the binary comp plan, you have to personally sponsor one person on your left and one person on your right that are adcentral or at least the \$289 level. You also have to have one customer. This can be yourself or someone else.

When you enroll as a distributor, you will see an invoice in your back office for \$49.99 for the service. This is created automatically when you enroll. **DO NOT USE THIS INVOICE.** Instead, read below on how to sign up as a customer.

To sign up as a customer, you first go to your website, www.telexfree.com/username. You will see a purple button named "know the software Telexfree" in the middle of the page. Click on this button.

This takes you to an information page about the service. At the bottom of the page is a button labeled "enroll in this plan". Click on this link and you get to an enrollment screen. Right under the top video you will see "site by" user name. Make sure this user name is the correct one you are signing up a customer for. Fill out the input sheet and then the page with your credit card info. Remember on the credit card screen the United States is listed as Estados Unidos Am?rica.

Now if you go into your back office you will see yourself as a customer. It might take a little while to populate.

Translations:

Assinar. Sign by clicking here.

Preencha o campoBairro. Fill in the field for your community. The program wants an entry in the address 3 block. Just enter your city here again. It is asking for your community.

Senhas nao coincide. Passwords do not match

Aguardando Arquivos. Awaiting Documents

Enviar. Click here to Send

Aguarde Aprova?o. Awaiting Approval

usuario ou senha invalida. user or password not valid

ATTACHMENT 38

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Don't Get A Credit Card

Take A Business Cash Loan Instead. We Fund All Industries, Apply Now!



Ministry of Finance: TelexFree “not sustainable”

Mar.17, 2013 in [companies](#), [TelexFree](#)



In mid February we reported that Brazil's [Bureau of Consumer Protection \(Procon\)](#) had launched an [investigation into TelexFree](#), an MLM scheme run out of Brazil, back in January 2013.

Procon's investigation was concluded in February, with the bureau identifying “several controversial issues and possible crimes” in connection to the operation of TelexFree.

Following their investigation, Procon lodged an official complaint in Brazil and forwarded their findings to the State Prosecutors Office, the Minister of Finance and the Federal Police.

As of yet no information has surfaced on any action from the State Prosecutors Office or Federal Police. Brazil's Minister of Finance however did launch their own investigation following Procon's complaint, declaring late last week that TelexFree was “not sustainable”.

BehindMLM reader “[Frontier](#)” was first to alert us to the breaking news last week, citing a news report in Portuguese that announced the Ministry of Finance had concluded their investigation into TelexFree.

With Google translate not providing what I felt was an accurate translation of events, I held off writing about it but woke up today to find a [more translatable article](#) had been posted by the Brazillian website “iG”.

The Telexfree business of selling packages of internet telephony (VoIP, its acronym in English), is not sustainable and suggests a Ponzi scheme, which is a crime against the popular economy.

That is the conclusion of the Secretariat for Economic Monitoring of the Ministry of Finance (Seae / MF) in a statement on Thursday (14).

The court further stated that the company responsible for the business Ympactus Comercial LTDA., Has partnerships with mobile operators or fixed, which would be necessary to ensure the provision of VoIP services, nor authorization to practice trading activities.

If I'm reading the above correctly (I believe "nor" is supposed to read "not"), the court is stating that evidence of VOIP business relations exist between Ympactus Commercial (TelexFree's parent company) and mobile operators, however said relationships do not permit TelexFree to run an unsustainable Ponzi scheme.

According to the agency, there is evidence of two irregularities: stimulate the informal economy, because "the most substantial financial gains do not come the ads, but the entry of new publishers on the network's original publisher (...)

If there is no entry of new stakeholders, it is impossible to get the advertised gains, indicating, unless contrary interpretation, the lack of sustainability of the business.

The above pretty much aligns with my own research into TelexFree ([see BehindMLM TelexFree review here](#)), with any VOIP services offered simply being a front for the AdCentral Ponzi scheme component of the business.

Following their investigation, the MoF announced that they will forward their findings to the Federal Police and Federal Public Ministry. Whether or not either agency moves on the scheme remains to be seen.

BehindMLM reader "[Brazillian](#)", suggests that government action against the company seems unlikely:

Brazilian law is too permissive for this kind of system. I don't even remember any case where authorities shut down a scheme that was still active, recruiting. In nearly all cases, they wait until the "bubble" blows.

A few weeks ago I was [contacted by TelexFree's attorney and well-known MLM industry Gerry Nehra](#), who claimed that

the TelexFREE business model in the USA is NOT an investment, uses NO investment language, and pays ONLY on the sale of its VOIP long distance product.

When I pointed out that TelexFree in the US uses the exact same investment business model as in Brazil and included screenshots of the TelexFree website demonstrating as much, I never heard back from him.

Stay tuned.

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Get \$75 Worth of Advertising When You Spend \$25 With AdWords



TelexFree financial schedules filed (creditors named)

Mar.01, 2015 in [TelexFree](#)



TelexFREE

As part of the bankruptcy proceedings initiated by TelexFree's owners, the company was required to file Schedules of Assets and Liabilities.

Owing the bankruptcy proceedings being initiated in order to dissolve Ponzi ROI liabilities and head off a civil and criminal investigation into the company, these schedules were never filed.

Receiving absolutely no assistance from TelexFree's owners and due to complications arising from data seized by various agencies investigating the scam, it's taken some time for the court-appointed Receiver to finally put together an accurate list of TelexFree's creditors.

Here, for the first time, we get to see a list of not only affiliates who TelexFree owed money too, but also the third-party businesses who got involved with the scam **and should have known better.**

Note that in both the instances of TelexFree affiliates and third-party businesses, that the records put together by the Trustee are from a combination of claims filed by the named parties and TelexFree's own (poorly kept) records.

The full list of TelexFree creditors *'contains 1,894,940 Participant names, spanning 35,110 pages (and) has been included on a separate disc.'*

I don't have access to that disc but included with the financial scheduling filing are presumably the top creditors and debtors on that list.

First, we have the third-party businesses who got involved with TelexFree, when even the most superficial of due diligence should have revealed the existence of a \$1.8 billion Ponzi scheme.

For reasons unknown, these companies either willfully ignorant of the evident red flags or simply chose to hedge their bets and ignore them.

- Babener and Associates (MLM lawyers) – paid \$283,000 between the 21st of January to the 21st of February 2014
- Editora Globo (Brazilian publishing house whose parent company is the largest mass media group in Latin America) – paid \$174,684 on the 6th of February 2014
- Garvey Schubert Barer (lawyers) – paid \$532,503.50 between 22nd January and 6th of March 2014
- • GreenbergTraurig (lawyers) – paid \$624,823 between 18th of February and 26th of March 2014
- Impact This Day Inc. (MLM “people management” company, Chairman is Stuart Macmillan who helped orchestrate TelexFree’s bankruptcy farce) – paid \$84,363.32 between 28th of February and 14th of March 2014
- ISG Telecom Consultants LLC (owned by Joseph Isaacs and assisted TelexFree with telecommunications registrations) – paid \$377,519 between 21st of January and 14th of March 2014
- Craft Financial Solutions LLC (owned by Joseph Craft, disgraced accountant who worked for TelexFree as Chief Financial Officer) – paid \$1.93 million between 25th of June 2013 and 14th of March 2014
- Craft Trust Services LLC (also owned by Joseph Craft) – paid \$371,889 between 3rd of December 2013 and 19th February 2014

On the affiliate side of things, creditors owed payments they requested are listed.

There’s a ridiculous number of names on the list included with the schedules, which in itself is only a fraction of the names on the full CD list.

As such I’ve only included a handful that are of significant interest (based on the dollar amounts, sorted by country).

Australia

- Elisabeth Walters – \$41,655 between the 7th of February and 28th of March 2014

Baker Island

- Mihail Medvedovsky – \$20,041 between 28th of February and 28th of March 2014

Belarus

- Alina Patroinaya – \$16,444.88 on the 28th of March 2014

Belgium

- Paul Christiaen – \$26,133.35 on the 28th of March 2014

Bolivia

- Edgar Guzman Paz – \$22,193 between the 14th of March and 4th of April 2014
- Rutenio Sa De Oliveira – \$21,384 between 21st of March and 4th of April 2014

Canada

- Gurpreet S Randhawa – \$37,835.14 between 17th of January and 4th of April 2014
- Harry Bretschneider – \$36,667.83 between 17th of January and 4th of April 2014
- James O'Brien – \$19,900 between 17th of January and 14th of February 2014
- Michael Williams – \$24,000 between 21st of March and 4th of April 2014
- Simion Rozenberg – \$20,754 between 24th January and 4th of April 2014

China

- Li Hehua – \$25,000 on 21st of February 2014

Colombia

- Jose David Jaramillo Restrepo – \$15,005 on 4th of April 2014

Dominican Republic

- Abdiel Taveras Angomas – \$17,501.44 between 28th of March and 4th of April 2014
- Aramis Mejia – \$33,638 between 21st of March and 4th of April 2014
- **Carlos Orlando Pina – \$50,839 between 28th of March and 4th of April 2014**
- Carlos Paulino – \$29,116.44 between 21st of January and 4th of April 2014
- **Carlos Pina – \$62,056 between 28th of March and 4th of April 2014**
- Elvis Janer De Aza – \$20,000 between 28th of March and 4th of April 2014
- Ernesto Jose Baez Candelario – \$44,698.20 on 4th of April 2014
- Fausto Fermin – \$20,000 on 4th of April 2014
- Felipe Mateo De Jesus Olivares Caputo – \$34,000 on 4th of April 2014
- Janser Rodriguez – \$20,029 between 31st January and 4th of April 2014
- Joel Marcelino – \$19,698 on the 4th of April 2014
- Joel De Jesus Javier – \$41,000 between 28th of March and 4th of April 2014
- Johnnatan Dishmey Cuevas – \$18,500 between 21st and 28th of March 2014
- Julian Nunez – \$40,000 on 4th of April 2014
- Junior Ramses Reyes Lizardo – \$33,970 on 4th of April 2014
- Kerlin Guerrerero Reinoso – \$17,129 on 4th of April 2014
- Nestor Miguel Rodriguez Mejia – \$22,526.79 between 28th of March and 4th of April 2014
- Yahaira Rachide Nuñez De Castro – \$26,750 between 28th of March and 4th of April 2014
- Yovanka Zapata – \$22,350 between 21st of March and 4th of April 2014

Egypt

- Bahaa Altali – \$33,985 between 28th of March and 4th of April 2014
- Noha Elsharawy – \$18,436.79 between 31st of January and 7th of March 2014

France

- Emmanuel Cyril Rã©gis Roujolle (sic) – \$53,175.92 between 17th of January and 4th of April 2014

Germany

- Faith Jael Gohar – \$18,709.67 between 21st of February and 14th of March 2014
- Guenther Souvard – \$18,752 on 21st of March 2014
- Ivan Varenic – \$34,550.51 between 21st and 28th of March 2014
- Jean Pales Cordeiro – \$27,548.61 between 7th of February and 4th of April 2014

Ghana

- Awuku-Aboagye Richard – \$55,300 between 7th of February and 14th of March 2014

Hong Kong (China)

- Chung Ka Yan Vivienne – \$18,000 between 28th of March and 4th of April 2014
- Ho Lai See Alice – \$25,000 between 24th of January and 28th of March 2014
- Leyie Wong – \$33,348.37 between 28th of February and 4th of April 2014
- Mei Yi Fan – \$60,535 between 31st of January and 4th of April 2014
- Ou Zhao Ji – \$30,296.21 between 21st of February 2014 and 4th of April 2014

India

- Divya Rajen Mehta – \$19,175 between 28th of February and 21st of March 2014
- Hariharan Sivaraman – \$43,013 on 28th of March 2014

Indonesia

- Alfredo Winarta – \$29,700 on the 4th of April 2014
- Handry Kurniawan – \$21,000 on the 4th of April
- Markus Gunawan – \$19,149.53 on the 4th of April 2014

Italy

- Alberto Lanza – \$23,279.27 between 31st of January and 4th of April 2014
- Alessandro Calvi – \$18,200 on 4th of April 2014
- Alessio Mastrini – \$18,813 on 28th of March 2014
- Anna Maria Livellara – \$16,500 on 4th of April 2014

- Antonio D'Andrea – \$24,443.27 between 31st of January and 28th of March 2014
- Antonio Urso – \$18,281 between 21st of March and 28th of March 2014
- **Battista Crasto – \$95,000 between 28th of February and 28th of March 2014**
- Claudio De Luca – \$18,900 between 28th of March and 4th of April 2014
- Emanuele Bonaddio – \$18,559.27 on 4th of April 2014
- Fabrizio Armato – \$16,000 on 4th of April 2014
- Francesco Giocoli – \$32,500 on 28th of March 2014
- Francesco Vivarini – \$21,270 between 17th of January and 4th of April 2014
- Giacomo Sclano – \$20,147 between 24th of January and 28th of March 2014
- **Gianfranco Pinna – \$115,000 between 31st of January and 28th of March 2014**
- Giovanni Del Re – \$17,824.65 between 17th of January and 28th of March 2014
- Graziana Siliari – \$20,151.60 between 14th of February and 28th of March 2014
- Gualdi Gian Battista – \$17,398 on 24th of February 2014
- Maurizio Esposito – \$29,238.72 between 28th of March and 4th of April 2014
- Paola Stefanini – \$22,485 between 24th of January and 28th of March 2014
- Paolo Teoldi – \$26,565.56 between 24th of January and 4th of April 2014
- **Pasquale (sic) – \$75,532.94 between 17th of January and 21st of March 2014**
- Pier Giuseppe Andorno – \$18,963 between 7th of February and 4th of April 2014
- Roger Pappini – \$19,186 on 28th of March 2014
- Sabina Liberatore – \$26,000 between 7th and 21st of March 2014
- Shorena Kurkhuli – \$22,632 between 28th of March and 4th of April 2014
- Silvia Casarin – \$23,100 on 4th of April 2014
- Vuiassinovich Trifone – \$21,310 between 21st of March and 4th of April 2014

Japan

- Carla Vanessa Fuziyama – 26,561 on 4th of April 2014
- Masanori Abe – \$27,912.27 between 21st of February and 21st of March 2014
- Osamu Nogami – \$30,000 on 17th of January 2014

Jordan

- Ma'Moun Muhsen – \$23,600 on 28th of March 2014

Malaysia

- Beh Shao Min – \$37,931 between 7th of February and 4th of April 2014

Mexico

- Alain Edmond – \$21,492 between 24th of January and 7th of March 2014
- Alejandro Sanchez Cervantes – \$17,060 on 4th of April 2014

Netherlands

- A.A.A. Schulze – \$18,334 between 21st of February and 4th of April 2014
- Peter Cuijpers – \$20,200 between 31st of January and 4th of April 2014

New Zealand

- **David Williams – \$204,450 between 17th of January and 4th of April 2014**
- Luciano Teixeira Do Nascimento – \$17,072.56 between 31st of January and 4th of April 2014

Nigeria

- Bamidele E Oladokun – \$20,174.08 between 24th of January and 21st of March 2014
- Toki Toluwaleke Olawale – \$35,238 between 28th of March and 4th of April 2014

Norway

- Joergen Trygstad – \$32,123.76 between 28th of February and 21st of March 2014

Paraguay

- Adrián Santos Córdor – \$28,890.38 on 24th of January 2014

Peru

- **Flor Espejo Barron – \$60,700 on 17th of January 2014**
- **Joaquin Mario Santisteban Vega – \$54,365.67 between 7th of February and 28th March 2014**
- **Lorena Jacinta Mendoza Del Carpio – \$54,200 between 17th of January 2014 and 4th of April 2014**
- **Marcelino Salazar Bacilio – \$64,426 on 17th of January 2014**
- Norma Cristina Palomino Ramirez – 30,325.62 between 7th and 21st of February 2014
- Susana Rosario Aguirre Garragate – \$25,890.50 between 17th of January and 14th of February 2014

Portugal

- Adriano Silva Alves – \$34,300 on 4th of April 2014
- Agostinho Goncalves De Brito – \$22,270.16 between 24th of January and 21st of March 2014
- Alfredo Nunes Figueira De Chaves – \$21,000 on 4th of April 2014
- Amaro Luis Gonçaves – \$17,402.21 on 4th of April 2014
- Ana Catanho – \$20,385.61 between 28th of March and 4th of April 2014
- Ana Cristina Campos Gouveia – \$17,876.88 between 28th of March and 4th of April 2014
- Ana Drumond – \$17,289 between 31st of January and 4th of April 2014
- Ana Maria Jesus E Silva – \$22,507.11 between 21st and 28th of March 2014
- Antonio Da Conceicao Valente De Andrade – \$24,200 between 24th of January and 28th of March 2014
- António Rodrigues – \$23,880 on 4th of April 2014
- Arlete Gouveia – \$23,747.19 – between 17th of January and 4th of April 2014
- Bruno Egidio Coelho Gomes – \$24,350 between 21st of March and 4th of April 2014

- Bruno Filipe Silva Santos – \$17,407.90 between 21st of March and 4th of April 2014
- Dalila Maria Souto Henriques – \$28,636 between 21st of March and 4th of April 2014
- Eduarda Maria Branco Fernandes – \$28,511.22 between 17th of January and 4th of April 2014
- Fã;Tima Maria Ferreira Santos (sic) – \$28,293 between 24th of February and 4th of April 2014
- Fernando Da Silva Gonzalez – \$28,600 between 21st of March and 4th of April 2014
- Filipe Fernandes – \$24,550 between 17th of January and 4th of April 2014
- Hermenegildo Berenguer – \$44,854 on 4th of April 2014
- Joao Andrade – \$30,498.96 on 28th of March 2014
- Joao Lui-S Garces Dias – \$34,800 on 4th of April 2014
- Josã© Paulino Carvalho Castanho (sic) – \$23,000 between 17th of January and 28th of March 2014
- Jose Gregorio De Leça Graterol – \$26,717 on 28th of March 2014
- Jose Luis Cabral Souto – \$38,500 between 21st of March and 4th of April 2014
- Lino Jacinto Santos Silva – \$26,806.84 on 4th of April 2014
- Luis Carlos Barbosa – \$25,000 between 21st and 28th of March 2014
- Luis Ezequiel Cabral Correia – \$22,500.20 on 4th of April 2014
- Maria Clara Faria Cabral De Noronha – \$30,700 between 17th of January and 28th of March 2014
- Maria Natalia Souto Dias – \$45,000 between 28th of March and 4th of April 2014
- Maria Rita Simões Lucas – \$22,450 between 24th of January and 7th of March 2014
- Martinho Anacleto Fernandes Correia – \$106,833 on 4th of April 2014
- Michael Da Conceição Figueira – \$20,677 on 4th of April 2014
- Nelson Alves – \$21,098 between 28th of March and 4th of April 2014
- Nelson Santos – \$20,285.90 on 4th of April 2014
- Paola Zollo Alecci – \$50,000 between 28th of March and 4th of April 2014
- Paulo Freitas – \$40,000 on 4th of April 2014
- Pedro Manuel Guedes De Carvalo – \$26,000 on 4th of April 2014
- **Rosa Alves Joazinho – \$61,299 on 4th of April 2014**
- Rosa Marina Cabral Souto – \$35,003 on 4th of April 2014
- Sarafina Pinto Gomes – \$21,078 on 4th of April 2014
- Osias Alves Teixeira Junior – \$30,494 between 7th and 28th of March 2014

Rwanda

- Biryabarema Michael – \$24,883 between 28th of March and 4th of April 2014
- Caroline Kayonga – \$16,550 between 28th of March and 4th of April 2014

Serbia

- Nebojsa Sakic – \$22,907.82 between 24th of January and 4th of April 2014

Singapore

- Er Chuen Hoe – \$38,101.29 between 24th of January and 28th of March 2014
- Hong Min Heng Ian – \$19,447.04
- Lee Kian Sing – \$35,419.24 between 31st of January and 4th of April 2014

South Africa

- Jayshree Kalidas – \$25,043.89 between 31st of January and 28th of March 2014
- Joaquim Ferraz – \$16,500 on 4th of April 2014
- **Lj Haasbroek – \$115,000 between 7th of March and 4th of April 2014**
- Naomi Jooste – \$18,630.36 between 28th of March and 4th of April 2014

Spain

- **Abraham Pã©Rez Domã-Ngez (sic) – \$81,976.32 between 24th of January and 4th of April 2014**
- Alvaro Montero Puertas – \$24,854 between 28th of March and 4th of April 2014
- Carlos Tejada Vicent – \$20,395.22 between 28th of February and 21st of March 2014
- Edward Guzman – \$18,000 on 28th of March 2014
- Francisco Dominguez Varela – \$20,000 between 14th and 28th of March 2014
- Gabriel Gomez Humanes – \$25,170 between 17th of January and 28th of March 2014
- Javier Fernandez Iglesias – \$28,437.12 between 21st of February and 4th of April 2014
- Joaquin Perez Marquez – \$26,337.72 between 28th of March and 4th of April 2014
- Maria Jesus Torraza Fornet – \$54,600 on 4th of April 2014
- Monica Quintero – \$20,012.49 on 4th of April 2014
- Raimundo Aurelio De Oliveira – \$23,166.48 between 21st of February and 4th of April 2014
- Roberta Priscila Do Nascimento Espínola De Carvalho – \$33,179.51 between 7th of February and 21st of March 2014
- **Roberto Zapata La O – \$79,611.96 between 21st of March and 4th of April 2014**

Switzerland

- Luca Melli Martini – \$24,416 between 17th of January and 4th of April 2014
- Marcio Jose Pessoa Pinto – \$17,800 between 24th of January and 4th of April 2014
- Vanja Renza Grossi – \$21,300 between 24th of January and 28th of March 2014

Taiwan

- Chi Chieh Cheng – \$24,425 between 28th of March and 4th of April 2014
- Chiung Yu Liu – \$20,904 between 7th of February and 4th of April 2014
- Hsuan Nan Wang- \$35,219.91 between 17th of January and 28th of March 2014

Uganda

- Mugisha Van Robert – \$36,802.85 on 4th of April 2014
- Nanima Robert Doya – \$18,715 on 28th of March 2014

United Arab Emirates

- Hiren Jitendra Maisheri – \$17,987 between 24th of January and 4th of April 2014

- Samir Nabil Moussallem – \$17,750 between 31st of January and 7th of March 2014

United Kingdom

- Agostinho S. Mendes Neto – \$34,503 on 28th of March 2014
- Fabio De Lima – \$31,381.09 between 21st of March and 4th of April 2014
- Kyle Farley – \$23,440.56 between 17th of January and 4th of April 2014
- Monowara Khan – \$49,424 between 31st of January and 7th of March 2014
- Roberto Dias – \$21,196.47 between 21st of February and 4th of April 2014
- Robin Winters – \$41,553.04 between 17th of January and 28th of March 2014
- **Yuen Ting Cheng – \$431,407.98 between 17th of January and 21st of February 2014**

United States

- **4World Group Inc – \$52,000 on 21st of March 2014**
- Adelaida Garcia – \$20,753 between 14th of March and 4th of April 2014
- Aklilu Woldeamlak – \$29,369.41 between 17th of January and 4th of April 2014
- Alberto Daly – \$28,282.38 between 28th of March and 4th of April 2014
- Alessandra Rosa – \$25,643 between 17th of January and 21st of March 2014
- Ameer Ladha – \$36,600 between 31st of January and 4th of April 2014
- Ana Lopez – \$48,451.15 between 21st of March and 4th of April 2014
- Ana R Ramos – \$25,199.39 on 21st of March 2014
- Andrea Loza – \$22,377.11 between 17th of January and 4th of April 2014
- **Andrei Koutsenko – \$57,908.56 between 7th of February and 4th of April 2014**
- Andres Sosa Garcia – \$27,626 between 31st of January and 4th of April 2014
- **Aquelina Silva – \$123,600 between 31st of January and 14th of March 2014**
- Aquilla S King – \$26,500 between 17th of January and 4th of April 2014
- Ashby Franklin – \$49,120.51 between 14th of February and 28th of March 2014
- Ashley Marie Ng – \$26,480.79 between 7th of March and 4th of April 2014
- Bao Xiong – \$21,649.68 between 28th of March and 4th of April 2014
- Beatriz Gordils – \$38,200 between 28th of March and 4th of April 2014
- Ben Maltz – \$34,500 between 17th of January and 4th of April 2014
- **Benik Matevosyan – \$54,142 between 17th of January and 4th of April 2014**
- Carlos C Dejesus – \$26,831.26 between 17th of January and 28th of March 2014
- **Carlos David Alfaro Ulloa – \$128,231 between 14th of February and 4th of March 2014**
- Carole Chontos – \$26,474.01 between 24th of January and 21st of March 2014
- Cecilia Lee Wieserman – \$22,908.82 between 24th of January and 28th of March 2014
- Celso Roberto Silva Filho – \$20,000 on 4th of April 2014
- Cintia Cardoso Marangon – \$23,900 on 4th of April 2014
- Clarence Thompson – \$31,977 between 17th of January and 4th of April 2014
- Daneng Xiong – \$36,000 between 21st of March and 4th of April 2014
- Daniel J Nisley – \$24,100 between 17th of January and 28th of March 2014
- **Daniil Shoyer – \$78,037.33 on 28th of March 2014**
- David Duckworth – \$27,005 between 7th and 28th of February 2014
- Diana Santa Maria – \$22,000 between 24th of January and 28th of March 2014
- **Dolarex LLC – \$50,250 between 17th of January and 4th of April 2014**
- Dunia Tenecela – \$20,647.19 on 4th of April 2014

- Earl Maxon – \$30,058.17 between 17th of January and 28th of March 2014
- **Edgardo Provenzano – \$50,200 between 24th of January and 4th of April 2014**
- Edilma Restrepo – \$27500.61 on 17th of January 2014
- Edson Machado – \$30,476 on 28th of March 2014
- Eli Schlabach – \$35,000 on 21st of March 2014
- Erasmo Barroso – \$35,575 between 28th of March and 4th of April 2014
- Eric Bruce Morgan – \$25,084 between 17th of January and 28th of March 2014
- Erik Sanchez – \$38,710 between 28th of March and 4th of April 2014
- Esam Abdelgadir – \$46,287.68 between 28th of March and 4th of April 2014
- Eudes Jansen Tavares Freitas – \$44,152.39 between 17th of January and 28th of March 2014
- Eugenia Ryazanova – \$35,226 between 17th of January and 28th of March 2014
- Fabiana L. Neto – \$23,000 between 17th and 24th of January 2014
- **Fabio Wanzeler (brother of TelexFree owner Carlos Wanzeler) – \$222,725 between 24th of January and 4th of April 2014**
- **Faith Sloan – \$75,000 on 28th of March 2014**
- Felix Victor Ruiz – \$23,632.87 on 4th of April 2014
- Fernando M. Bermudez – \$45,010 between 17th of January and 4th of April 2014
- First Merchant Solutions – \$36,303.17 on 28th of March 2014
- Florentino Rodriguez – \$20,069.14 on 21st of March 2014
- Francisco Castro – \$24,908 between 17th of January and 4th of April 2014
- Freddy Leroy Corp – \$37,249.57 on 28th of March 2014
- Germano Braga De Oliveira Junior – \$22,648.78 between 17th of January and 28th of March 2014
- Gervasio Andriolo – \$30,617.44 between 24th of January and 4th of April 2014
- Gilmar M Carmo – \$27,000 on 21st of March 2014
- Grace Lee – \$22,890.50 between 17th of January and 4th of April 2014
- Henry (sic) Alberto Delgado Miranda – \$36,900 between 17th of January and 21st of March 2014
- Heraclito Higor Bezerra Barros Noe – \$34,761.40 between 17th of January and 4th of April 2014
- Hindsight Innovative Products Inc – \$39,102.01 between 21st of February and 4th of April 2014
- **Hugo Marquez – \$98,823.51 between 24th of January and 4th of April 2014**
- I Telex LLC – 31,764 between 28th of March and 4th of April 2014
- **Infinium Wireless, LLC (founded by Todd Betlejewski) – \$92,000 on 17th of January 2014**
- Itamar Sampaio – \$30,581.96 on the 31st of January 2014
- **Jacob Podlipsky – \$98,500 between 17th of January and 21st of March 2014**
- **Jacqueline Da Costa Zieff – \$81,764.17 between 7th of February and 4th of April 2014**
- **Jaeill Ro – \$55,156.49 between 24th of January and 4th of April 2014**
- Jaime Francisquez – \$23,540 between 7th of February and 4th of April 2014
- **James Brown – \$79,200 between 17th of January and 28th of March 2014**
- James Washington – \$28,180 between 28th of February and 4th of April 2014
- Jay R. Kingery – \$35,388.59 between 17th of January and 4th of April 2014
- **Jean 2004 Enterprise Corp – \$58,200 on 28th of March 2014**
- Jean-Claude Massad – \$21,941.93 between 21st of February and 21st of March 2014
- Jecc LLC – \$28,088 – 21st of March 2014
- Jesus Diaz – \$47,600 between 24th of January and 28th of March 2014
- Joao Da Silva – \$33,735 between 7th of March and 4th of April 2014
- John F Pace – \$47,349 between 31st of January and 4th of April 2014
- John Staniford – \$21,961 between 17th of January and 21st of March 2014
- Johnny Castillo – \$22,171.64 between 7th of February and 4th of April 2014
- Jon Hogue – \$21,040 – between 31st of January and 21st of March 2014

- Jorge Chang Chin Fu – \$24,000 between 14th of March and 4th of April 2014
- Jorge Montoya – \$24,300 on 4th of April 2014
- Josephine Simmons – \$33,665 between 7th of February and 28th of March 2014
- **Julian Watson – \$93,483 on 4th of April 2014**
- Julio J. Inacio – \$32,915.70 on 21st of March 2014
- Kaari Keranen – \$21,516.06 between 24th of January and 21st of March 2014
- **Kelcia Vieira – \$58,400.82 between 21st of March and 4th of April 2014**
- Kenia Kopitar – \$26,480.22 between 14th and 28th of February 2014
- Kenneth L Beauregard – \$25,994.36 between 7th of February and 4th of April 2014
- Kerr Real Estate Services LLC – \$29,389.34 between 17th of January and 4th of April 2014
- Lair Fernandes – \$25,000 on 4th of April 2014
- Language Bridge (sic) – \$21,418 between 17th of January and 28th of March 2014
- Laurie Novak – \$35,155 between 17th of January and 4th of April 2014
- Layza Gonzaga – \$44,755.78 between 17th of January and 4th of April 2014
- **Lelio Celso Ramires Farias – \$151,426 between 21st of March and 4th of April 2014**
- Leonardo B. Meira – \$45,800 between 21st of March and 4th of April 2014
- Leslie Mebane – \$33,851.07 between 17th of January and 4th of April 2014
- **Linda Suzanne Hackett – \$178,158.70 on 14th of March 2014**
- Luciano Faria – \$34,619.91 between 17th of January and 28th of March 2014
- **Luiz Antonio Da Silva – \$50,500 between 28th of March 2014 and 4th of April 2014**
- **Lyvia Mara Campista Wanzeler (daughter of TelexFree owner Carlos Wanzeler) – \$17,241.30 on 14th of February 2014**
- Mana Loa – \$33,158.07 between 31st of January and 28th of March 2014
- Marcello Pompa – \$30,589.23 on 28th of March 2014
- **Marcelo Dasilva – \$56,506 between 28th of March and 4th of April 2014**
- Marco Almeida – \$20,000 on 4th of April 2014
- Marco B Cunha – \$20,000 on 4th of April 2014
- Marcus Molle – \$27,497.34 between 21st of February and 4th of April 2014
- Maria Ribeiro – \$29,705 between 28th of March and 4th of April 2014
- Markus Muchenberger – \$24,055 between 24th of January and 4th of April 2014
- Mauricio Marquez – \$38,231.93 between 17th of January and 21st of March 2014
- Melissa Stefanski – \$23,511.32 between 7th of February and 21st of March 2014
- MG Global Services Inc. – \$33390.28 between 14th and 21st of March 2014
- Michael C Silva – \$21120 between 17th of January and 4th of April 2014
- MMG Network LLC (Mayco Maldonado) – \$46,811 on 4th of April 2014
- Myrna Trueblood – \$27,355.43 between 14th of February and 4th of April 2014
- **Nadim B Radwan – \$120,167.32 between 17th of January and 4th of April 2014**
- Nelvin Leiva – \$52,838 between 21st of March and 4th of April 2014
- Neutra Ventures Inc – \$25,400 between 28th of March and 4th of April 2014
- Newbiz1121 LLC – \$22,300 between 24th of January and 4th of April 2014
- Ney Aneudy Marrero Rondon – \$47,762.83 between 31st of January and 4th of April 2014
- Nilma Cabral Da Cunha – \$20,400 on 4th of April 2014
- Nilson Machado – \$32,150 between 17th of January and 4th of April 2014
- Nina Potapenkova – \$27,086 on the 4th of April 2014
- Olga Mapes – \$28,229.44 between 17th of January and 28th of March 2014
- Otto Hernandez – \$31,521.89 on 4th of April 2014
- Paidweeklyads INC – \$23,700 between 7th of March and 4th of April 2014
- Paul Kim – \$48,000 on 4th of April 2014

- Paulo Sergio Pereira Dos Santos – \$20,000 on 4th of April 2014
- Pedro Polini – \$27,300 between 31st of January and 28th of March 2014
- Peter Betiku – \$31,626 between 21st of March and 4th of April 2014
- PHP Money Systems – \$34,479.34 between 17th of January and 14th of March 2014
- Psie LLC – \$35,405.66 between 17th of January and 4th of April 2014
- Rad Taha – \$22,700 on 4th of April 2014
- RedTech LLC – \$31,344 between 21st February and 4th of April 2014
- **Rex Guynn – \$64,530 between 17th of January and 28th of March 2014**
- Richard Newquist – \$33,785.67 on 4th of April 2014
- Robert L. Heinicke – \$57,932.83 between 17th of January and 21st of March 2014
- Robert Melody – \$27,600 between 24th of January and 21st of March 2014
- **Robert P Brown – \$144,067.15 between 17th of January and 4th of April 2014**
- Rodrigo Montemor – \$33,303 on 28th of March 2014
- Rodrigo R Breda – \$26,076.24 on 4th of April 2014
- Rogerio Romi Rossa – \$24,000 on 28th of March 2014
- Rolando Pichardo – \$28,780 between 28th of March and 4th of April 2014
- **Roman Tokar – \$66,670 between 17th of January and 4th of April 2014**
- Romeo Di Santillo Bruno – \$25,308.05 between 17th of January and 21st of March 2014
- **Roni Yasmine – \$50,050.94 between 21st of February and 28th of March 2014**
- Rosemary Correa Loureiro – \$22,700 between 28th of March and 4th of April 2014
- Rozina Zahirali Makhanejin – \$20,400 between 17th of January and 4th of April 2014
- **Ruddy Abreu – \$102,500 between 21st of March and 4th of April 2014**
- **Rudnei Da Silva – \$76,181.52 between 14th of March and 4th of April 2014**
- **Rui O Pereira – \$57,883 between 14th of March and 4th of April 2014**
- Saif Muhsen – \$23,630 between 21st and 28th of March 2014
- Salina L Chan – \$24,380 between 24th of January and 4th of April 2014
- **Sami Farraj – \$57,554.39 between 31st of January and 4th of April 2014**
- Santos Gonzalez – \$43,176 between 28th of March and 4th of April 2014
- Scott Bonarrigo – \$42,083.98 between 17th of January and 4th of April 2014
- Sergio Correa – \$20,500 on 4th of April 2014
- **Sergio Nascimento Decastro – \$50,878 between 24th of January and 28th of March 2014**
- Shawqi Alsarabi – \$25,658 between 28th of March and 4th of April 2014
- Shyshakova Halina – \$29,538.10 between 17th of January and 14th of March 2014
- Sidney De Souza Araujo – \$26,621.96 between 24th of January and 28th of March 2014
- Sign On The Line, Inc (John Bates) – \$24,400 on 28th of March 2014
- **Simone Valtolina – \$132,978.87 between 17th of January and 4th of April 2014**
- **SKC Global Investment Inc (Seong Ja Seo) – \$60,000 on 28th of March 2014**
- Sky Summit LLC – \$24,900 between 17th of January and 4th of April 2014
- Snyder Enterprises – \$31,427.80 between 31st of January and 21st of March 2014
- Souza Jr Services Inc – \$42,950 between 21st of March and 4th of April 2014
- Stanford Lehman – \$43,700 between 17th of January and 4th of April 2014
- Sunset Associates Inc – \$29,020 between 17th of January and 21st of March 2014
- Svitlana Dombrovska – \$23,990 between 24th of January and 4th of April 2014
- Tarik Suleiman – \$43,053 between 7th of February and 28th of March 2014
- **Technovia Inc. – \$61,000 between 28th of March and 4th of April 2014**
- **Teresa R Britton – \$66,110.03 between 17th of January and 21st of March 2014**
- The J And L Netlink, Corp – \$22,000 between 17th of January and 4th of April 2014
- **Thomas J Brady – \$54,510 between 31st of January and 4th of April 2014**

- Thomas Zazzara – \$20,795.12 between 7th of February and 28th of March 2014
- Timothy Stifter – \$43,971.61 between 21st of March 2014 and 4th of April 2014
- **Toni P Scolaro – \$55,930 between 28th of March and 4th of April 2014**
- Vagner Dantas Silva – \$42,348 between 24th of January and 4th of April 2014
- Viktor Ryazanov – \$42,253 between 17th of January and 28th of March 2014
- Waldir Cruz – \$22,799.40 on 4th of April 2014
- Wang Khue Thao – \$44,347 between 28th of March and 4th of April 2014
- Wendy E Awes – \$34,600 between 17th of January and 4th of April 2014
- Wideniran Valente – \$42,249.47 between 31st of January and 4th of April 2014
- William Taylor – \$28,726 between 24th of January and 4th of April 2014
- Williams Almaguer Morales – \$21,116 between 28th of March and 4th of April 2014
- Willie Thomas – \$24,703 between 17th of January and 14th of March 2014
- Wisley Silva – \$30,486.67 between 24th of January and 14th of March 2014
- World Wide Ventures & Technology – \$27,506.35 between 7th of March and 4th of April 2014
- Yang Xiong – \$25,618 between 7th of March and 4th of April 2014
- Youssef Abourjaili – \$33,000 on 28th of March 2014
- Yuriy Loginov – \$47,441 on 28th of March 2014
- Yury Nazarov – \$28,278 between 31st of January and 4th of April 2014
- Yury Nisnevich – \$32,000 between 17th of January and 28th of March 2014

Uruguay

- Dilson Ney Dos Santos – \$20,500 on 4th of April 2014
- Sergio Luiz Dos Santos Medeiros – \$17,600 between 24th of January and 4th of April 2014

Uzbekistan

- Ilham Matyakubov – \$18,120 between 28th of February and 4th of April 2014

Phew, what a list!

Do keep in mind that the above figures aren't what was paid out to the named creditors, rather they're the amounts the affiliates requested to withdraw on the provided dates.

To put dates into context, January 17th appears to be the Friday the company stopped paying its affiliate from. That same week TelexFree denied it was under regulatory investigation in the US.

April 4th was the last Friday TelexFree accepted withdrawal requests, with the company filing for bankruptcy ten days after. By this stage TelexFree was well aware the SEC was about to shut it down.

The above figures don't reveal how much those who invested in TelexFree made, but rather shed light on investors who had significant monopoly money balances in their accounts.

Do note that affiliate withdrawals prior to January 17th are not shown, because they were already paid. The above figures are, as per the bankruptcy proceedings, what on paper is currently owed to TelexFree's affiliates

(not that they'll ever see one cent of the requests now).

TelexFree racked up billions of dollars in liabilities, so it's hardly surprising they saw the writing on the wall come January.

Withdrawal activity from affiliates picked up in February, around the time the company announced it was going to launch a new compensation plan.

Withdrawal activity continued to escalate throughout March, with the most significant withdrawal requests being made on Friday March 28th and April 4th.

This coincides with unhappy TelexFree investors storming the company's offices in mid-March, demanding the company pay them.

Noticeably absent from the list is TelexFree investor activity from Brazil, with the Receiver explaining that the Schedules and Statements are not intended to reflect the financial activity of Ympactus.

As far as the bankruptcy proceedings go, Ympactus (TelexFree's operational name in Brazil) is being treated as a separate entity.

Eventually a full list of TelexFree's top net-winners will no doubt be published, but for now it's certainly interesting to go through the list of affiliates panicking as they realized their Ponzi dreams were about to come crashing down.

Do *you* know anyone on the full TelexFree Schedules of Assets and Liabilities list?

If so, how did they approach you about investing in TelexFree? Feel free to share your story below!