

EXHIBIT 4

Declaration of Carol L. Harris, Esq. Regarding Webpages and Videos Captured From Publicly Available Internet Sources for In re Telexfree Securities Litigation, MDL No. 4:14-md-2566-TSH

I, Carol L. Harris, hereby declare and under penalty of perjury state as follows:

1. I am a member of the State Bar of Nevada (Nevada Bar No. 100669), have been admitted to practice in that state since 2006, and have been a member in good standing in Nevada since my admission date.
2. I am an associate attorney at the law firm of Kemp, Jones & Coulthard, LLP.
3. William L. Coulthard, Esq., a shareholder in the law firm of Kemp, Jones & Coulthard, LLP, was appointed as a member of Plaintiffs' Interim Executive Committee via MDL Case Management Order No. 3 entered in *In re Telexfree Securities Litigation*, United States District Court District of Massachusetts MDL No. 4:14-md-2566-TSH (the "Litigation").
4. I work with Mr. Coulthard and the other members of Plaintiffs' Interim Executive Committee on the Litigation.
5. 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.
6. On March 11, 2015, I accessed the publicly available website www.mlatty.com. Attached hereto as **Exhibit 1** is a true and correct copy of that webpage that I saved in pdf format to my firm's private server.
7. On March 11, 2015, I accessed the publicly available website www.mlatty.com/meet-mlm-attorneys/. Attached hereto as **Exhibit 2** is a true and correct copy of that webpage that I saved in pdf format to my firm's private server.
8. On March 11, 2015, I accessed the publicly available website www.mllegal.com/babner.html. Attached here to as **Exhibit 3** is a true and correct copy of that webpage that I saved in pdf format to my firm's private server.

9. On March 11, 2015, I accessed the publicly available website www.mlmlegal.com/scope.html. Attached hereto as **Exhibit 4** is a true and correct copy of that webpage that I saved in pdf format to my firm's private server.

10. On March 11, 2015, I accessed the publicly available website www.mlmlegal.com/experience.html. Attached hereto as **Exhibit 5** is a true and correct copy of that webpage that I saved in pdf format to my firm's private server.

11. On March 11, 2015, I accessed the publicly available website www.mlmlegal.com/biography.html. Attached hereto as **Exhibit 6** is a true and correct copy of that webpage that I saved in pdf format to my firm's private server.


12. On March 11, 2015, I accessed the publicly available website www.mlmlegal.com/legaline.htm. Attached hereto as **Exhibit 7** is a true and correct copy of that webpage that I saved in pdf format to my firm's private server.

13. On March 11, 2015, I accessed the publicly available website www.mlmlegal.com/index.html (identified on the webpage as "MLM Legal"). Attached hereto as **Exhibit 8** is a true and correct copy of that webpage that I saved in pdf format to my firm's private server.

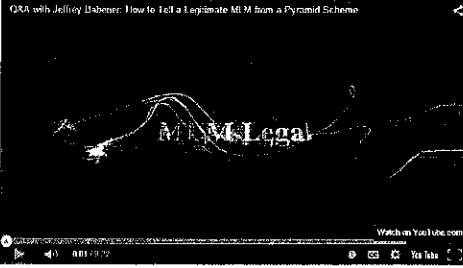
14. On March 11, 2015, I accessed the publicly available website www.mlmlegal.com/Video-MLMPyramid.html. Attached hereto as **Exhibit 9** is a true and correct copy of that webpage that I saved in pdf format to my firm's private server.

- a. On March 11, 2015, I accessed the video provided on the webpage identified in paragraph 14 and on the attached Exhibit 9 by clicking the YouTube button at the base of the video, which allowed me to view the video through YouTube:

Interviews with Expert MLM Attorney, Jeffrey Babener

 **From a Legal Perspective: The Difference Between a Pyramid Scheme and Legitimate MLM**
MLM Attorney Jeffrey Babener discusses how to tell the difference between a pyramid scheme and a legitimate MLM company.

Q&A with Jeffrey Babener: How to Tell a Legitimate MLM from a Pyramid Scheme



[MLM Legal] [Babener & Associates] [LogIn] [Contact]

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The articles, analyses, cases, legislative material and other content of MLMLEGAL.com are intended solely for general information, discussion and education. The contents should not be regarded as legal advice. For advice on specific legal and tax matters, always be sure to contact competent direct selling or multilevel marketing legal or tax counsel.

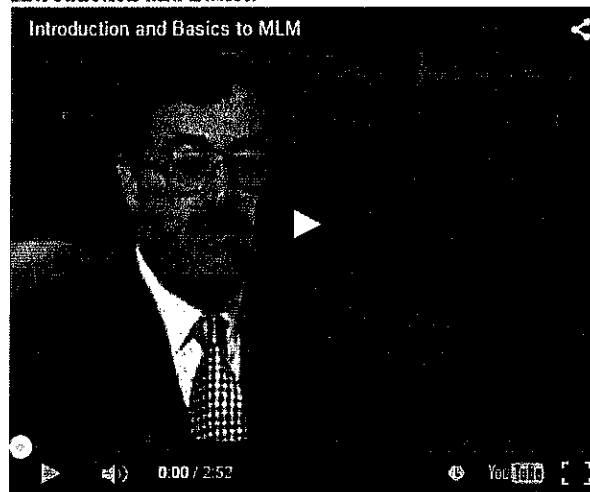
i. On March 11, 2015, I used the service provided by www.keepvid.com to download a copy of the video identified in paragraph 14 from YouTube in mp4 format and saved a copy of that video to my firm's private server.

15. On March 11, 2015, I accessed the publicly available website www.mlmlgal.com/videos.html. Attached hereto as **Exhibit 10** is a true and correct copy of that webpage that I saved in pdf format to my firm's private server.

a. On March 11, 2015, I accessed the first video provided on the webpage identified in paragraph 15 and on the attached Exhibit 10 by clicking the YouTube button at the base of the video, which allowed me to view the video through YouTube:

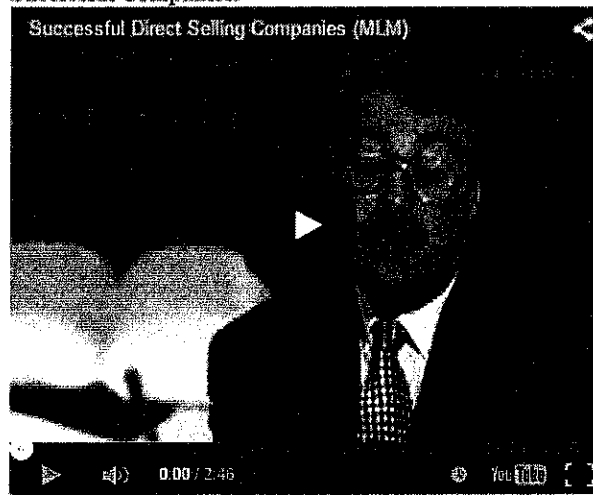
Each video clip is about three minutes long. Enjoy.

1. Introduction and Basics.



- i. On March 11, 2015, I used the service provided by www.keepvid.com to download a copy of the first video from YouTube in mp4 format and saved a copy of that video to my firm's private server.
- b. On March 11, 2015, I accessed the second video provided on the webpage identified in paragraph 15 and on the attached Exhibit 10 by clicking the YouTube button at the base of the video, which allowed me to view the video through YouTube:

2. Successful Companies.



- i. On March 11, 2015, I used the service provided by www.keepvid.com to download a copy of the second video from YouTube in mp4 format and saved a copy of that video to my firm's private server.
- c. On March 11, 2015, I accessed the third video provided on the webpage identified in paragraph 15 and on the attached Exhibit 10 by clicking the YouTube button at the base of the video, which allowed me to view the video through YouTube:

3. Legal Multilevel Marketing.



- i. On March 11, 2015, I used the service provided by www.keepvid.com to download a copy of the third video from YouTube in mp4 format and saved a copy of that video to my firm's private server.
- d. On March 11, 2015, I accessed the fourth video provided on the webpage identified in paragraph 15 and on the attached Exhibit 10 by clicking the YouTube button at the base of the video, which allowed me to view the video through YouTube:

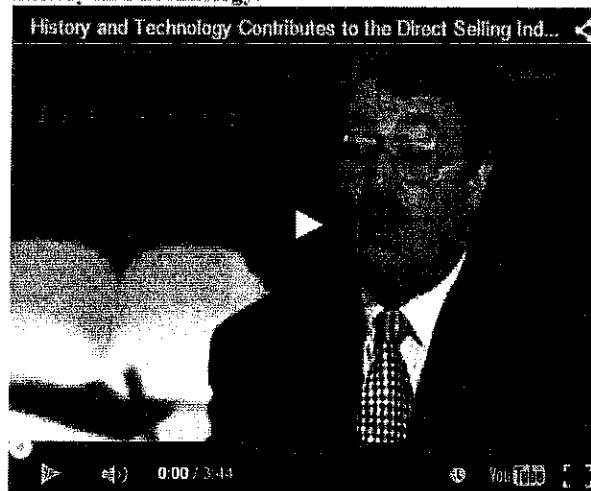
4. Success Stories.



5. History and Technology.

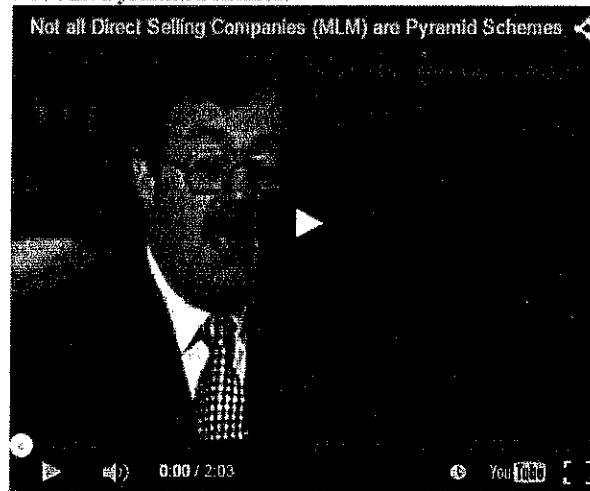
- i. On March 11, 2015, I used the service provided by www.keepvid.com to download a copy of the fourth video from YouTube in mp4 format and saved a copy of that video to my firm's private server.
- e. On March 11, 2015, I accessed the fifth video provided on the webpage identified in paragraph 15 and on the attached Exhibit 10 by clicking the YouTube button at the base of the video, which allowed me to view the video through YouTube:

5. History and Technology.



- i. On March 11, 2015, I used the service provided by www.keepvid.com to download a copy of the fifth video from YouTube in mp4 format and saved a copy of that video to my firm's private server.
- f. On March 11, 2015, I accessed the sixth video provided on the webpage identified in paragraph 15 and on the attached Exhibit 10 by clicking the YouTube button at the base of the video, which allowed me to view the video through YouTube:

6. Not Just Pyramid Schemes.



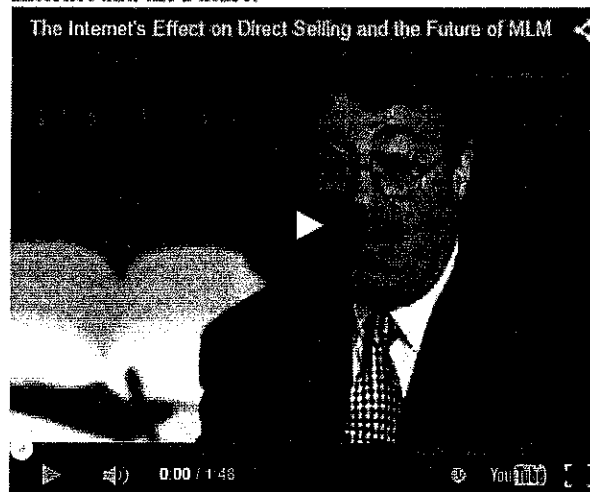
- i. On March 11, 2015, I used the service provided by www.keepvid.com to download a copy of the sixth video from YouTube in mp4 format and saved a copy of that video to my firm's private server.
- g. On March 11, 2015, I accessed the seventh video provided on the webpage identified in paragraph 15 and on the attached Exhibit 10 by clicking the YouTube button at the base of the video, which allowed me to view the video through YouTube:

7. Debunking the Myths.



- i. On March 11, 2015, I used the service provided by www.keepvid.com to download a copy of the seventh video from YouTube in mp4 format and saved a copy of that video to my firm's private server.
- h. On March 11, 2015, I accessed the eighth video provided on the webpage identified in paragraph 15 and on the attached Exhibit 10 by clicking the YouTube button at the base of the video, which allowed me to view the video through YouTube:

8. Internet and the Future.



- i. On March 11, 2015, I used the service provided by www.keepvid.com to download a copy of the eighth video from YouTube in mp4 format and saved a copy of that video to my firm's private server.

16. On March 11, 2015, I accessed the publicly available website www.mlmllegal.com/videos3.html. Attached hereto as **Exhibit 11** is a true and correct copy of that webpage that I saved in pdf format to my firm's private server.

- a. On March 11, 2015, I accessed the first video provided on the webpage identified in paragraph 16 and on the attached Exhibit 11 by clicking the YouTube button at the base of the video, which allowed me to view the video through YouTube:

1. Basics for Success in MLM / Network Marketing.



- i. On March 11, 2015, I used the service provided by www.keepvid.com to download a copy of the first video from YouTube in mp4 format and saved a copy of that video to my firm's private server.
- b. On March 11, 2015, I accessed the second video provided on the webpage identified in paragraph 16 and on the attached Exhibit 11 by clicking the

YouTube button at the base of the video, which allowed me to view the video through YouTube:

2. Frogs and Network Marketing.



- i. On March 11, 2015, I used the service provided by www.Keepvid.com to download a copy of the second video from YouTube in mp4 format and saved a copy of that video to my firm's private server.
- c. On March 11, 2015, I accessed the third video provided on the webpage identified in paragraph 16 and on the attached Exhibit 11 by clicking the YouTube button at the base of the video, which allowed me to view the video through YouTube:

3. Pyramid Scheme or Legitimate MLM Opportunity?



- i. On March 11, 2015, I used the service provided by www.keepvid.com to download a copy of the third video from YouTube in mp4 format and saved a copy of that video to my firm's private server.

17. On March 11, 2015, I accessed the publicly available website www.mlmlegal.com/videos2.html. Attached hereto as **Exhibit 12** is a true and correct copy of that webpage that I saved in pdf format to my firm's private server.

- a. On March 11, 2015, I accessed the first video provided on the webpage identified in paragraph 17 and on the attached Exhibit 12 by clicking the YouTube button at the base of the video, which allowed me to view the video through YouTube:

1. Profile of a MLM Law Firm



- i. On March 11, 2015, I used the service provided by www.keepvid.com to download a copy of the first video from YouTube in mp4 format and saved a copy of that video to my firm's private server.
- b. On March 11, 2015, I accessed the second video provided on the webpage identified in paragraph 17 and on the attached Exhibit 12 by clicking the YouTube button at the base of the video, which allowed me to view the video through YouTube:

2. Passion, Patience, Persistence.



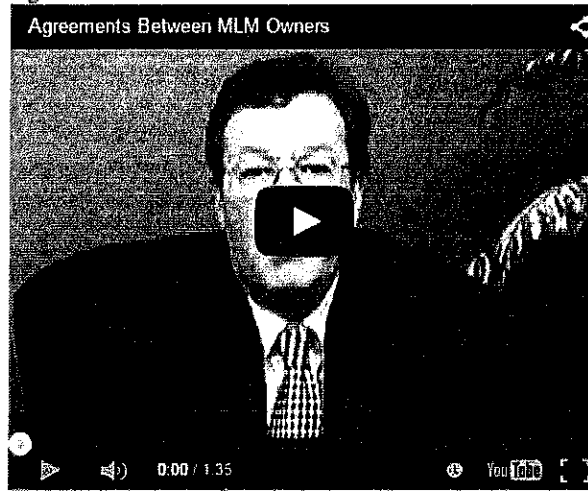
- i. On March 11, 2015, I used the service provided by www.keepvid.com to download a copy of the second video from YouTube in mp4 format and saved a copy of that video to my firm's private server.
- c. On March 11, 2015, I accessed the third video provided on the webpage identified in paragraph 17 and on the attached Exhibit 12 by clicking the YouTube button at the base of the video, which allowed me to view the video through YouTube:

3. Capitalization of the MLM.



- i. On March 11, 2015, I used the service provided by www.keepvid.com to download a copy of the third video from YouTube in mp4 format and saved a copy of that video to my firm's private server.
- d. On March 11, 2015, I accessed the fourth video provided on the webpage identified in paragraph 17 and on the attached Exhibit 12 by clicking the YouTube button at the base of the video, which allowed me to view the video through YouTube:

4. Agreements Between Owners.



- i. On March 11, 2015, I used the service provided by www.keepvid.com to download a copy of the fourth video from YouTube in mp4 format and saved a copy of that video to my firm's private server.
- e. On March 11, 2015, I accessed the fifth video provided on the webpage identified in paragraph 17 and on the attached Exhibit 12 by clicking the YouTube button at the base of the video, which allowed me to view the video through YouTube:

5. Role of the Compensation Plan.



- i. On March 11, 2015, I used the service provided by www.keepvid.com to download a copy of the fifth video from YouTube in mp4 format and saved a copy of that video to my firm's private server.
- f. On March 11, 2015, I accessed the sixth video provided on the webpage identified in paragraph 17 and on the attached Exhibit 12 by clicking the YouTube button at the base of the video, which allowed me to view the video through YouTube:

6. MLM Startup Conference Agenda



- i. On March 11, 2015, I used the service provided by www.keepvid.com to download a copy of the sixth video from YouTube in mp4 format and saved a copy of that video to my firm's private server.
- g. On March 11, 2015, I accessed the seventh video provided on the webpage identified in paragraph 17 and on the attached Exhibit 12 by clicking the YouTube button at the base of the video, which allowed me to view the video through YouTube:

7. Choosing the Right Product



- i. On March 11, 2015, I used the service provided by www.keepvid.com to download a copy of the seventh video from YouTube in mp4 format and saved a copy of that video to my firm's private server.
- h. On March 11, 2015, I accessed the eighth video provided on the webpage identified in paragraph 17 and on the attached Exhibit 12 by clicking the YouTube button at the base of the video, which allowed me to view the video through YouTube:

8. Possess or Buy MLM Experience



- i. On March 11, 2015, I used the service provided by www.keepvid.com to download a copy of the eighth video from YouTube in mp4 format and saved a copy of that video to my firm's private server.
- i. On March 11, 2015, I accessed the ninth video provided on the webpage identified in paragraph 17 and on the attached Exhibit 12 by clicking the YouTube button at the base of the video, which allowed me to view the video through YouTube:

9. Choosing MLM Software and Technology



- i. On March 11, 2015, I used the service provided by www.keepvid.com to download a copy of the ninth video from YouTube in mp4 format and saved a copy of that video to my firm's private server.
- j. On March 11, 2015, I accessed the tenth video provided on the webpage identified in paragraph 17 and on the attached Exhibit 12 by clicking the YouTube button at the base of the video, which allowed me to view the video through YouTube:

10. **MLM Startup Legal Issues**



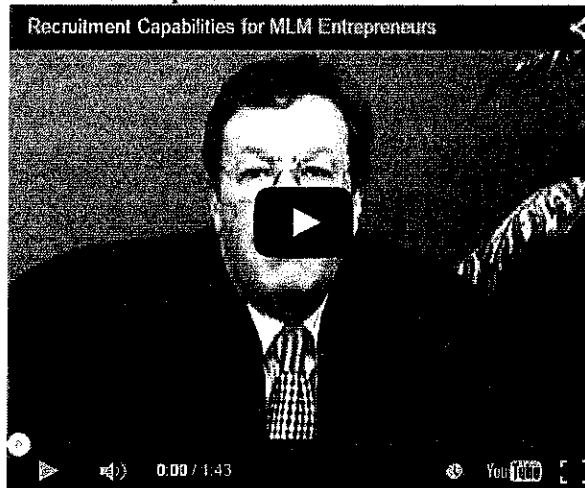
- i. On March 11, 2015, I used the service provided by www.keepvid.com to download a copy of the tenth video from YouTube in mp4 format and saved a copy of that video to my firm's private server.
- k. On March 11, 2015, I accessed the eleventh video provided on the webpage identified in paragraph 17 and on the attached Exhibit 12 by clicking the YouTube button at the base of the video, which allowed me to view the video through YouTube:

11. **MLM Startup Answers and Resources**



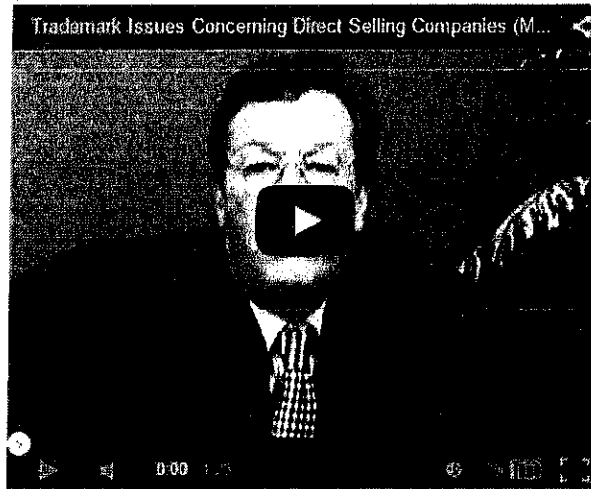
- i. On March 11, 2015, I used the service provided by www.keepvid.com to download a copy of the eleventh video from YouTube in mp4 format and saved a copy of that video to my firm's private server.
- l. On March 11, 2015, I accessed the twelfth video provided on the webpage identified in paragraph 17 and on the attached Exhibit 12 by clicking the YouTube button at the base of the video, which allowed me to view the video through YouTube:

12. **Recruitment Capabilities**



- i. On March 11, 2015, I used the service provided by www.keepvid.com to download a copy of the twelfth video from YouTube in mp4 format and saved a copy of that video to my firm's private server.
- m. On March 11, 2015, I accessed the thirteenth video provided on the webpage identified in paragraph 17 and on the attached Exhibit 12 by clicking the YouTube button at the base of the video, which allowed me to view the video through YouTube:

13. Trademark Issues



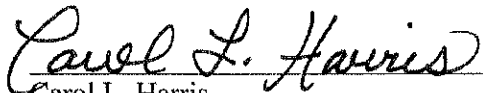
- i. On March 11, 2015, I used the service provided by www.keepvid.com to download a copy of the thirteenth video from YouTube in mp4 format and saved a copy of that video to my firm's private server.

18. On March 11, 2015, I accessed the publicly available website www.mlmmatty.com/2014/02/firm-transition-news-gerry-has-not-retired/. Attached hereto as **Exhibit 13** is a true and correct copy of that webpage that I saved in pdf format to my firm's private server.

19. On March 11, 2015, I accessed the publicly available website www.behindmlm.com/companies/telexfree/gerry-nehra-gives-legal-blessing-to-telexfree/. Attached hereto as **Exhibit 14** is a true and correct copy of excerpts that webpage (comments removed) that I saved in pdf format to my firm's private server.

I declare under the penalty of perjury that the foregoing is true and correct.

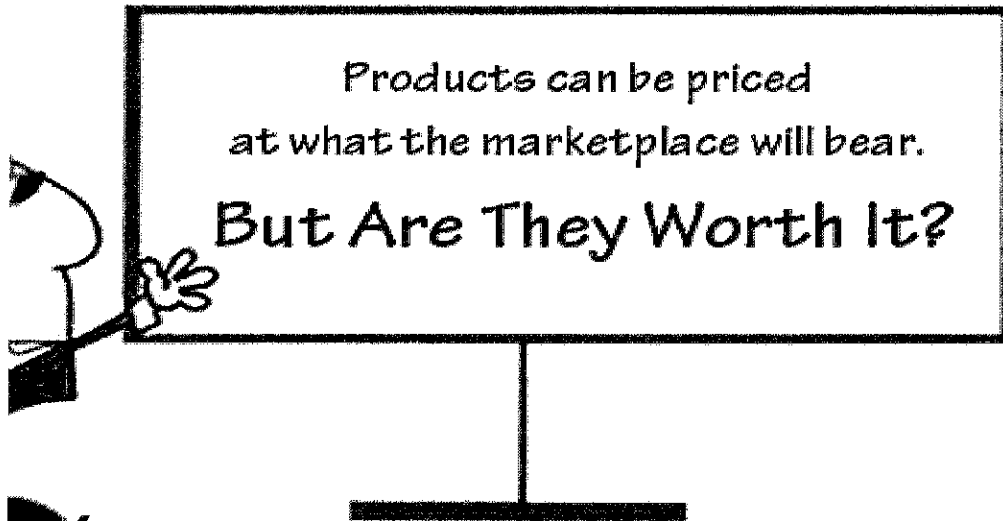
Dated this 11th day of March, 2015.



Carol L. Harris
Kemp, Hones & Coulthard, LLP
3800 Howard Hughes Parkway, 17th Floor
Las Vegas, Nevada 89169

Exhibit 1

Law Offices of Nehra and Waak (<http://www.mlatty.com/>)



[om/2012/06/are-they-worth-it/](http://www.mlatty.com/2012/06/are-they-worth-it/)

<http://www.mlatty.com>

The firm serves domestic and foreign companies operating MLM businesses in the United States and is a guest speaker at Multi-Level and Direct Selling Industry Association Conferences.

Direct Selling MLM Attorneys

- Compensation / Marketing Legal Review
- Regulatory Compliance, Sales & Use Tax
- Mediation & Negotiation
- Literature Review
- Sponsorship Counsel
- Conduct & Ethics Guidance
- Trademark Registrations

A free initial telephone consultation is offered to MLM Corporate Executives.

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Phone

Email

Verification

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We accept the following clients

New Direct Selling Companies based in the United States of America

Established Direct Selling Companies based in the United States of America

Non US-based Direct Selling Companies wishing to establish a presence in the USA

The firm is ready to assist you with the details of MLM program legal compliance in the United States of America.

Contact Nehra & Waak (contact-mim/) if you have additional questions about our services.

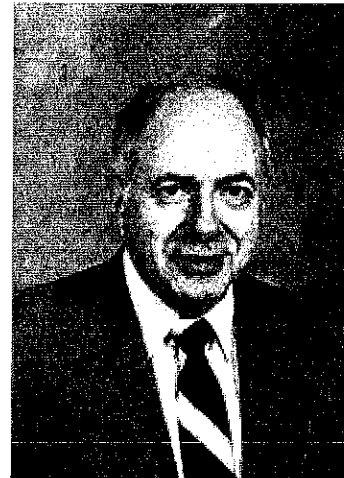
Exhibit 2

Law Offices of Nehra and Waak (<http://www.mlmatty.com/>)

Meet MLM Attorneys Nehra & Waak

VITA, GERALD P. NEHRA

Mr. Nehra is an Attorney in private practice in Muskegon, Michigan. He is one of a very few attorneys nationwide whose practice is devoted exclusively to direct selling and multi-level marketing issues. His 34 years of legal experience includes 9 years at Amway Corporation where he was Director of the Legal Division.



ADMITTED IN:

- Michigan, 1970; New York, 1972; and Colorado, 1992.
- Federal Courts in Michigan, 1970; and New York, 1972.
- Sixth Circuit Court of Appeals, 1976.

CAREER EXPERIENCE:

- Private practice attorney, specifically focused on direct sales and multi-level marketing issues, August 1992 to date. Representative clients include Amsoil, Ardyss, Bing Han, Dove Chocolate, Eniva, Essentially Yours, Financial Destination, Gano Excel, Isagenix, Life Plus, Orovo, Pinnacle Communications, Wachters' Organic Sea Products, and ViSalus Sciences.
- Vice President – Legal and Human Resources, The Fuller Brush Company, November 1991 to August 1992 when, at my request, I became independent outside counsel for the company.
- Director – Legal Division, Amway Corporation. Began in September of 1982 as Deputy Chief Attorney and became head of the Legal Division in 1984, continuing through October 1991. Added responsibilities included Assistant Secretary in 1984, Profit Sharing Trustee in 1986, and Corporate Secretary in 1991.
- Vice President, General Counsel, Church & Dwight Co. Inc. (The Arm & Hammer Company), 1979-1982.
- Attorney, Staff Attorney, Senior Attorney, and Regional Counsel, International Business Machines (IBM) Corporation, 1971-1979, at locations in Armonk, New York, Owego, New York, and Franklin

Lakes, New Jersey.

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

EXPERT WITNESS CREDENTIALS:

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

MULTI-LEVEL SPECIFICS:

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

WHILE AT AMWAY:

- Directed the corporate legal function, including counsel to senior management and subsidiaries. Hired and managed outside counsel, and advised on legal issues associated with corporate operating and corporate planning decisions.
- As Corporate Secretary, attended to all matters of corporate governance and corporate structure for the parent corporation and over 70 subsidiaries.
- Negotiated with the FTC, FDA, CPSC, and other agencies regarding Amway's products and services and Sales Plan positioning. Reviewed and modified labels and literature to comply with regulatory requirements.
- Managed the patent function and over 4000 trademark registrations in over 31 countries.
- Built an in-house litigation capability by hiring and supervising two litigators and three paralegals, significantly reducing outside counsel expenses. Actively managed counsel outside Michigan and second-chaired two distributor related litigations, a two week trial to a successful jury verdict and a three day non-jury trial to favorable disposition.
- Advised Amway's Nutrilite Products Inc. subsidiary on food supplement product positioning, claims platforms, literature, and avoidance of drug claims.

- Resolved a serious challenge with Dominican Republic Customs regarding duty valuation on imports through personal negotiation and the creation of a sales and warehousing subsidiary in-country.
- Managed the government affairs function, including monitoring legislation and lobbying pending bills at the state and federal level.
- Implemented and administered the Conciliation and Enforcement Procedures for distributor to distributor and distributor to corporation disputes.
- Resolved favorably civil and criminal charges brought against the company and a distributor by the Canadian Government for claims made in sales literature.

TEACHING/LECTURES:

- Presented the Legal Issues segment at each New Amway Direct Distributor Seminar.
- Frequent guest speaker on direct selling legal issues at seminars and forums, averaging over 10 per year for the last 10 years, at events hosted by clients and industry associations.

PUBLICATIONS:

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

Legal Issues of Side-Line Businesses, Amway, 1985

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

"Amway Case from the Price Fixing Prospective," www.mlmaty.com website

"Pyramid or Ponzi" MLM Insider Newsletter, 1995

"Trademark Use Guidelines," Mlmatty.com, Newsletter Volume 8

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

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

"Who are the PARTICIPANTS," www.mlmaty.com website

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

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

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

"Prohibited Activity," www.mlmaty.com website

"Business Opportunity – What do the Words Mean?" www.mlmatty.com website

"Are Two-Tier Affiliate Programs Multi-level Marketing," www.mlmatty.com website

"The ABC's of MLM 2000," www.mlmatty.com website

"Looking Past the Paper," www.mlmatty.com website

"Paperless Signup," www.mlmatty.com website

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

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

"Coupons, Vouchers, Gift Certificates, and Down Payments," My NetBrief, October 2004

"PONZI, THE PERSON," Network Marketing Business Journal, December 2004

BUILD IT BIG – 101 INSIDER TIPS from TOP DIRECT SELLING EXPERTS, Dearborn Trade Press, 2004 (Contributor)

"THE MICHIGAN SINGLE BUSINESS TAX – MLMs BEWARE," Network Marketing Business Journal, February 2005

"Another Look at Commissions on Sales Aids" Network Marketing Business Journal, July 2005

"About AGENTS" Network Marketing Business Journal, August 2005

"Database Confidentiality" Network Marketing News, September 2005.

"What is M/L/M? – My Biased View" Network Marketing Business Journal, January 2006

"Gifting Programs – – Stay Away!" Network Marketing Business Journal, March 2006

"Business Volume – Its Critical Importance" Network Marketing Business Journal, April 2006

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

"Company Names as Trademarks" Network Marketing Business Journal, October 2006

"Where to Incorporate" Network Marketing Business Journal, July 2007

"Louisiana – It's Different Down There" Network Marketing Business Journal, June 2008

EDUCATION:

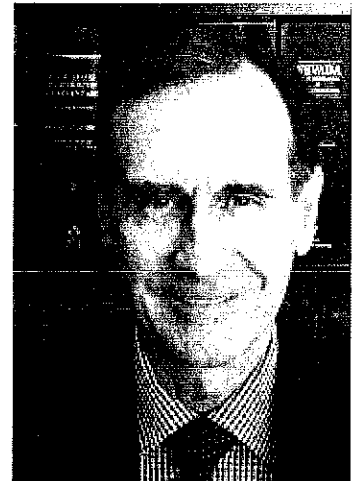
- J.D. 1970, Michigan State University College of Law, (formerly Detroit College of Law) top 15 percent.
- B.I.E. 1962, Kettering University, Flint Michigan (formerly General Motors Institute)

PROFESSIONAL AFFILIATIONS:

- A.B.A., and State and Federal Bars in Michigan, New York, and Colorado.
- Professional Association for Network Marketing.
- Direct Selling Association (DSA-US), Supplier Member.
- DSA, Lawyers Council and Government Relations Committee.
- Direct Sellers Association Canada, Supplier Member.
- Multi-Level Marketing International Association, Board Member.
- Direct Selling Women's Alliance, Support Member.
- Distributor Rights Association, Support Member.

VITA, RICHARD W. WAAK

Richard W. ("Rick") Waak has been working as a lawyer in the field of network marketing and direct selling for more than 30 years, including more than 20 years as in-house counsel to some of the most prominent companies in the industry, with much of that time serving as chief legal officer. In 2001 he began his private practice, and soon renewed a collaboration with Gerry Nehra first developed in the 1980s while at Amway. In 2006 he began serving as Of Counsel to the Nehra Law Firm, and he is now committed to supporting this firm's clients as a Member of the renamed firm.



EDUCATION AND PROFESSIONAL MEMBERSHIPS

Juris Doctor, University of Detroit School of Law, Detroit, MI

Admitted Michigan Courts 1976

Bachelor of Science, Michigan State University, East Lansing, MI

The American Bar Association, Section on Antitrust Law – Franchising Forum

State Bar of Michigan – Antitrust, Franchising & Trade Regulation Section

Direct Selling Association – Lawyers Council and Government Relations Committee

SELECTED ACCOMPLISHMENTS

- Served as top legal executive, General Counsel, or house counsel for a variety of network marketing companies.
- Managed responses to numerous civil investigative demands and related actions by various state

departments of justice; avoided findings of violation, civil or criminal penalties or significant negative publicity on virtually all files.

- Managed responses to Federal Trade Commission (FTC) investigative demands attacking advertising claims made for company's product lines, and marketing/sales practices – files all closed with no adverse findings or publicity.
- Hired and managed outside counsel in coordinating simultaneous defense of separate class action lawsuits in two state courts and in federal court seeking compensatory and punitive damages for pyramiding, securities fraud, false advertising and civil RICO. Obtained very favorable settlements in all cases.
- Principal preparer of 20-page client document commenting to Federal Trade Commission's 2006 Notice of Proposed Rulemaking for its Business Opportunity Rule.
- Averted and resolved major regulatory challenges – assisted in establishing financial controls and modern employment practices including adjustments to compensation plan.
- Established legal and government-relations functions for employer companies. Developed key contacts with regulatory agencies.
- Consulted with corporate marketer of health services on its acquisition and development of a multilevel internet-based travel services venture – client avoided potential significant legal liability.
- Revised, rewrote and organized supplier contracts for large multi-million dollar companies.
- Significantly reduced frequency of adverse claims – substantially revised and rewrote operating procedures and rules of conduct applicable to distributor sales practices.
- Grew assets from \$2million to \$10 million as VP of the employees' credit union.

CAREER EXPERIENCE

CORPORATE CONSULTING AND PRIVATE LAW PRACTICE 2000 – Present

THE PEOPLES NETWORK (TPN), INC. 1998 – 1999

Vice President, Legal Affairs and General Counsel

NATIONAL SAFETY ASSOCIATES (NSA), INC. 1988 – 1998

General Counsel

AMWAY CORPORATION 1978 – 1988

Attorney (1978 – 1988)

Secretary to Trustees of Corporate Profit-Sharing Plan Vice President, Employees Credit Union

ARTICLES AND PUBLICATIONS

"Is Your MLM Opportunity Legal?," Extra Income News, March, 2003. Republished in Network Marketing Business Journal, April 2007.

"The FTC gets it right (almost)!", Network Marketing Business Journal, May 2008.

"Data Security Compliance 101," Nehra Law Firm Business Associate Advisory newsletter, August 2008.

"Never a "Free" Lunch?" Nehra Law Firm Business Associate Advisory newsletter, November 2008.

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New Direct Selling Companies based in the United States of America

Established Direct Selling Companies based in the United States of America

Non US-based Direct Selling Companies wishing to establish a presence in the USA

The firm is ready to assist you with the details of MLM program legal compliance in the United States of America.

Contact Nehra & Waak (contact-mim/) if you have additional questions about our services.

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Exhibit 3

BABENER & ASSOCIATES

Law firm to direct selling and multi-level marketing companies.

SCOPE OF SERVICES
EXPERIENCE COUNTS
BUSINESS BACKGROUND
LEGALINE PUBLICATIONS
RESOURCE LIBRARY
MLM LEGAL

Babener & Associates advises Multi-Level Marketing (MLM) companies on a wide range of legal matters. As a law firm, Babener & Associates also serves as an important and informed resource on the direct selling industry. Whether your company is a start-up or an established network marketing organization, Babener & Associates can represent you.

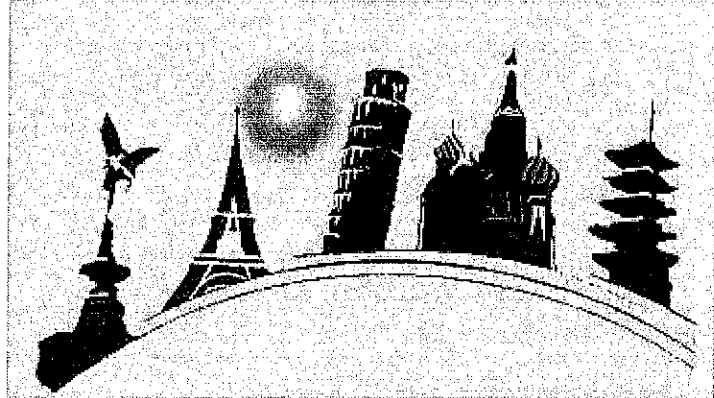
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Exhibit 4

SCOPE OF REPRESENTATION

Babener & Associates advises MLM companies on a wide range of legal matters as well as serving as an important informed resource on the MLM/network marketing/direct selling industry.

Initially, the firm will be available to be involved in review and writing of documentation for the respective distributor and customer from a legal standpoint of sales kit materials, distributor agreements, policies and procedures, brochures, training manuals, audio and video cassettes, etc. When sales materials are complete, we will also prepare and file registrations where required by MLM distribution statutes.



In addition, the firm will be available at the company's request to assist in a myriad of matters that would affect a network marketing company including, but not limited to: a variety of work on direct selling matters; regulatory, including Federal Trade Commission, U.S. Postal, state attorneys general, antitrust, pricing and competition restrictions, multilevel distribution statutes and registration, business opportunity, pyramid, sales referral, deceptive trade practices, franchising legislation, administrative matters; FDA regulatory compliance and label review; ongoing revisions of corporate and distributor materials, including print, audio and video, media; advertising and promotion review; distributor relations and disputes; sales tax or nexus-related issues; independent contractor, independent contractor issues, including unemployment classification, trademark and copyright matters, as necessary, including trademark searches and registrations; ongoing literature review; industry resourcing and planning; preventative litigation planning; vendor arrangements; licensing arrangements; press matters; Canadian regulatory matters; foreign expansion matters in cooperation with foreign affiliates; etc.

Contact our offices to request additional information via email to mlmlegal.com or use our [Contact Form](#).

[[BABENER & ASSOCIATES](#)] [[MLM LEGAL](#)]

Exhibit 5

<h1><i>Been There - Done That</i></h1>		<p>BABENER & ASSOCIATES BANK OF AMERICA FINANCIAL CENTER 121 SW MORRISON - SUITE 1020 PORTLAND, OR 97204-3140 (503) 226-6600</p>
<h2>Start Me Up</h2>	<h2>The Business World Looks To Us</h2>	<h2>Articles, Articles, Articles</h2>
<p>Startups - it's our middle name</p> <p>Over two decades, we have assisted hundreds of startups - probably more than everyone else put together.</p> <p>Some of our more famous startups: Melaleuca, USANA, Quorum, BodyWise, Shaperite, Kaire, Network 2000, Envion, Matol, MLM divisions for Home Shopping Network, ServiceMaster, Fuller Brush . . .</p>	<p>We've been interviewed by - and written for the best:</p> <p><i>Inc., Money, Atlantic Monthly, Kiplinger's Personal Finance, Entrepreneur, Business Start-Ups, Success, Wealth Building, Money Maker's Monthly, Upline, Home Business, Direct Sales Legeline . . .</i></p>	<p>Some of the hundreds of authoritative articles on network marketing by Jeffrey A. Babener:</p> <p><i>Network Marketing: What You Should Know; Is This Network Marketing Opportunity for Real?; The Inside Track on Network Marketing; MLM Earnings, How Much?; Marketing Discount Services; Network Marketing: Is It For You?; New Protection for MLM Distributors; Value Is The "In" Thing; Planning A Great Meeting; Co-op Advertising; Get the Word Out; Network Marketing: Future Opportunities; Successful Long Distance Sponsoring; Networking and Time Management; Networking Through Mail Lists; Networkers on the Information Highway; Networking Through Nonprofit; Changing Face of Network Marketing; Investigating a Network Marketing Company; ABC - Three-Way Calling; MLM Earnings Projections; Promote Sales Presentations with Gifts; FDA and MLM; Look for Buy-Back Policies; MLM Pyramid Legislation; MLM Management and Training; Incorporating Your MLM Business; Tax Deductions for Your MLM Home Office; Financing Growth for your MLM Business; FDA Approval for MLM Products; MLM Retirement and Benefit Planning; MLM and Postal Service; MLM and Credit Card Fraud - Be Careful; Your Personal MLM Legal Dictionary; What's in a Name?; MLM Trademarks; Marketing Through Nonprofit Organizations; New Life for MLM Services in Missouri; MLM Statutes: Georgia Adopts Legislation; Electronic Fund Transfers; FTC and Advertising; The FTC Cooling Off Rule; The Business Plan: A Valuable Tool for Success; Missouri's MLM Struggles; The MLM/Franchise; MLM Buyback Rules; Your MLM Home Office and Taxes; Who Owns the Downline?; FDA Nutritional Health Claims; MLM and Sales Taxes, Future of the MLM Industry; The MLM Distributor's Guide to Incorporation; When the Postman Knocks; MLM Taxes: Entertainment Deductions;</i></p>
<h2>Educating the Industry</h2>	<h2>At the Crossroads of Policy</h2>	
<p>Conference Sponsor of:</p> <ul style="list-style-type: none"> • The MLM Entrepreneur Series • Starting and Running the Successful MLM Company • University of Texas Academic Conference • Lecturer at numerous DSA and MLMIA conferences 	<ul style="list-style-type: none"> • The DSA - Lawyer's Council, Government Relations Committee, Internet Task Force • The MLMIA - Legal Counsel, Board of Directors • ABA - Litigation Section, Antitrust Section • Oregon State Bar - Chairman, Committee on Judicial Administration 	
<h2>A Library of Books</h2>	<h2>Around The World And Beyond</h2>	

<p>Yes, we authored:</p> <ul style="list-style-type: none"> • <i>The Network Marketer's Guide to Success</i> • <i>The Tax Guide for MLM / Direct Selling Distributors</i> • <i>The MLM Corporate Handbook</i> • <i>Network Marketing: Window of Opportunity</i> • and chapters in numerous industry works and text books 	<p>Find our clients on earth, in cyberspace and from satellite in outerspace -</p> <ul style="list-style-type: none"> • operating in more than 130 countries • headquartered from Japan to New York to Paris to Korea to L.A. to China . . . • millions of distributors • billions in sales 	<p><i>Network Marketing v. Pyramid Schemes; MLM and Franchising; Organizing Your MLM Business; How Many Levels?; Boost Sales with Nonprofits; MLM National Expansion; MLM to Europe - 1992; Noncompetition Agreements: Enforceable?; MLM in Canada; Underage Distributors; Involving Your Family In Business; MLM Statutes: Washington Continues the Trend; MLM Cross-Sponsoring Rules; Changes in the Marketing Plan; Selling Sales Tools; MLM Sales Taxes and Corporate Taxes: The Multistate Tax Commission; MLM and Business Opportunity Statutes; Buenos Dias Mexico; NuSkin Troubles: Light in the Tunnel; The Saga of MLM Investigations; Earnings Hype - What Can You Say?; Say It Again Sam: Making the Most of Great Press; IRS Audits and Network Marketers; Canada-Welcome-Bienvenu; Proposed FDA Legislation Helps MLM; Network Marketing: Legal Issues; Knock! Knock! It's the FDA; The SEC Awakens; Electronic Fund Transfers; New Rules on Home Office Deductions; State AG's Applaud Industry; Buy-back Standards; MLM Nuraceuticals! - Say What?; NSA Settlement: Enormous Industry Impact; Is the US Postal Service in Your Future?; You Too Can Incorporate; SEC: We Hate Pyramids; Opportunity Goes South: Mexico MLM; FDA v. Health Industry: Showdown; Forget the Saturation Theory; Network Marketing Reaches Maturity; New Proposals for Home Office Deductions; Chasing the Competition; Networkers and Credit Card Fraud; NuSkin and the FTC: A Message on Earnings Claims; Network Marketing Management and Training; Cancel This Sale! The Three Day Rule; Looking for the Right Compensation Plan; Too Young to Play.</i></p>
<p style="text-align: center;">Lawyer to the Lawyers</p>	<p style="text-align: center;">The Rich and Famous</p>	
<p>Author of educational articles on network marketing in such official State Bar Journals as:</p> <ul style="list-style-type: none"> • Maryland • Virginia • New Mexico • Oregon <p>Contributor to proposed legislation in the U.S. and Canada</p>	<p>Billion dollar legends have tapped our expertise:</p> <ul style="list-style-type: none"> • Avon • NuSkin • Excel • Nikken • Discovery Toys • Cell Tech • Fuller Brush • Longaberger • Noevir • Sunrider • ACN 	

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Exhibit 6

Contact:

Jeffrey Babener
Babener & Associates
121 SW Morrison St, Suite 1020
Portland, OR 97204

Phone: (503) 226-6600

Fax: (503) 226-4290

*Legal advice to companies with exponential growth
 through network marketing distribution programs.*

Brief Description:

Attorneys and Legal Counsel to the MLM / Network Marketing / Direct Selling Industry. Located in Portland, OR, they represent many of the major companies in this industry.

Specialties:

Multi-level Marketing (MLM) companies, Network Marketing and Direct Seller's resources, MLM Legal web site and Legaline Publications.

Detailed Description:

Babener & Associates is a law firm that represents companies headquartered throughout the United States and abroad. The firm is located in the Bank of America Financial Center in Portland, OR where its practice includes representation of many of the major companies in the direct selling industry. Sales by companies they represent exceed **\$2 billion**, involving over one **million** distributors. See their Scope of Representation for a complete guide to the services provided.

Babener & Associates serve as legal counsel for:

1. Start-up MLM companies
2. Foreign MLM companies entering the US Market
3. US companies entering foreign markets

Since 1984, Babener & Associates has served as legal counsel in start-up, emerging or expansion phases of such leading MLM companies as: Fuller Brush, Nikken, Noevir, Omnitrition, Melaleuca, NuSkin, Longaberger, Network 2000, Quorum, Matol Botanical, Sunrider, Cell Tech, Excel Telecommunications, Kaire, Bodywise, and a host of others. Babener & Associates has received the highest rating (AV) from the leading US legal directory *Martindale-Hubbell*.

Babener & Associates is now accepting new clients - emphasis start-up and emerging MLM companies. For a sample corporate packet of information and free consultation, call (503) 226-6600.

Jeffrey A. Babener is the principal attorney in the law firm of Babener & Associates. Mr. Babener is

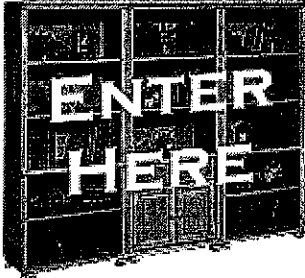
3/11/2015

Babener & Associates Business Biography - Jeff Babener MLM Attorney

a graduate of the University of Southern California Law School and a member of both the California and Oregon State Bars. Mr. Babener was a member of the editorial board of the University of Southern California Law Review and has served on various state and American Bar Association committees, including chairmanship of the Oregon State Bar Committee on Judicial Administration. For a detailed biography of Mr. Babener you can read his [Biographical Profile](#) from Martindale-Hubbell.

He has represented many members of the Washington, D.C. based Direct Selling Association where he serves on the Lawyer's Council and Government Relations Committee and he is corporate counsel for the industry's other trade association, the Multi-Level Marketing International Association of Irvine, California.

Mr. Babener has lectured and published extensively on multilevel marketing law. He has been interviewed on the industry in such publications as Money, Inc., Atlantic Monthly, Success, Entrepreneur, Kiplinger's Personal Finance, Home Office Computer and Business Start-Ups. He is editor of the industry publication, Direct Sales Legaline. Mr. Babener is also the author of the books, Tax Guide for MLM/Direct Selling Distributors, Network Marketer's Guide to Success, The MLM Corporate Handbook and Network Marketing: Window of Opportunity. He is cosponsor of **Starting and Running The Successful MLM Company** conference.



Check out the **MLM Library** that includes some of Jeffrey Babener's articles published in popular magazines and media, such as: Entrepreneur's Special Issue (1995), DirectLine article from Business Start-Ups (April 1994), or DirectLine article from Business Start Ups (January 1995):



Exhibit 7

Legaline Publications

Legaline Publications provides a client newsletter, brochures, text books, manuals and tapes that support direct selling and multi-level marketing companies and their independent representatives.

Legaline Publications is practical Legal, Business and Tax Information for Direct Selling and Multilevel Marketing Companies. Jeffrey A. Babener is editor and author. For a complete biography see the related site [Babener & Associates](#).

Mr. Babener and his law firm represent many members of the Washington DC - based Direct Selling Association (DSA) where he serves on the lawyer's Council and Government Relations Committee, and he is corporate counsel for the industry's other trade association, the Multi-Level Marketing International Association (MLMIA) of Irvine, California.

Mr. Babener has lectured and published extensively on multilevel marketing law. He has been interviewed on the industry in such publications as Money, Inc., Atlantic Monthly, Success, Entrepreneur, Kiplinger's Personal Finance, Home Office Computer and Business Start-Ups. He is Chairman of the MLM Entrepreneur Conference Series, a nationwide series of conferences on trends in the MLM industry.

BOOKS

TAPES

BROCHURES

NEWSLETTER

ABOUT THE AUTHOR

Jeffrey Babener is recognized as the leading legal counsel and an authority for the network marketing industry. He represents many of the industry's major companies in the US and abroad. Use this link for more information about the law firm of Babener & Associates.

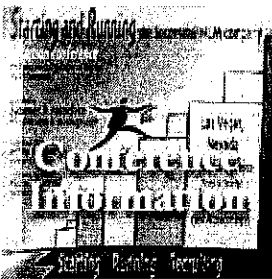
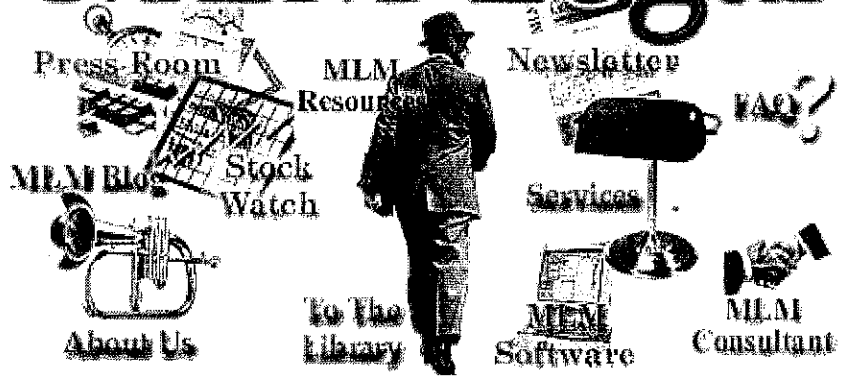


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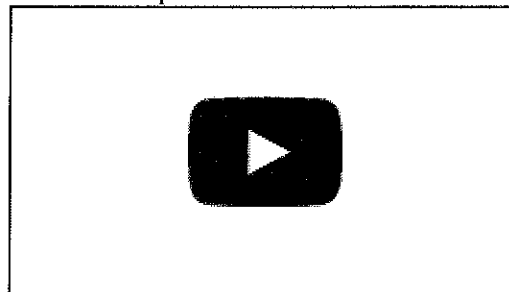
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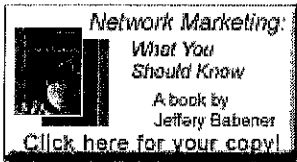
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The Best MLM Resource on the Web

www.mlmattoorney.com --the comprehensive site for legal information that impacts MLM and direct sales companies.

MLM Management Consulting



www.sheffieldnet.com--the best from compensation plans to total mlm startup

MLM Software



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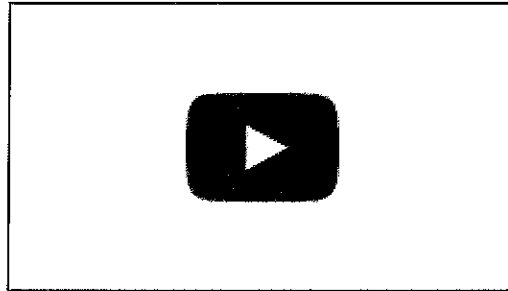
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- [Factors that Make an MLM Company Successful](#)
- [A View of the Direct Selling Industry: Past, Present and Future](#)
- [Why Choose the MLM Model for Your Business? - A CEO Interview](#)

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www.mlmlawdog.com--totally wired into the mlm industry



www.networkingstar.com - a great online magazine and resource for network marketing.



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MLM in the NEWS: New Proposed Federal MLM Legislation

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Pyramid or Legitimate MLM?

Proposed Fed MLM Statute on Personal Use

MLM Startup Capital: The Business Plan

FTC v Bismart - A Slap And A Leash

Renaissance, The Tax People

Dot Com or Dot Scam?

How To Analyze Compensation Plans

DSA and MLMIA - Industry Support

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Startup Essentials I - MLM Capitalization, MLM Recruitment, MLM Legal, MLM Trademark

Startup Essentials II - MLM Business Experience, MLM Software & Technology, MLM Product Selection, MLM International Expansion

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Taxes and the Network Marketer

How To Build A Successful Direct Selling Business

Passion for Your Business

Why Join A Trade Organization?

Party Plans: Can You Score Five Points?

MLM Consultant: International Singapore and Asia: Open for Business

MLM International Market Entry: Practical Issues

MLM Software Articles: MLM Software Primer

Direct Sales Communication

Selecting an MLM Software Provider

MLM By The Numbers

Choosing an MLM Software Provider

META Tags, MLM Subliminal Marketing

The Electronic MLM

MLM In Cyberspace

Skypbiz or Skyscam

MLM Leads / Recruiting: MLM Presentations: 27 Secrets

MLM Recruiting & Communication

MLM Leads - MLM Recruiting Machine

Affinity MLM Recruiting

MLM Leads Resources

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MLM Distributor Rights: Dialogue As an Agent of Change

MLM Observer: MLM Industry Editorial

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MLM Raiding!

Direct Sales: Misperceptions

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Welcome to MLM Legal - a valuable resource to the Multi-Level Marketing and Direct Sales Industry. Use this site to review interesting articles about this high growth industry. Keep current with the law and how it is affecting large and small companies throughout the United States. MLM Legal is sponsored by Jeffrey Babener of [Babener and Associates](#).



On any given day you can catch [Jeffrey Babener](#) lecturing on Network Marketing at the University of Texas or the University of Illinois, addressing thousands of distributors in Los Angeles, Bangkok, Tokyo and Russia, or writing a new book on Network Marketing, an article for Entrepreneur Magazine or a chapter for a University textbook. Over two decades he has served as marketing and legal advisor to some of the world's largest direct selling companies, the likes of Avon, Nikken, Melaleuca, Discovery Toys, NuSkin, and he has provided counsel to the most successful telecom network marketing companies...Excel, ACN, World Connect, ITI, AOL Select and Network 2000. An active spokesperson for the industry, he has assisted in new legislation and served on the Lawyer's Council, Government Relations Committee and Internet Task Force of the Direct Selling Association (DSA) as well as serving as General Counsel for the Multilevel Marketing International Association. He is an MLM attorney supplier member of the DSA and has served as legal counsel and MLM consultant on MLM law issues for many

DSA companies.

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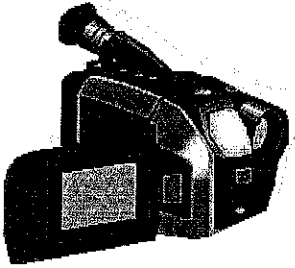
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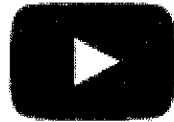
Exhibit 9



Interviews with Expert MLM Attorney, Jeffrey Babener

From a Legal Perspective: The Difference Between a Pyramid Scheme and Legitimate MLM

MLM Attorney Jeffrey Babener discusses how to tell the difference between a pyramid scheme and a legitimate MLM company.



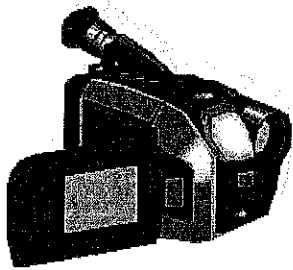
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Exhibit 10

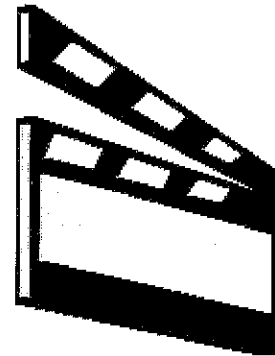
MLM Video Library



Here are some video clips of Jeffrey Babener explaining the background and nuances of this business model, geared to the distributors and representatives. Multi-level marketing (MLM), Network Marketing and Direct Sales/ Direct Selling opportunities are often the source of misinformation and confusion and managing your expectations is an important part of your future success. Mr. Babener is known throughout the world as a specialist in the legal and business matters of multilevel marketing. He has advised many of the largest companies in the world and written books for and lectured to distributors throughout the world. Learn about the industry from the inside out, and maximize your chances for successful business.

Each video clip is about three minutes long. Enjoy.

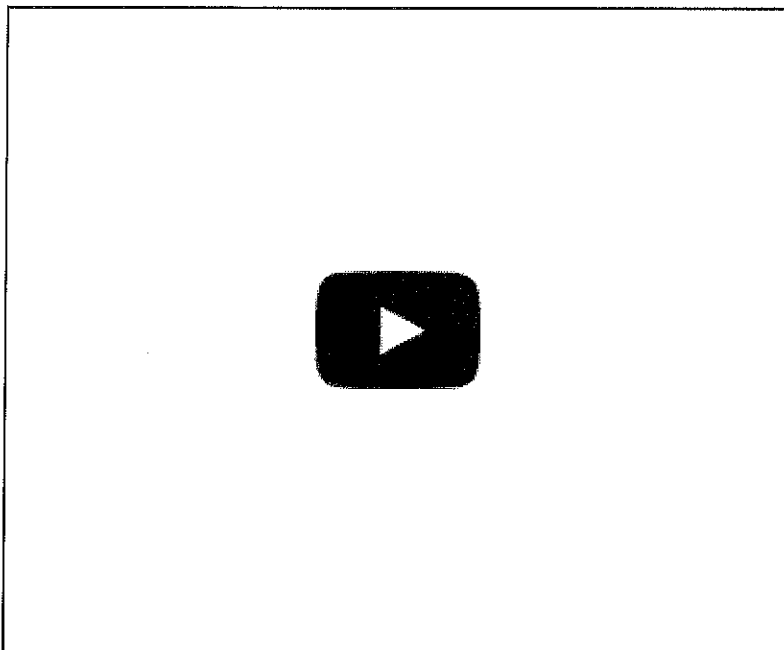
1. Introduction and Basics.



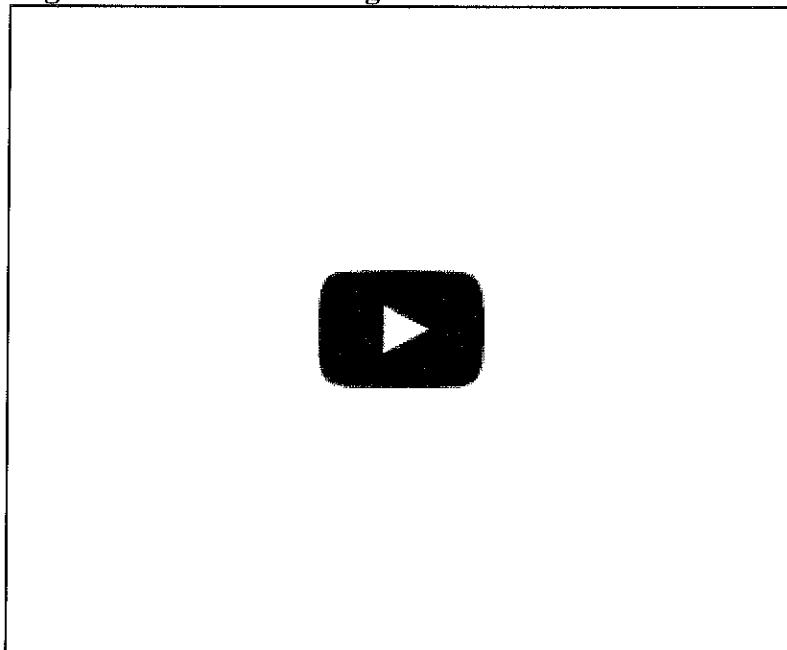
2. Successful Companies.

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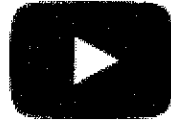
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3. Legal Multilevel Marketing.



4. Success Stories.



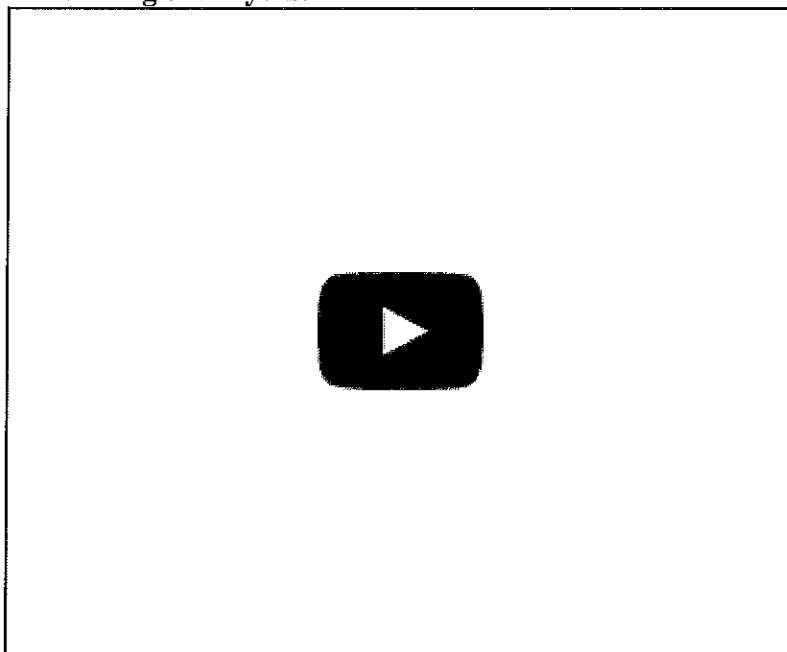
5. History and Technology.



6. Not Just Pyramid Schemes.



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8. Internet and the Future.

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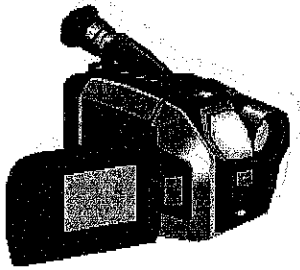
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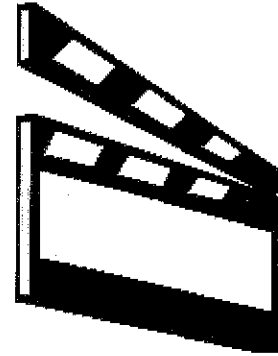
Exhibit 11

MLM Distributor Educational Videos



Here are some video clips of Jeffrey Babener explaining the background and nuances of this business model, geared to the distributors and representatives. Multi-level marketing (MLM), Network Marketing and Direct Sales/ Direct Selling opportunities are often the source of misinformation and confusion and managing your expectations is an important part of your future success. Mr. Babener is known throughout the world as a specialist in the legal and business matters of multilevel marketing. He has advised many of the largest companies in the world and written books for and lectured to distributors throughout the world. Learn about the industry from the inside out, and maximize your chances for successful business.

1. Basics for Success in MLM / Network Marketing.



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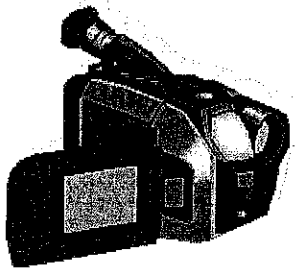
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Exhibit 12

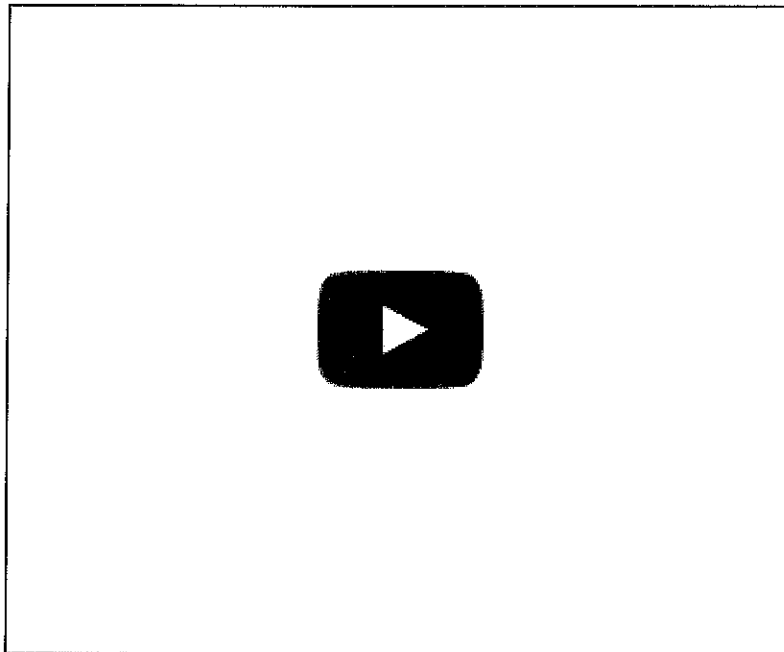
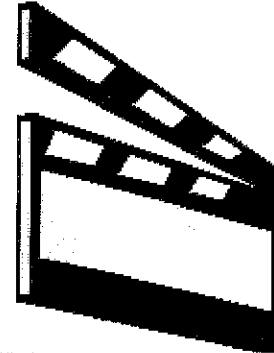
MLM Video Library



Here are some video clips of Jeffrey Babener explaining the background and nuances of this business model, geared to the distributors and representatives. Multi-level marketing (MLM), Network Marketing and Direct Sales/ Direct Selling opportunities are often the source of misinformation and confusion and managing your expectations is an important part of your future success. Mr. Babener is known throughout the world as a specialist in the legal and business matters of multilevel marketing. He has advised many of the largest companies in the world and written books for and lectured to distributors throughout the world. Learn about the industry from the inside out, and maximize your chances for successful business.

Each video clip is about three minutes long and will open in a new window for your convenience. Enjoy.

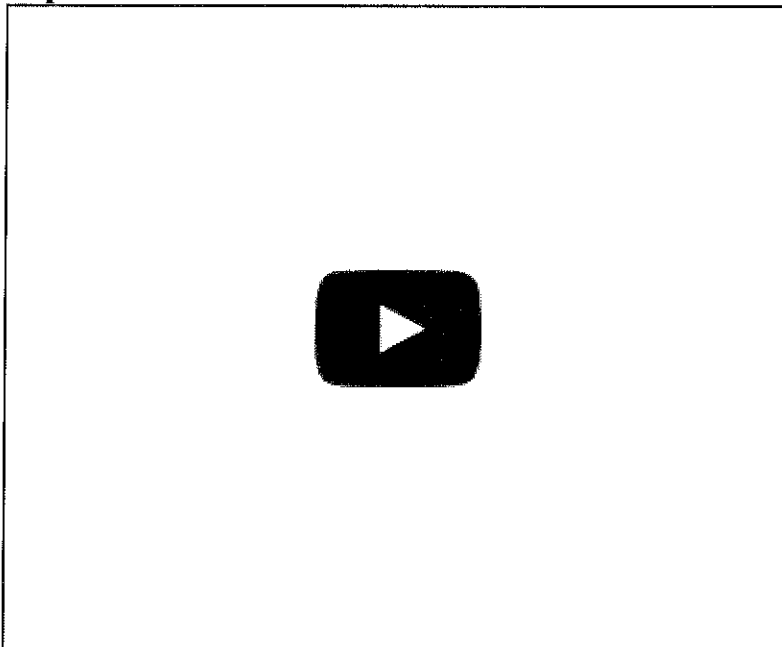
1. Profile of a MLM Law Firm



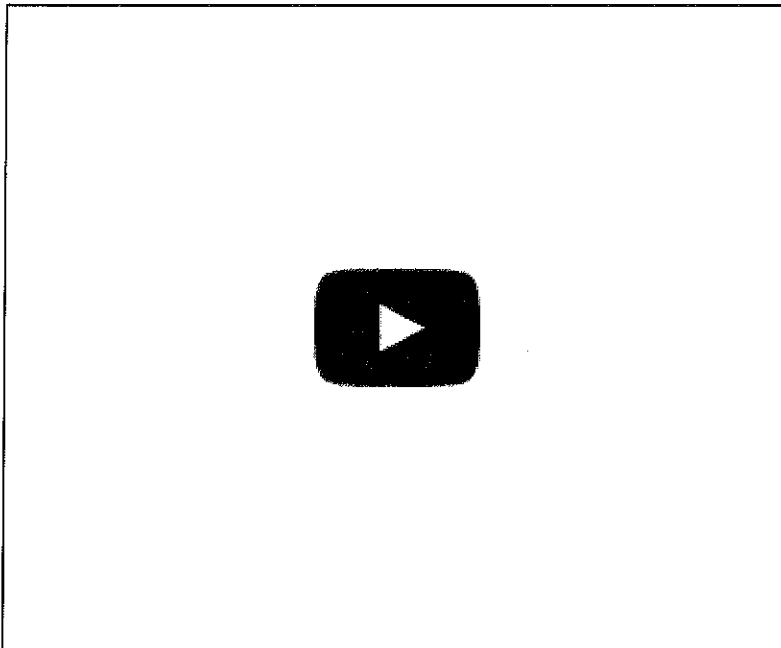
2. Passion, Patience, Persistence.



3. Capitalization of the MLM.



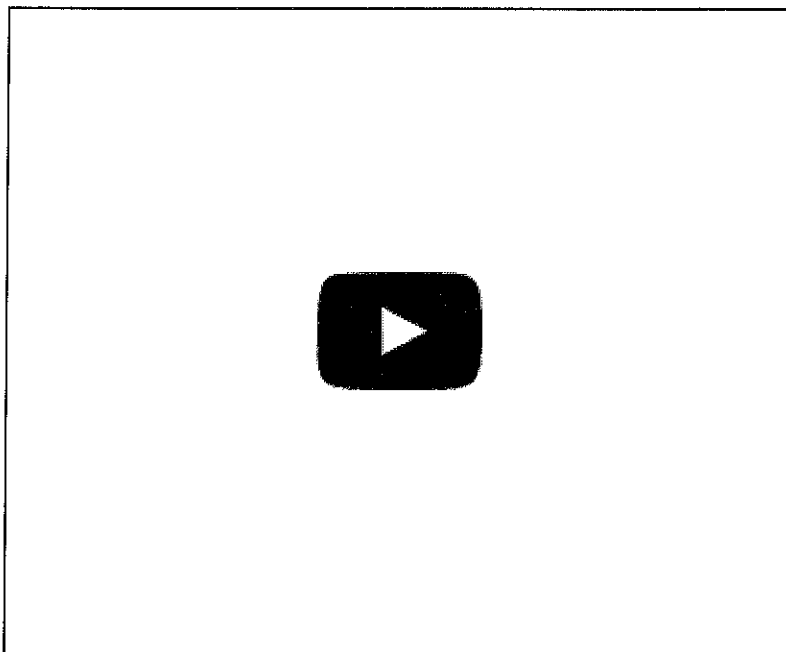
4. Agreements Between Owners.



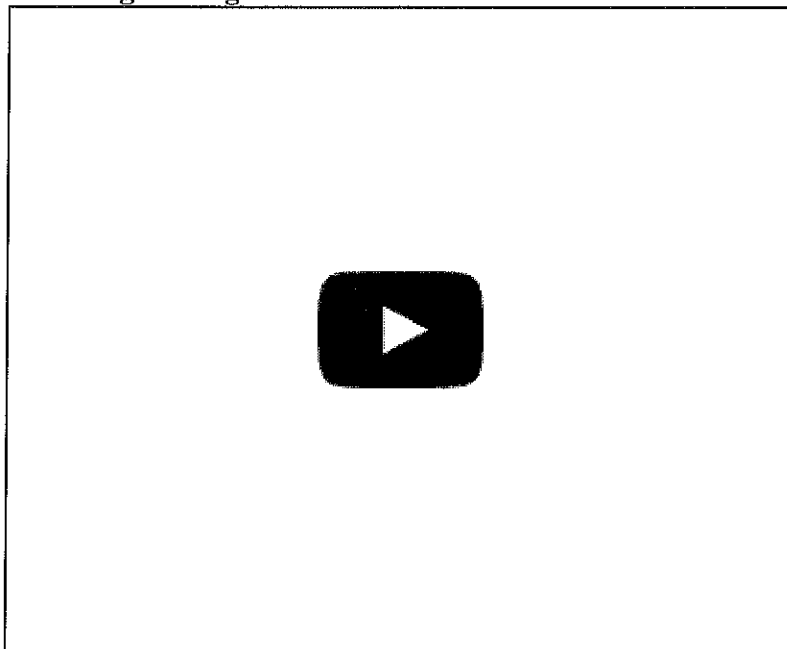
5. Role of the Compensation Plan.



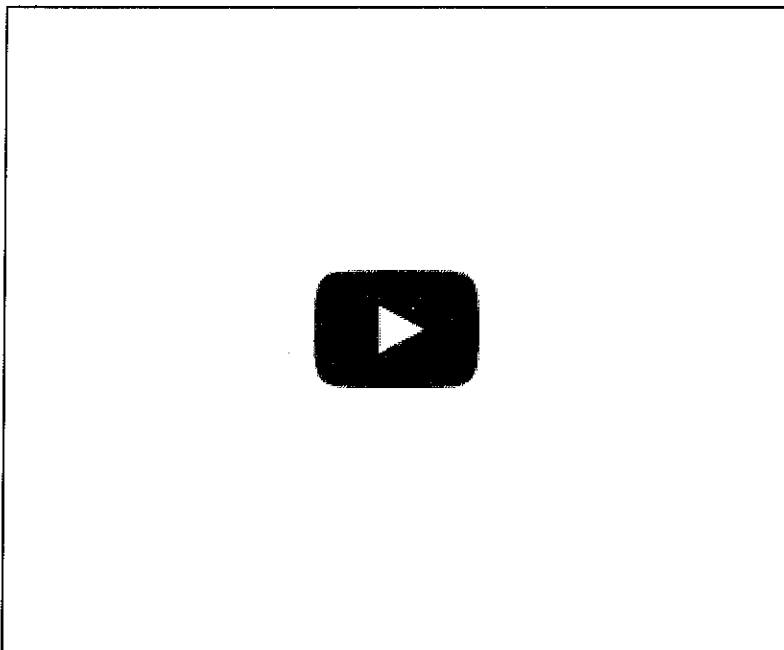
6. MLM Startup Conference Agenda



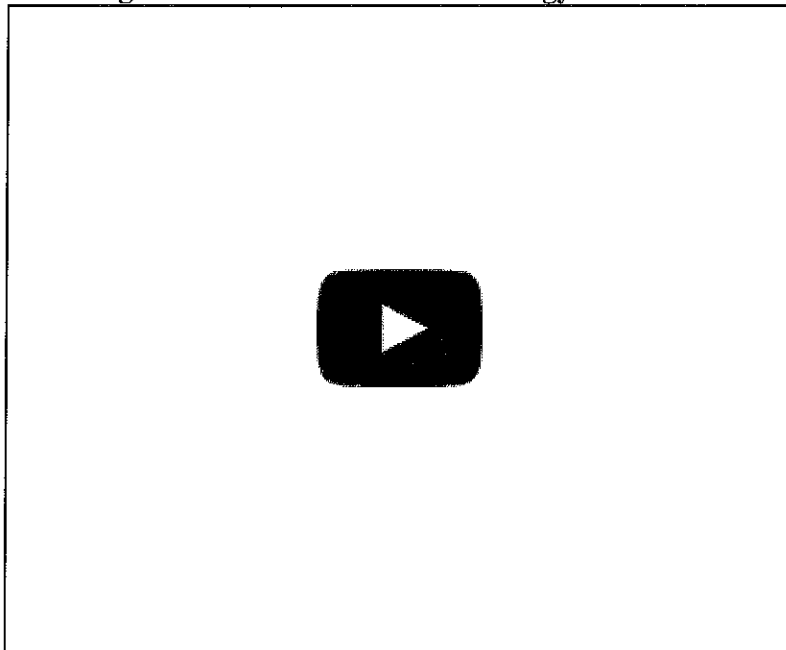
7. Choosing the Right Product



8. Possess or Buy MLM Experience



9. Choosing MLM Software and Technology



10. MLM Startup Legal Issues



11. MLM Startup Answers and Resources



12. Recruitment Capabilities



13. Trademark Issues



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Exhibit 13

Law Offices of Nehra and Waak (<http://www.mlmatty.com/>)

Firm Transition News: Gerry Has Not Retired!

Posted on February 28, 2014 (<http://www.mlmatty.com/2014/02/firm-transition-news-gerry-has-not-retired/>) • by editor (<http://www.mlmatty.com/author/editor/>) Posted in General Interest News (<http://www.mlmatty.com/category/general-interest-news/>), MLM News (<http://www.mlmatty.com/category/mlm-news/>)

About a year ago the Nehra & Waak firm quietly began a transition in its internal operations by announcing the change of its primary address to the Delton, MI, office address of Rick Waak. At the same time our letterhead was modified, without announcement, to reflect Rick's new role as Principal Attorney, and Gerry's designation as Of Counsel.

Maybe we should have explained the adjustment. Some of our business associate contacts apparently have misconstrued this style change to indicate that Gerry has retired. NOT SO. Gerry remains very much engaged and is actively pursuing the firm's practice. He continues to service all clients for whom he previously had been lead direct selling counsel. He also continues to provide ALL trademark work requested by any of the firm's clients.

As Principal Attorney, Rick has taken on much of the management and administrative responsibility for firm operations. He also serves as lead counsel on the accounts of all new firm clients.

A concluding note: Mail sent to Gerry's Muskegon, Michigan address will NOT be lost or go unanswered. Also, the phone and fax numbers, and email addresses for both Rick Waak & Gerry Nehra remain unchanged.

« Getting A Jump Start (<http://www.mlmatty.com/2013/06/getting-a-jump-start/>)

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Gerry Nehra gives “legal blessing” to Telexfree

Aug.02, 2013 in [TelexFree](#)



With TelexFree Brazil in crisis mode and hundreds of thousands of affiliate investors money frozen in company accounts by court order, the company has begun to focus on new markets, hoping to lure new investors from the US and Canada to keep the scheme going.

Over the recent July 26th and 27th weekend, TelexFree held a “super weekend” in Newport Beach, California, where the company went to great efforts to reassure investors that, despite the company’s bank accounts being frozen and all recruiting and ROI payments being suspended in their largest affiliate market, that this would have no bearing on their US operations.

Today we focus in on one of the more recognisable speakers at the TelexFree event, US MLM attorney Gerald Nehra.



Nehra (right) talked for just over a half hour with the intent of adding legal weight to the legitimacy issue of

TelexFree's business model.

[7:55] After I left Amway in 1991 I had a very brief period as the vice-president and general counsel for Fuller Brush. Fuller Brush did not make it in attempting to convert from direct selling to multi-level direct selling.

And when that job wasn't going to work out I ended up returning from Colorado back to Michigan and opening up a private law practice. Since 1992, I have practiced law exclusively in multi-level direct selling law. That is all that I do.

Nehra opens his talk by assuring affiliates in attendance that they '*are in the right place*' [00:24], later sharing that he himself is '*delighted to be on board*' [17:05].

Much emphasis is placed by Nehra on Amway and the FTC court case of 1978, that was decided in favour of Amway. Nehra uses the decision to justify TelexFree's operations today in the US:

[4:14] Independent contractor representatives, like you, were given two ways to make money. Sell the products to customers, receive a commission.

Additionally and optionally find other people who want to be like you, introduce them to the company. The company will keep track in their computer of who sponsors who, what you know as a genealogy, an upline or a downline.

And when the second person sells products to customers and gets their commission, that will give you, the person who sponsored them, an override, a bonus, a second commission.

That twist, that addition to the way that Amway was selling products and services was accused by the Federal Trade Commission of being an illegal pyramid.

An administrative law judge listened to all the evidence and said "No, government, the Amway business model, with its protections in it, with its guidelines, with the way they do it is legal.

[7:00] That (the Amway decision) is known as a seminal decision and that is paving the way for what you are doing today.

Why Nehra places such emphasis on comparing Amway to TelexFree is unclear.

Amway has a product range that affiliates market to consumers. TelexFree affiliates join the company, pay \$289 for a single AdCentral or \$1375 for ten of them, with TelexFree paying out a guaranteed \$20 per week for 52 weeks per AdCentral purchased by an affiliate.

For a more detailed look at TelexFree's business model, you can read the [BehindMLM TelexFree review](#).

With nothing inherently being sold to customers (retail or affiliates), it is the money an affiliate deposits into the company that determines how many \$20 weekly ROI payments they make. Naturally it follows on that the money paid out is thus sourced from new affiliates joining the company and investing in AdCentrals, along with existing affiliates re-investing once their AdCentral 12 month "contract" is up.

That fundamental difference doesn't seem to phase Nehra however, who insists that TelexFree is wholly legal in the US.

[15:55] This company has a compensation plan that is unique, is different, some people might refer to it as somewhat aggressive (laughter).

It is legally designed and I can legally bless and defend your compensation plan if and only if it leads to its intended resolve.

When you place ads what are you trying to do? You're trying to get customers!

When you are rewarded, what are you rewarded for? You're rewarded for putting more customers on the books.

In truth however, under the guise of "buying back" its contracts from affiliates, TelexFree affiliates are guaranteed a \$20 a week ROI for 52 weeks per AdCentral bought, based nothing more than handing over \$289 USD per AdCentral to TelexFree.

Again, this doesn't seem to concern Nehra:

[30:05] (Question from an affiliate): Based on your legal standing, do you feel TelexFree is on solid ground from legal standpoint here in the United States?

[30:12] (Nehra responding): I would not be here unless I also felt very strongly, just as you said that. You are on very solid legal ground.

Despite the obvious affiliate-funded Ponzi scheme mechanic built into and residing in the core of TelexFree's business model, Nehra argues that it is the affiliates of the company who are to blame should a regulator (the SEC) deem the company an illegal Ponzi scheme.

[11:25] There's a lot of regulatory activity out in the United States and out in the world. And I'm going to tell you that most of the activity that I have personally been involved in, and I'm going back to my days when I started out in Amway all up to today, I would say 98-99% of the regulatory activity that I have personally been involved in, and I have sat across the desk from an assistant attorney-general in at least twenty states on behalf of clients trying to negotiate issues and problems, 98% have dealt more with independent contractor conduct than it has dealt with plan design.

[12:34] You can have legally designed plans that have been vetted by the Nehra and Waak law firm and Jeffrey Babner and Grimes and Reece and D. Jack Smith and uh, Kevin Thompson – you can have all five of em bless the plan and you can still get in trouble.

Because what is said in the field what is done in the field, even with a legal plan, there's more weight with it in the eyes of the regulators than the design.

You guys can control the future of this company. You gotta play it by the book, you gotta follow the instructions of the corporate leadership and your upline leadership. You've gotta say the right things, do the right things and most importantly, keep the focus on customer activity.

Whilst there is obviously nothing wrong with focusing on retail activity (and it should be wholly encouraged), merely having it as an option is simply not good enough. And of course it in no way nullifies paying out your affiliates \$20 a week depending on how many \$289 AdCentrals they "purchase" from the company.

Ignoring that core aspect of the TelexFree compensation plan, Nehra instead trots out the tired "blame the affiliates" approach, citing the pyramid scheme Equinox as an example:

[14:08] That plan was vetted by their own lawyers, was vetted by the Direct Selling Association government relations lawyers and, believe me, was legal.

They got shutdown by the Federal Trade Commission and Bill Gould received a lifetime ban from this industry.

How'd that happen? Distributor conduct.

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Gerry Nehra gives "legal blessing" to Telexfree

The bad guy distributors, rather than following the plan, and the safeguards and the guidelines in the plan, had converted the plan into a \$5000 front-load abusive program.

And they would tell their newly minted downlines "well in our line of sponsorship here's the way we do it. You forgo \$5000 and you rent a little office from us in this building we got down the street and everything is gonna be fine".

Well it wasn't fine, and it wasn't the plan that was designed and vetted and approved.

And the federal government said "what's going out in the field is so pervasive and the company is not policing it, and stopping it and pulling it back and disciplining people", that you're gone.

That company's gone. Shutdown completely.

"Blame the affiliates" is a legal approach that has failed numerous times in US courts, with judges holding company's entirely responsible for how the business is run. Primarily this is due to the simple fact that an affiliate is only able to work a compensation plan within the constraints of the compensation plan itself.

If an affiliate can earn an income via recruitment and ignore retail, **something is fundamentally wrong with that company's compensation plan.**

In the case of Equinox, here's what actually happened:

Beginning in 1996, Equinox came under scrutiny for a number of improprieties and illegal acts, including deceptive recruitment tactics. Numerous individuals had filed criminal and civil complaints against Equinox, claiming the firm had swindled them out of money.

On 25 April 2000, the Federal Trade Commission issued a notice that Equinox International had settled the court case with a penalty of \$40,000,000 in restitution to the victims of Equinox International.

Additionally, Gould, the principal of Equinox International, was forced to liquidate many of his possessions and is furthermore barred for life from participating in any network marketing organization in the United States.

Equinox International dissolved in 2001.

Regardless of what Nehra would have you believe, ultimately Equinox was held responsible for its compensation plan and business model.

So too will TelexFree should the SEC deem its \$298 AdCentrals, which pay out a guaranteed \$20 a week ROI to affiliates who pay for them, to be an unregistered security.

At the end of the day whatever company you are in, if you're receiving commissions based on how much money you and other affiliates put into the company, something is going to give. In the case of TelexFree Nehra confirms that the vast majority of money flowing into the company is via affiliates:

[7:05] Now the critical issues here... in your plan, is that you have a product or a service that you sell to customers. And that the customers use the service and that the income that the company generates is from the sale and use of the product being sold and used by end-users.

Now, can end-users be you guys? Can end-users be reps? Yes they can. Of course, we want you to be users of the product. We don't want you to be 100% users of the product, we also want to have outside customers, that's very, very important.

[19:26] I believe that it is ok to have a very high percentage of your customers being yourselves,

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the representatives of your company. However, the amount customers that are not representatives needs to be some number and the number that I'm on the look for is 20%.

Now I'm not sure that this company is there yet but I know it's moving in that direction and I'm comfortable with the movement and the trend here.

Movement and trends aside, TelexFree *obviously* has less than 20% retail. "*I'm not sure*"...? Please. This is TelexFree's own lawyer we're talking about here. If anyone believes he's not sure what the precise amount of retail activity is within the company they're delusional.

If TelexFree had anywhere near 20% retail (which is still not enough when you're offering a guaranteed \$20 a week ROI), Nehra would be shouting about it from the rooftops.

Instead what Nehra focuses on is the "we have a product so we're legal" argument:

[10:15] When I started with Jim and with Mike and Carl I realised your magic ingredient. The magic ingredient that separates you from some other companies that have been indirectly referred to that have gone and been in a lot of trouble.

That special ingredient is that you have a real product. You have a real product slash service (applause from TelexFree affiliates).

And the last person that spoke said something about customers. Customers makes you so legal that it is incredible.

And here's my, here's my special request to you, to keep this in mind: Every time you take a wonderful long-distance service and get it activated by placing it with a friend or neighbour and help them make their first phonecall – you're helping the company become even more legal (applause).

"We have a product" is the tired justification every single Ponzi scheme in the last decade has attempted to defend itself with. To date every company that has used this defence in a US court has failed.

Long time readers of BehindMLM will probably get a strong sense of dejavu in reading the above transcript from Nehra's talk. Verbatim, it's pretty much the same pseudo-compliance that was trotted out for two relatively recent high-profile MLM Ponzi scheme scams, Zeek Rewards and AdSurfDaily.

Not surprisingly, Nehra was balls-deep on the legal side of both schemes.

Nehra filed an affidavit in court declaring that Ad Surf Daily "was not a Ponzi scheme". Ad Surf Daily was shut down in 2008 for being an illegal Ponzi investment scheme and its founder, Andy Bowdoin, confessed as much in mid 2012.

In late 2011 Paul Burks, founder and CEO of Zeek Rewards, held a secret meeting with early investors and informed them that Nehra was on retainer and had "taken the Zeek Rewards system apart", making recommendations to change the terminology used by the company and its affiliates to describe the income opportunity.

Burks even went so far as to reassure the early investors that '*generally when Gerry Nehra is involved, the Feds know that he's cleaned up the act really well*'.

In August 2012 the SEC shut down Zeek Rewards for being an illegal \$600M Ponzi investment scheme.

Notably both companies were shut down purely on the merits of their business model and how revenue flowed into the company and was subsequently paid out to affiliates.

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Gerry Nehra gives "legal blessing" to Telexfree

Despite being heavily involved in two catastrophically industry damaging Ponzi schemes now, in which all participants, promoters, management and legal advisors should have known better, Nehra seemingly has learnt nothing from both experiences:

[25:47] The question is the word "investment". Take it out of your vocabulary!

The word investment has a special meaning to the Securities and Exchange Commission. It is a highly sensitive, regulated word. We are not offering anybody in this country or in any country an investment.

We have to be very cautious about how the word is translated into other languages and I'm not bilingual so well I can't help there, but do not use the word investment.

You are not offering anybody an investment and we don't want the word anywhere in our literature and we don't want to use the word verbally in any of our meetings.

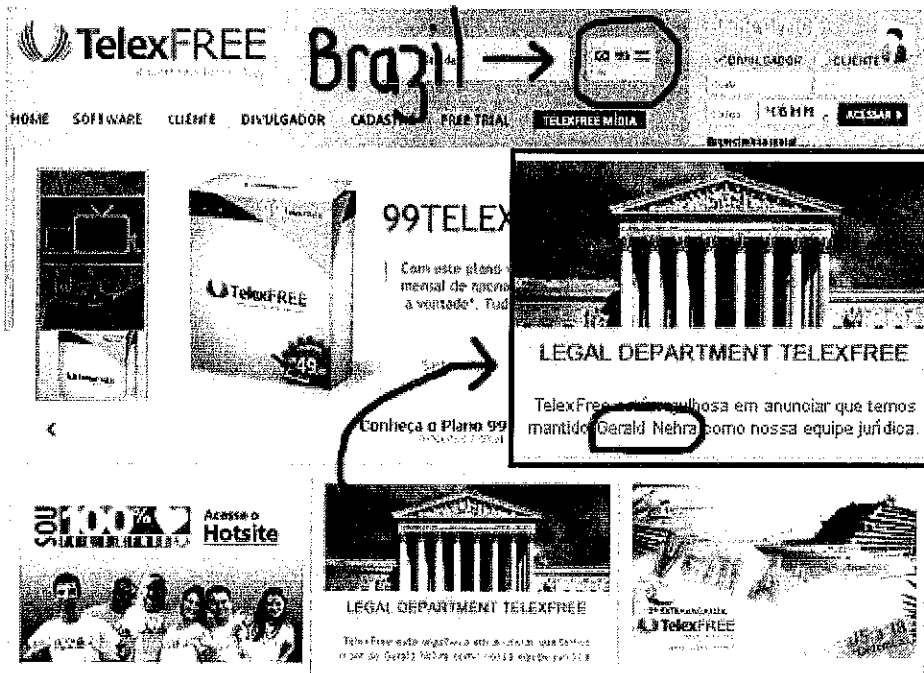
Right. Because not calling an investment an investment will simply make the issue go away. Just like it did in both AdSurfDaily and Zeek Rewards... Nehra branded pseudo-compliance at its finest.

Conveniently ignored and underscoring all of Nehra's comments is the business halting legal action that has already begun in Brazil against TelexFree. When asked by a concerned affiliate about the injunction granted against the company Nehra brushed it off, stating

[24:20] Okay, I am the MLM specialist and attorney for TelexFree in the United States only. So I gotta duck the question.

[24:50] I should not be used as a marketing tool and I cannot be referenced overseas because I do not advise the company on their overseas operations. I only am a US attorney helping TelexFree in the United States.

TelexFree themselves however use Nehra prominently as a marketing tool on both their localised Brazilian (Portuguese) and Spanish (Spanish) website portals:



These are portals that have nothing to do with TelexFree's US affiliates or the company's US-based business

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operations.

Probably a more accurate reason Nehra won't touch on Brazil and TelexFree is that there the company's own lawyers pretty much admitted it was a Ponzi scheme, arguing in court 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.

Not surprisingly a Brazilian judge rejected this argument and denied TelexFree's injunction appeal.

As it stands now several legal proceedings involving TelexFree appeals have been rejected by the Brazilian courts, with one judge remarking

the issue is that the earnings will be exhausted when the main source of revenue of the group (new affiliate registrations) stops.

Many (affiliates) do not even have the opportunity to recover their initial investment (minimum U.S. \$ 339) and this is detrimental.

Key to the legal issues in Brazil is that TelexFree use the exact same business model in Brazil as they do in the US and elsewhere in the world.

You sign up as a TelexFree affiliate, pay the company \$289 or \$1375 dollars and in return get a guaranteed \$20 a week per position invested in.

Call it what you want, market it how you want and attach whatever products and services to it that you want... when the regulators come knocking the issue of TelexFree's AdCentrals being classified as an unregistered security is a no-brainer.

AdSurfDaily? Ponzi scheme.

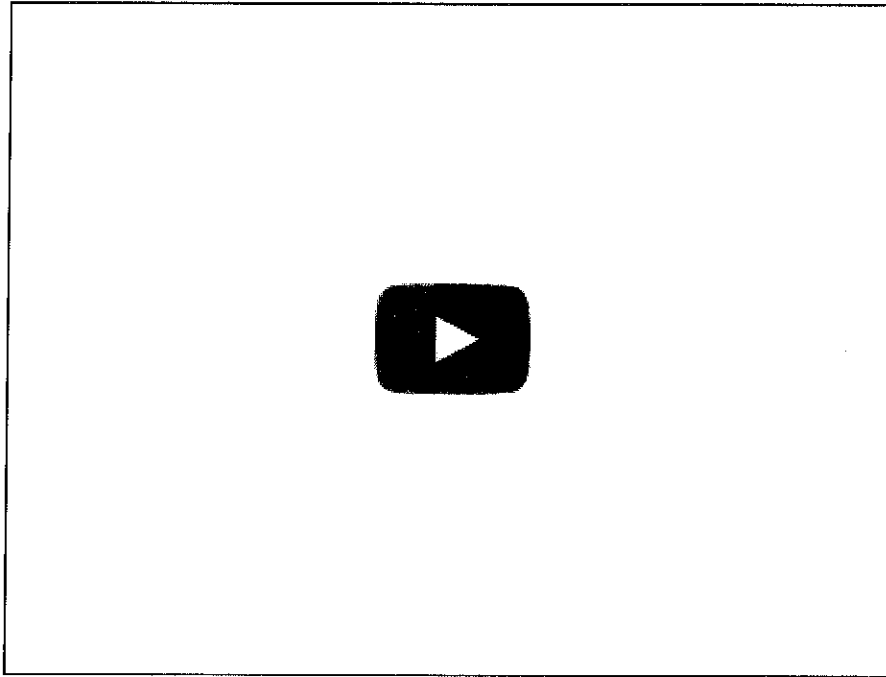
Zeek Rewards? Ponzi scheme.

Third time's the charm Nehra? Yeah right.

Footnote: The video footage from TelexFree's California event that the timestamps in the above article reference can be viewed below:

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5. **Kingdom777 "committed to blessing" Peru?** - Jan 18th, 2014

65 Comments on "Gerry Nehra gives "legal blessing" to Telexfree"

3/11/2015

Gerry Nehra gives "legal blessing" to Telexfree

- [Bidify](#)
- [Bids That Give](#)
- [Bon Voyage 1000](#)
- [Carbon Copy Pro](#)
- [DS Domination](#)
- [Dubli Network](#)
- [eAdGear](#)
- [Empower Network](#)
- [GetEasy](#)
- [GiveOpp](#)
- [Herbalife](#)
- [iWowWe](#)
- [Javita](#)
- [JubiRev](#)
- [Lifepath Unlimited](#)
- [LiveSmart 360](#)
- [Lyoness](#)
- [Magic Power Coffee](#)
- [Mannatech](#)
- [MonaVie](#)
- [MyShoppingGenie](#)
- [Nu Skin](#)
- [Ocean Avenue](#)
- [Polaris Media Group](#)
- [Pyxism](#)
- [Rippln](#)
- [Speak Asia Online](#)
- [Spinding](#)
- [TelexFree](#)
- [That Free Thing](#)
- [The Bold Approach \(TBA\)](#)
- [TVI Express](#)
- [Unaico](#)
- [Visalus](#)
- [Wazzub](#)
- [WCM777](#)
- [Wealth Masters International](#)
- [Wealth4AllTeam](#)
- [World Ventures](#)
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3/11/2015

Gerry Nehra gives "legal blessing" to Telexfree

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EXHIBIT 5

Ielextree LLC
Balance Sheet
As of December 31, 2013

	Total
ASSETS	
Current Assets	
Bank Accounts	
100103 ProPay	98,463.24
100104 TD Bank 2808	0.00
100105 TD Bank 0334	0.00
100106 TD Bank 8409	295,921.23
100107 Citizens Bank	0.00
100109 Fidelity Bank 3842	-200.00
100110 Fidelity Bank Sweep 7884	2,041.16
100111 e-Wallet	31,640,192.30
100113 Middlesex Savings	5,467,660.06
	\$ 37,504,077.99
Total Bank Accounts	
Other current assets	
Loan to TelexElectric, LLLP	2,022,329.00
Loan to Telexfree Financial Inc	3,800,475.30
Loan to Telexfree Inc	0.00
Loan to TelexMobile	500,870.00
Loan to Ympactus	291,808.02
Propay Reserve	4,468,411.11
	\$ 11,083,893.43
Total Other current assets	
	\$ 48,587,971.42
Fixed Assets	
Accumulated Depreciation	-9,575.10
Equipment	86,541.68
	\$ 76,966.58
Other Assets	
Citizens Bank Investment	0.00
Fidelity Investment	18,068,960.59
Middlesex Savings Acc 0260	2,000,000.00
Organizational Costs	3,475.00
Security Deposits	5,944.00
Software	97,948.56
Waddell and Reed, Inc	7,299,408.73
	\$ 27,475,736.88
Total Other Assets	
	\$ 76,140,674.88
TOTAL ASSETS	
LIABILITIES AND EQUITY	
Liabilities	
Current Liabilities	
Credit Cards	
American Express	0.00
Bank of America Braz Help 0033	0.00

Bank of America Telexfree 2658	0.00
Total Credit Cards	\$ 0.00
Other Current Liabilities	
Commissions Payable	7,642,550.42
Craft Trust Financial	0.00
Federal Income Taxes Payable	21,613,289.00
Loan from Telexfree Inc.	5,390,753.49
Payable to Brazilian Help, Inc	2,671.76
Shareholder Loan	50.00
State/Local Income Tax Payable	3,924,262.30
Telecom taxes payable	23,403.93
	<hr/>
Total Other Current Liabilities	\$ 38,596,980.90
	<hr/>
Total Current Liabilities	\$ 38,596,980.90
	<hr/>
Total Liabilities	\$ 38,596,980.90
Equity	
Retained Earnings	1,109,862.42
Net Income	36,433,831.56
	<hr/>
Total Equity	\$ 37,543,693.98
	<hr/>
TOTAL LIABILITIES AND EQUITY	\$ 76,140,674.88

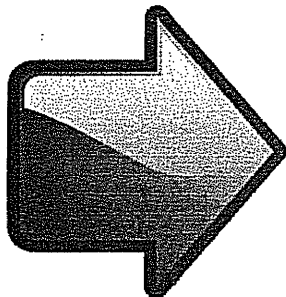
Thursday, Feb 20, 2014 04:39:29 PM PST GMT-6 - Cash Basis

EXHIBIT 6

TelexFree

HOME HOW TO SIGNUP

Place 5ads/day & Earn \$100/week (No Condition Behind)



HOW MANY of you would like to **earn a passive income (\$20 or \$100 a week for 52 weeks)** just for **placing 1 Telexfree Ad per day** promoting the company's product ?

You just place your Ad and **get paid weekly regardless of if anyone buys what you are selling or regardless of if you ever recruit a single person into this opportunity or not.....**Sounds good doesn't it?

YES

TelexFree looking for promoter who would publish 5ads/day, takes just 3 minute with our system and will earn \$100/week.**You just place your Ad and get paid weekly regardless of if anyone buys what you are selling or regardless of if you ever recruit a single person into this opportunity or not**

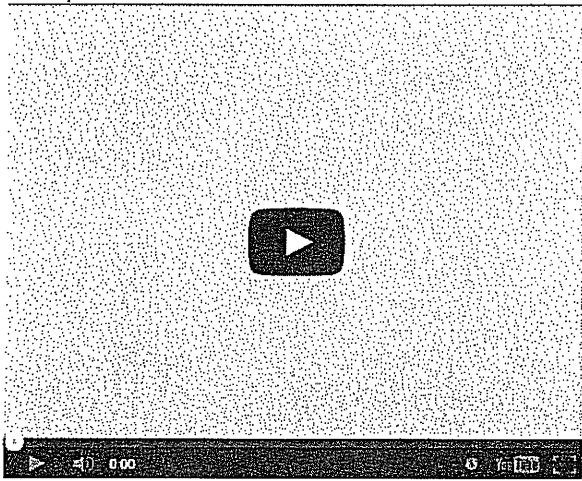
Who Is TelexFREE



Telexfree is an Advertising company that uses interactive technologies to create sustainable wealth though advertising Software and VOIP Phone Service. This is generally done through advertising on free classified websites, text link exchanges safe lists and other online and offline properties.

**TelexFree created 23 millionaires in less than 2 years
Because EVERYONE GETS PAID Here**

TelexFREE Popularity



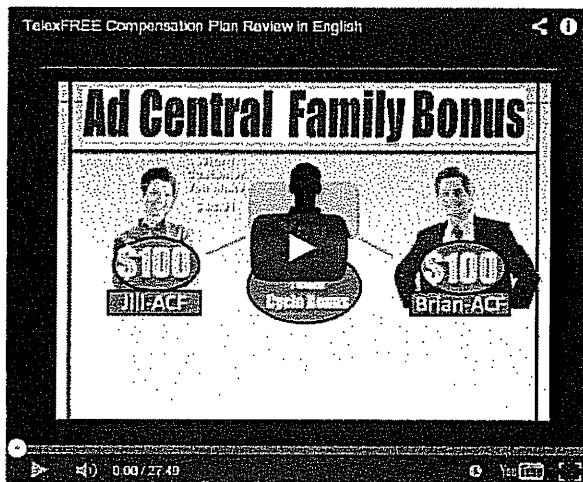
Powerful *Passive Income*



Telex Passive Income Calculator Explained

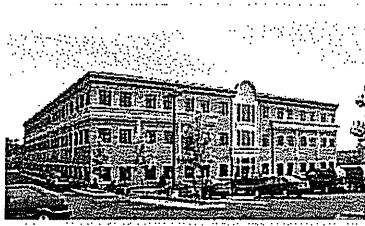
*Watch to know the power of passive income.
So easy and guaranteed*

Amazing Compensation Plan



Key points

- Extremely stable business model
- **Clean & scam free business.** Check scam report here
- A real company with real offices
- Post ads each day for Telex and get paid
- 23 millionaires created in just 12 months
- Payments made weekly
- Earn 52 weekly payments per contract
- Fund directly by credit card
- Withdraw directly to your bank account
- Team building bonuses
- Excellent **team training** and Skype group



Telexfree Ranks among Top 100 most visited site in Alexa

Check it out [Here](#)

How You Go

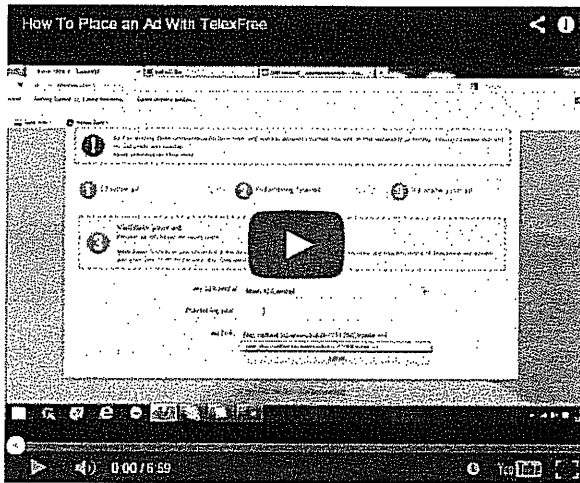
1. Chose Your Package
2. You join as promoter
3. Post 1-5ads/day.....& you are done

You join as promoter paying \$50 + \$289(1 adCentral) = \$339 -> You place 1 ad/day -> You earn \$20/week(guaranteed) for 52 weeks -> You get your investment back in 16 weeks

You join as promoter paying \$50 + \$1375(5 adCentral AD Central Family) = \$1425 -> You place 5 ads/day -> You earn \$100/week (guaranteed) for 52 weeks -> You get your investment back in 14.25 weeks

So, remaining 38 weeks earning goes into your pocket as profit. You can reinvest it to buy more AD Central step by step and earn at least \$1000-\$3000/week. Without any sale and sponsoring people.

Your DAILYWork At TelexFREE



Watch to know what exactly you need to do everyday to earn \$100/week

\$1000/week Plan with TelexFree

Watch to know how realistic way you can earn \$1000/week without sponsoring or a single sale



Benefit Joining Our Team

-If you are interested in joining TelexFREE as a promoter and earning from selling their service and building your own team, then I am part of one of the biggest in TelexFREE.

-We provide full support and training and are there to help whenever it is needed. You also have access to resources to help you build your own team including sales funnel videos along with a 24/7 Skype room.

- We will take care of your ad posting and teach you the trick to submit your five ad in one click

-We will create your webpage to promote TelexFREE

**TAKE ACTION &
JOIN the Team Today!**
GET STARTED HERE!

Contact Us

Web Hosting by Hostgator

EXHIBIT 7

HOLD DOCUMENT UP TO THE LIGHT TO VIEW TRUE WATERMARK

HOLD DOCUMENT UP TO THE LIGHT TO VIEW TRUE WATERMARK

 **Citizens Bank**

057-0012
0116

December 09 2013

**** \$12,900.00 **** DOLLARS

PAY

TO THE
ORDER OF

* TELEXFREE LLC *

Login
MEMO:

L: BUSA 3

Drawer: RBS Citizens, N.A.
Citizens Bank is a division of RBS Citizens, N.A.



Alvina Madayan MA
AUTHORIZED SIGNATURE



busa3

PAY TO THE ORDER OF
Fidelity Bank
211370707
FOR DEPOSIT ONLY
TELEXFREE LLC
93812

[Handwritten signature]

EXHIBIT 8



Bank Account Information Form

Funds will be deposited via international wire transfer. Please complete one form for each receiving bank account (applicable for processing in multi-currency settlement accounts).

Account Details

Beneficiary Name: International Payout Systems Inc MEMO / further credit to : TelexFree

****Please note Beneficiary name can be no longer than 30 characters and have no special characters, such as "&" or "-". If submitted Beneficiary Name includes these items wire is at risk of return or decline****

Beneficiary Address on account: 225 Cedar Hill Street Suite 200

Beneficiary City and State on account: Marlborough, MA

Beneficiary Post/Zip Code on account: 01752

Beneficiary Country on account: USA

Merchant Account ID 5caaf9ab-abad-4770-8a21-7ff79dfe7c81

Merchant Website(s) _____

Bank Details

Receiving Bank Name: Bank of America

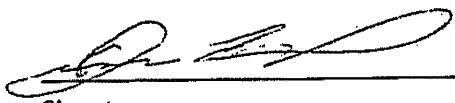
Receiving Bank Address: 3900 S Ocean Dr, Hollywood FL

Account Number: 8980 2970 1806

ABA/Routing Number: 026009593

Swift Code: BOFAUS3N IBAN: _____

Print Name: James Merrill


Signature

11/12/2013
Date

EXHIBIT 9

#2013-142

**UNITED STATES OF AMERICA
DEPARTMENT OF THE TREASURY
COMPTROLLER OF THE CURRENCY**

In the Matter of:

TD Bank, N.A.
Wilmington, Delaware

)
)
)
)
)
)
)

AA-EC-2013-67

CONSENT ORDER FOR A CIVIL MONEY PENALTY

The Comptroller of the Currency of the United States of America (“Comptroller”), through his national bank examiners and other staff of the Office of the Comptroller of the Currency (“OCC”), has conducted an examination and investigation of TD Bank, N.A., Wilmington, Delaware (“Bank”). The OCC has identified deficiencies in the Bank’s practices that resulted in violations of 12 C.F.R. § 21.11 related to failures to file suspicious activity reports (“SARs”), and has informed the Bank of the findings resulting from the examination and investigation.

The Bank, by and through its duly elected and acting Board of Directors (“Board”), has executed a Stipulation and Consent to the Issuance of an Order for a Civil Money Penalty, dated September 20, 2013, that is accepted by the Comptroller (“Stipulation”). By this Stipulation, which is incorporated herein by reference, the Bank has consented to the issuance of this Consent Order for a Civil Money Penalty (“Order”) by the Comptroller.

ARTICLE I

COMPTROLLER'S FINDINGS

The Comptroller finds, and the Bank neither admits nor denies, the following:

(1) Between April 2008 and September 2009, customer account activity repeatedly triggered alerts in the Bank's anti-money laundering monitoring system. The Bank incorrectly determined that the activity giving rise to the alerts was not suspicious activity that would warrant the timely filing of SARs.

(2) By reason of the foregoing failures to file SARs on a timely basis, as described in Paragraph (1) of this Article, the Bank violated 12 C.F.R. § 21.11(c) and (d) with respect to each of the alerts.

(3) The Bank's violations of 12 C.F.R. § 21.11 are part of a pattern of misconduct and caused more than a minimal loss to the Bank.

ARTICLE II

ORDER FOR A CIVIL MONEY PENALTY

Pursuant to the authority vested in him by the Federal Deposit Insurance Act, 12 U.S.C. § 1818(i), the Comptroller orders, and the Bank consents to the following:

(1) The Bank shall make payment of a civil money penalty in the total amount of thirty-seven million five hundred thousand dollars (\$37,500,000), which shall be paid upon the execution of this Order:

- (a) If a check is the selected method of payment, the check shall be made payable to the Treasurer of the United States and shall be delivered to:
Comptroller of the Currency, P.O. Box 979012, St. Louis, Missouri
63197-9000.

- (b) If a wire transfer is the selected method of payment, it shall be sent in accordance with instructions provided by the Comptroller.
- (c) The docket number of this case (AA-EC-2013-67) shall be entered on the payment document or wire confirmation and a photocopy of the payment document or confirmation of the wire transfer shall be sent immediately, by overnight delivery, to the Director of Enforcement and Compliance, Office of the Comptroller of the Currency, 400 7th Street, S.W., Washington, D.C. 20219.

(2) This Order shall be enforceable to the same extent and in the same manner as an effective and outstanding order that has been issued and has become final pursuant to 12 U.S.C. § 1818(h) and (i).

ARTICLE III

OTHER PROVISIONS

(1) This Order is intended to be, and shall be construed to be, a final order issued pursuant to 12 U.S.C. § 1818(i)(2), and expressly does not form, and may not be construed to form, a contract binding on the Comptroller or the United States.

(2) This Order constitutes a settlement of the civil money penalty proceeding against the Bank contemplated by the Comptroller, based on the violations of regulation described in the Comptroller's Findings set forth in Article I of this Order. The OCC releases and discharges the Bank from all potential liability for a civil money penalty that has been or might have been asserted by the OCC based on the violations described in the Comptroller's Findings set forth in Article I of the Order, to the extent known to the OCC as of the effective date of the Order. Provided, however, that nothing in the Stipulation or this Order shall prevent the Comptroller

from instituting other enforcement actions against the Bank or any of its institution-affiliated parties based on the findings set forth in this Order, or any other findings, and nothing in the Stipulation or this Order shall preclude or affect any right of the OCC to determine and ensure compliance with the terms and provisions of the Stipulation or this Order.

(3) The terms of this Order, including this paragraph, are not subject to amendment or modification by any extraneous expression, prior agreements, or prior arrangements between the parties, whether oral or written.

IT IS SO ORDERED, this 20th day of Sept. 2013.

/s/

Sally G. Belshaw
Deputy Comptroller
Large Bank Supervision

(2) The Comptroller is “the appropriate Federal banking agency” regarding the Bank pursuant to 12 U.S.C. §§ 1813(q) and 1818(i).

(3) The Bank is an “insured depository institution” within the meaning of 12 U.S.C. § 1818(i).

ARTICLE II

CONSENT

(1) The Bank, without admitting or denying any wrongdoing, consents and agrees to issuance of the accompanying Consent Order for a Civil Money Penalty (“Consent Order”) by the Comptroller.

(2) The terms and provisions of the Consent Order apply to the Bank and all its subsidiaries, even though those subsidiaries are not named as parties to the Consent Order.

(3) The Bank consents and agrees that the Consent Order shall be deemed an “order issued with the consent of the depository institution” pursuant to 12 U.S.C. § 1818(h)(2), and consents and agrees that the Consent Order shall become effective upon its execution by the Comptroller through his authorized representative, and shall be fully enforceable by the Comptroller pursuant to 12 U.S.C. § 1818(i).

(4) Notwithstanding the absence of mutuality of obligation, or of consideration, or of a contract, the Comptroller may enforce any of the commitments or obligations herein undertaken by the Bank under his supervisory powers, including 12 U.S.C. § 1818(i), and not as a matter of contract law. The Bank expressly acknowledges that neither the Bank nor the Comptroller has any intention to enter into a contract.

(5) The Bank declares that no separate promise or inducement of any kind has been made by the Comptroller, or by his agents or employees, to cause or induce the Bank to consent to the issuance of the Consent Order and/or execute this Stipulation.

(6) The Bank expressly acknowledges that no officer or employee of the Comptroller has statutory or other authority to bind the United States, the United States Treasury Department, the Comptroller, or any other federal bank regulatory agency or entity, or any officer or employee of any of those entities to a contract affecting the Comptroller's exercise of his supervisory responsibilities.

(7) The Consent Order constitutes a settlement of the civil money penalty proceeding against the Bank contemplated by the Comptroller, based on the violations described in the Comptroller's Findings set forth in Article I of the Consent Order. The Comptroller releases and discharges the Bank from all potential liability for a civil money penalty order that has been or might have been asserted by the Comptroller based on the violations described in the Comptroller's Findings set forth in Article I of the Consent Order, to the extent known to the Comptroller as of the effective date of the Consent Order. However, the violations alleged in Article I of the Consent Order may be utilized by the Comptroller in other future enforcement actions against the Bank or its institution-affiliated parties, including, without limitation, to establish a pattern or practice of violations or the continuation of a pattern or practice of violations. This release shall not preclude or affect any right of the Comptroller to determine and ensure compliance with the terms and provisions of this Stipulation or the Consent Order.

ARTICLE III

WAIVERS

- (1) The Bank, by executing this Stipulation and consenting to the Consent Order, waives:
- (a) Any and all rights to the issuance of a Notice of Charges pursuant to 12 U.S.C. § 1818(i);
 - (b) Any and all procedural rights available in connection with the issuance of the Consent Order;
 - (c) Any and all rights to a hearing and a final agency decision pursuant to 12 U.S.C. § 1818(i), 12 C.F.R. Part 19;
 - (d) Any and all rights to seek any type of administrative or judicial review of the Consent Order;
 - (e) Any and all claims for fees, costs or expenses against the Comptroller, or any of his agents or employees, related in any way to this enforcement matter or the Consent Order, whether arising under common law or under the terms of any statute, including, but not limited to, the Equal Access to Justice Act, 5 U.S.C. § 504 and 28 U.S.C. § 2412;
 - (f) Any and all rights to assert this proceeding, this Stipulation, consent to the issuance of the Consent Order, and/or the issuance of the Consent Order, as the basis for a claim of double jeopardy in any pending or future proceeding brought by the United States Department of Justice or any other governmental entity; and

- (g) Any and all rights to challenge or contest the validity of the Consent Order.

ARTICLE IV

CLOSING

(1) The provisions of this Stipulation and the Consent Order shall not inhibit, estop, bar, or otherwise prevent the Comptroller from taking any other action affecting the Bank if, at any time, he deems it appropriate to do so to fulfill the responsibilities placed upon him by the several laws of the United States of America.

(2) Nothing in this Stipulation or the Consent Order shall preclude any proceedings brought by the Comptroller to enforce the terms of the Consent Order, and nothing in this Stipulation or the Consent Order constitutes, nor shall the Bank contend that it constitutes, a release, discharge, compromise, settlement, dismissal, or resolution of any actions, or in any way affects any actions that may be or have been brought by any other representative of the United States or an agency thereof, including, without limitation, the United States Department of Justice.

(3) The terms of this Stipulation, including this paragraph, and of the Consent Order are not subject to amendment or modification by any extraneous expression, prior agreements or prior arrangements between the parties, whether oral or written.

IN TESTIMONY WHEREOF, the undersigned, as the duly elected and acting Board of Directors of TD Bank, N.A., Wilmington, Delaware, have hereunto set their hands on behalf of the Bank.

/s/
W. Edmund Clark Sept. 18, 2013
Date

/s/
William E. Bennett Sept. 18, 2013
Date

/s/
P. Kevin Condron Sept. 18, 2013
Date

/s/
Stanley Grayson 9/18/2013
Date

/s/
Dana S. Levenson 9/18/13
Date

/s/
Bharat B. Masrani 9-19-13
Date

/s/
Thomas J. Mullin Sept. 18, 2013
Date

/s/
Peter G. Vigue 9-19-13
Date

/s/
Natica von Althann 9/19/2013
Date

/s/

Sept 18 2013

Mike Pedersen

Date

Accepted by:

THE COMPTROLLER OF THE CURRENCY

/s/

Sept. 20, 2013

By:

Sally G. Belshaw
Deputy Comptroller
Large Bank Supervision

Date

EXHIBIT 10

authorizes the Division to regulate: 1) the offers, sales, and purchases of securities; 2) those individuals and entities offering and/or selling securities; and 3) those individuals and entities transacting business as investment advisers within the Commonwealth.

2. The Division instituted this action pursuant to the enforcement authority conferred upon it by § 407A of the Act and MASS. GEN. LAWS ch. 30A, wherein the Division has the authority to conduct an adjudicatory proceeding to enforce the provisions of the Act and all Regulations and rules promulgated thereunder.
3. The proceeding was brought in accordance with §§ 101 and 407A of the Act and its Regulations. Specifically, the acts and practices set forth herein occurred within the Commonwealth of Massachusetts.

III. RELEVANT TIME PERIOD

4. Except as otherwise expressly stated, the conduct described herein occurred during the approximate time period of August 2013 through April 2014 (hereinafter the "Relevant Time Period").

IV. RESPONDENT

5. Fidelity Co-operative Bank (hereinafter "Fidelity Bank") is a banking institution established on January 1, 1888 with seven locations in Massachusetts and headquarters located at 675 Main Street, Fitchburg, Massachusetts 01420.

V. STATEMENTS OF FACT

6. Fidelity Cooperative Bank is a 126 year old mutually owned community bank that has branches in Central Massachusetts. Its three major business lines are consumer banking, residential mortgages, and commercial banking.

7. Fidelity Bank's commercial banking focuses on small to mid-size local commercial businesses.
8. According to Fidelity Bank's website, located at www.Fidelitybankonline.com, Fidelity Bank had total assets of \$565 million as of December 31, 2013.
9. James Merrill (hereinafter "Jim Merrill"), brother of Fidelity Bank President, John Merrill (hereinafter "Merrill"), and Carlos Wanzeler (hereinafter "Wanzeler"), operated TelexFREE Inc., TelexFREE LLC, and all related TelexFREE entities (hereinafter "TelexFREE"), throughout the Relevant Time Period.
10. On April 15, 2014 the Division filed an Administrative Complaint (Dkt. # E-2014-0004) charging TelexFREE of running an illegal pyramid scheme in violation of Section 101 of the Act.
11. According to the Answer filed by TelexFREE's Chapter 11 bankruptcy Trustee with the Division on August 5, 2014, "the nature of the business of TelexFree and its related entities constituted an illegal pyramid scheme . . ."
12. On July 23, 2014, a federal grand jury indicted TelexFREE principals Jim Merrill and Wanzeler on nine counts of wire fraud and conspiracy to commit wire fraud.
13. Beginning in August 2013, TelexFREE opened three deposit accounts at Fidelity Bank.
14. The Division alleges that Fidelity Bank's account opening process in 2013 was inadequate—with training, experience, and oversight insufficient to handle the large TelexFREE deposit accounts.
15. In early 2014, after closing the TelexFREE accounts, Fidelity Bank revamped and improved its account opening process.

16. Fidelity Bank opened two accounts for TelexFREE on August 8, 2013 with initial deposits totaling \$7,123,784.58.
17. Fidelity Bank opened a third TelexFREE account on September 12, 2013 with additional deposits of \$2,951,337.12.
18. Fidelity Bank accepted TelexFREE business, using systems, such as remote deposit capture, that helped TelexFREE deposit funds more conveniently.

19. TelexFREE made significant deposits at Fidelity Bank received from TelexFREE's offer and sale of fraudulent securities.
20. According to the Division's investigation, TelexFREE deposited funds in Fidelity Bank accounts between August 8, 2013 and December 26, 2013—proceeds received from victims of the TelexFREE fraud.
21. As a result of deposit activity, on November 27, 2013, Merrill asked Fidelity Bank's compliance and BSA officer to review TelexFREE account activity.
22. An internet search conducted by Fidelity Bank's compliance and BSA officer at that time alerted him to the fact that Brazilian authorities had shuttered a company named TelexFREE due to allegations of being a pyramid scheme.
23. Fidelity Bank's compliance and BSA officer's search also uncovered other questions raised about the TelexFREE business model, and he subsequently notified Merrill of these facts.
24. The compliance and BSA officer also reported his findings and his concern to an outside compliance consultant used by Fidelity Bank to assist with compliance and Bank Secrecy Act issues.

25. Based on the information provided by Fidelity Bank's compliance and BSA officer, the outside consultant advised Fidelity Bank that TelexFREE was a high risk customer due to the account balance and large volume of wires, and the TelexFREE accounts would, "[...] require the appropriate monitoring level for a high risk customer."

26. At that time, Fidelity Bank determined to close the TelexFREE accounts.
27. On December 3, 2013, pursuant to its customary procedures, Fidelity Bank notified TelexFREE that it should close all of its accounts at the Bank by December 31, 2013.
28. From November 27, 2013 to December 27, 2013, Fidelity Bank continued to provide deposit services for TelexFREE—and continued to conduct limited banking for TelexFREE after December 31, 2013.
29. Fidelity Bank also opened personal accounts for TelexFREE principals Wanzeler and Jim Merrill (hereinafter "Personal Accounts"), some of which were opened after Fidelity Bank's internal review of the TelexFREE accounts.
30. As identified by the United States Attorney's Office, Jim Merrill and Wanzeler transferred \$10,454,000 out of Fidelity Bank, in multiple transactions using personal accounts, to various other financial institutions after November 27, 2013.
31. These transfers included a December 30, 2013 transfer by Wanzeler of \$3,500,000 from his personal account at Fidelity Bank to an overseas bank account held in Singapore at the Oversea-Chinese Banking Corporation.
32. Through the use of corporate and personal accounts at Fidelity Bank, TelexFREE and its principals caused further harm to Massachusetts victims of the TelexFREE scheme.

VI. ORDER

Respondent consents to the entry of this Order.

IT IS HEREBY ORDERED:

Respondent Fidelity Bank in full settlement of these matters, and solely for the purpose of resolution of the allegations resulting from the Division's investigation neither admits nor denies the statement of facts and allegations set out herein, makes the following representations, and agrees to the undertakings herein as part of this Order:

- A. Respondent Fidelity Bank agrees to permanently cease and desist from conduct in violation of the Act and Regulations in the Commonwealth.
- B. Within 14 calendar days following the date of this Order, executed pursuant to Respondent's Offer, Respondent Fidelity Bank agrees to establish an escrow account in the amount of \$3,500,000.00 (hereinafter "Massachusetts Victim Relief Fund"). The terms of the Massachusetts Victim Relief Fund must be approved by the Division, and require that all interest earned on the account be retained by the Massachusetts Victim Relief Fund for distribution. Respondent Fidelity Bank shall distribute the aforementioned Massachusetts Victim Relief Fund pursuant to the terms of Section VI C.
- C. Respondent Fidelity Bank agrees within 45 days of this Order to retain an Independent Claims Administrator not unacceptable to the Division. Within 120 days of the date of this Order, the Independent Claims Administrator shall determine an independent plan of distribution (hereinafter "Massachusetts Distribution Plan"), not unacceptable to the Division, for identifying, calculating, and distributing payments to Massachusetts victims (hereinafter "Massachusetts Victims"). Massachusetts Victims shall include

all individuals residing in Massachusetts who invested in TelexFREE and are determined by the Independent Claims Administrator to have valid claims (hereinafter "Final Approved Claims"). The Independent Claims Administrator shall administer the Massachusetts Distribution Plan within a reasonable period not unacceptable to the Division. Respondent Fidelity Bank shall submit to the Division copies of all monthly account statements generated for the Massachusetts Victim Relief Fund. Respondent Fidelity Bank shall incur all costs related to the Independent Claims Administrator and Massachusetts Distribution Plan.

- D. At the request of the Respondent Fidelity Bank, the Division's staff may extend, for good cause shown, any of the procedural dates set forth above.
- E. Respondent Fidelity Bank agrees that if Fidelity Bank fails to comply with any of the terms set forth in this Order, the Enforcement Section may take appropriate action pursuant to Sections 101, 407A and 408 of the Act. Additionally, Fidelity Bank agrees that, after a fair hearing and the issuance of an appropriate order finding that Fidelity Bank has not complied with this Order, the Enforcement Section may move to have the Order declared null and void, in whole or in part, and re-institute the administrative proceeding and associated investigation that had been brought against Fidelity Bank.

**WILLIAM FRANCIS GALVIN
SECRETARY OF THE COMMONWEALTH**

~~By: ~~

~~Bryan J. Lantagne, Esq.
First Deputy Secretary of State
Director-Massachusetts Securities Division
Massachusetts Securities Division
One Ashburton Place, Room 1701
Boston, Massachusetts 02108-1552~~

Dated: September ^{22nd} 2014

EXHIBIT 11

Lindsey Caspers

From: John Hughes
Sent: Wednesday, May 22, 2013 5:15 PM
To: Lindsey Caspers
Cc: Miree Jimenez
Subject: TelexFree

Lindsey,

Here are some notes on TeleFree. Can you please include this memorandum in their merchant file?

I have had numerous conversations with the TeleFree Senior Management. I am comfortable with processing for this account accordingly.

TeleFree purchased a company previously known as Common Cents Communications. The changed the name to TeleFree. Common Cents offered an Internet Advertising Plan which TeleFree has now terminated. The internet chatter to date is in reference to the old advertising program. That program paid people residual commissions for placing ads online and the network marketing commentators accused them of being a Ponzi scheme as the commission advertised appeared unrealistically high and therefore fictitious. TeleFree's initial and current primary market is Brazil. We will not be processing payments for Brazilian Cardholders. We are only supporting the re-launch of the US Market. They US Operation is currently processing in good standing and has been for several years with ProPay (a TSYS Company). They are integrating with Ego software (a VAR of ours) in order to take advantage of their fraud prevention tools. Hence, the change to Phoenix Payments. They did have a MATCH listing in 2012 which was the result of a several day period where consumers were mistakenly double billed. They issued refunds but not before a spike in chargebacks, and, hence, the MATCH Listing. They are in the process of having this removed but ProPay had no issues once an explanation was supplied.

The company is very profitable and maintains cash balances of approx \$10 Million. The \$19 Million Receivable (as represented on the balance sheet) has been collected. This \$19 Million is an annual fee they collect from Ympatus, Inc., a Brazilian Company to whom they license their IOP System.

The model for the US Market is quite simple:

Distributors Purchase for Resale:

1- to become a distributor, cost is \$50

2- \$289 for a package of 10 accounts to resell they get a discount of 42% (\$500 is retail for 10 accounts, \$289 is a \$211 discount @ 42%)
and this qualifies them for more commissions in the comp plan

3- \$1375 for a package of 50 accounts to sell, they get a discount of 45% (\$2500 is retail for 50 accounts, \$1375 is a \$1125 discount @ 45%)
and this qualifies them for the maximum commissions in the comp plan

Consumers purchase through the Distributor:

1- pay \$49.90 per month for service

The product consists of a Software as a Service (SAS) Package which includes the following.

- Cellular phone access to international VOIP calling
- One to one Video calling
- Audio Conferencing
- Group & One to one chat
- Unlimited calling to 40 countries connecting to both fixed and cell
- Desktop streaming
- File transfer
- Call recording
- Mute & Hold
- Private calling & Chat

TeleFree will be providing Monthly Financial Statements and has agreed to a 10% reserve, initially planned on being capped at \$500,000 based on processing performance and volume. Initial M will be Approx \$2 Million.

John Hughes
Phoenix Payments, LLC
7910 S. Kyrene Rd, Suite 106
Tempe, Arizona 85284
1-800-848-5826 Ext. 204
1-602-438-5911 Direct Dial
480-334-2898 Mobile
john.hughes@phoenixpayments.com

EXHIBIT 12

John Hughes

From: John Hughes
Sent: Wednesday, August 28, 2013 8:33 AM
To: Jim Merrill; Joe Craft
Cc: Jayme Amirie (jamirie@gpgway.com); Carlos Wanzeler (wanzeler@me.com) (wanzeler@me.com)
Subject: RE: Verified by Visa

Jim,

No. This is not the plan. As referenced in my email of Monday, based on the continuing escalating chargebacks and numerous complaints from Visa, MasterCard and ssuing banks, our sponsor bank, Synovus has instructed us to discontinue processing payments for TelexFree on Saturday, August the 31st.

Hence, we worked to find you a new processor such that your business was not interrupted. This processor is Allied Wallet. No US Bank or Processor, as evidenced by the email from PROPAY, will accept your business given that you are on month five of the Visa Chargeback monitoring program. You are one of only three merchants in the USA on month five so you are a real hot-potato as they say. So, Jayme will be pointing the transactions over to Allied beginning tomorrow.

Here is our problem. Maybe we can all get on a call today to discuss.

Allied has only approved you for (initially) \$6 Million in monthly volume. I am pushing them to increase the initial volume to \$10 Million. Naturally, they will most likely raise this to \$20 Million if the account performs well. I was assuming that the initial volume would not have presented any problems as the majority of the volume would have gone to PROPAY. However, based on the email you forwarded to my from them, this is no longer an option. As discussed, Allied is UNLIKELY to keep the account open or increase the volume if the velocity of chargebacks continue at their current level. I am currently applying on your behalf with other off shore banks but I have no takers at this point but I am pushing ahead on this.

Therefore, for what it is worth, here is my sincere advice.

You need to come up with an interim plan (today) that you can implement over the weekend that will accomplish two things. 1.) the current daily sales volume will be scaled way back so as not to run out of volume before Allied can accommodate an increase. 2.) The motivation for buyers to initiate chargebacks is eliminated.

The facts are these. It is simply not possible for an entity to accept credit cards over the long term wherein the chargeback velocity is well in excess of 1% of sales. This is what Jayme has been preaching to you. What makes it even harder is that we have an MLM with a huge amount of negative news and serious accusations. Hence, banks and processors are running away based on what the FTC, Treasury Dept., FDIC and Justice Dept. has done to them lately to include suing them,, fining them and freezing their settlement funds.

I think that if an interim plan can be put in place now that scales back the sales and chargebacks and allows a healthy relationship to be built with Allied, things can get back on track. As discussed, I think requiring the US Distributors to pay for the \$1,450 package by ACH, would eliminate those chargebacks and offload sales form cards.

I am doing everything I can to assist here.

Please let me know on the Integration API I sent you. If you cannot modify the program to eliminate the chargebacks, the only option I see that will allow you to continue to accept credit cards is Verified by Visa.

Just let me know.

Thanks

John

EXHIBIT 13

John Hughes

From: Jayme Amirie <jamirie@gpgway.com>
Sent: Tuesday, September 03, 2013 4:52 PM
To: Jim Merrill (jmerrill@telexfree.com); Carlos Wanzeler (wanzeler@me.com); Steve Labriola (slabriola@telexfree.com)
Cc: John Hughes; GPG Accounting
Subject: Funds needed from Synovus reserves to cover TelexFree payfiles, need letter agreement

Hi John,

After Jim approves, please get approval from Synovus to transfer \$1.86m from TelexFree reserves to the GPG system for covering payfiles:

July 30-1: 65,940.23 left to load (not all payees are in, will get data from Jay as before)
July 30-2: 886,053.44 + 70,701.18 = 956.7k
August 27 USA only: 730,843.60
Float for fees: \$100k

**Jim,

Please approve this transfer.

Please also sign and send back our letter which acts as our agreement for the month of September; can't do anything till we get that.

PS: since we "sneaked" payouts by our PVMC bank and got caught and they slapped our hands, they have given us approval to "empty out" our system... I am thinking maybe we just load all your international and set our system to show PVMC only till you transition to another provider... thoughts?

Thanks!

Warm regards,

Jayme Amirie
Global Payroll Gateway
Office: 949-468-5381
Mobile: 714-307-1777
jamirie@gpgway.com

EXHIBIT 14

John Hughes

From: Jayme Amirie <jamirie@gpgway.com>
Sent: Friday, September 27, 2013 4:24 PM
To: Jay Borronei
Cc: Carlos Wanzeler; Dustin Sparman; John Hughes; Jim Merrill (jmerrill@telexfree.com)
Subject: RE: GPG CC Gateway - continued use

Hi Jay,

As you know, we have terminated our services agreement with TelexFree as of 8/31/13 and are operating on temporary terms we laid out on the termination letter signed by Jim Merrill. Those terms specify that TelexFree can continue to use the GPG Gateway to transit electronic data to Allied Wallet for credit card processing at a rate of 1.25% of approved transactions.

While we feel TelexFree represents too big of a reputational risk for GPG to be involved in monetary transactions for TelexFree, we have always hoped for the best for TelexFree and truly wish they live a long, compliant and healthy life with other financial partners.

It is unfortunate that the current steps TelexFree is taking for compliance were not taken many months ago. It sounds like these are all steps in the right direction.

To that end, we will extend the use of the GPG gateway to transit electronic data to Allied Wallet because we are not involved in monetary transactions. However, we ask that you complete integration to Allied as quickly as possible. Please let me know as soon as this is done, I would ask the date be no later than 10/10.

Thanks and have a good weekend.

Warm regards,

Jayme Amirie
Global Payroll Gateway
Office: 949-468-5381
Mobile: 714-307-1777
jamirie@gpgway.com

EXHIBIT 15



August 20, 2013

Jim Merrill, President
TELEXFREE, Inc.
225 Cedar Hill Street, Suite 200
Marlborough, MA 01752

Dear Jim;

Please accept this letter as notification that the TELEXFREE merchant account with Phoenix Payments will be terminated as of 5:00 PM Pacific Standard Time on August 31st, 2013.

While we appreciate your business and your efforts to reduce the Chargeback Ratios to within Card Brand requirements, the continued excessive chargeback velocity month to date leads us to conclude that this is not possible. As discussed previously, we cannot continue to sponsor a merchant who Visa USA would consider to be on the Excessive Chargeback Monitoring Program for a fifth consecutive month. While we believe that adding additional solutions such as Verified by Visa would have a material effect on the chargeback levels, we believe that this will yet not result in compliant processing statistics.

Please be advised that all settlement deposits through August 31st will be suspended as is our standard practice with any forced merchant termination. These balances will be returned to you over the next 180 days based upon your ability to fund any chargeback and refunds.

We wish you the best of luck in your business and future endeavors.

If you have any questions, please feel free to contact me anytime.

Sincerely;

John Hughes, President
Phoenix Payments, LLC
John.hughes@phoenixpayments.com
1-800-848-5826 Ext. 111

EXHIBIT 16

John Hughes

From: John Hughes
Sent: Friday, September 27, 2013 8:27 AM
To: Jim Merrill (jmerrill@telexfree.com) (jmerrill@telexfree.com)
Cc: Carlos Wanzeler (wanzeler@me.com) (wanzeler@me.com)
Subject: Confirmation of plans going forward

Jim,

I hope all is going well. Hopefully we can get the monthly limits increased with Allied any day now. Also, hopefully iPayout can accommodate your commission payment needs as are very familiar with them and provide domestic ACH services to them.

As discussed, the bank was requiring us to retain \$17 Million for the duration of the 180 day chargeback exposure window. However, against their instructions I authorized the wires of yesterday which brings our reserve balance on hand to approximately \$12 Million. The bank is clearly not happy with me but we are still trying to do the best job we can for you. Their concerns are that if, god forbid, TelexFree came under a publicized FTC investigation, there could be an indeterminate wave of chargebacks which could eat of the remaining reserve balance and then some. Hence, per the bank's instructions, I am not going to be able to release additional funds for 180 days from the August 28th date we cut you over to Allied.

As promised though, we will continue to pay the incoming chargebacks out of the reserve funds over this period even though policy states that we should be billing you back for these to preserve reserve balances. However, we understand your situation and again wish to help here.

My suggestion is that we regroup on November 1st and see how things look.

Let me know if you have any questions.

Thanks again

John

John Hughes
Phoenix Payments, LLC
7910 S. Kyrene Rd, Suite 106
Tempe, Arizona 85284
1-800-848-5826 Ext. 204
1-602-438-5911 Direct Dial
480-334-2898 Mobile
john.hughes@phoenixpayments.com

EXHIBIT 17



Allied Wallet Card Payment Processing Agreement

Between

Allied Wallet Ltd. ("Allied Wallet")

And

TelexFree Inc. (the "Merchant")
<http://telexfree.com>

TM



THIS AGREEMENT ("*Agreement*") is made on 8/26/2013 "*Effective Date*" between:

1. Allied Wallet Ltd., a company incorporated in England and Wales under registration number 05832811, the registered office of which is 1 Northumberland Avenue, Trafalgar Square, London, WC2N 5BW, United Kingdom [acting through its branch office Allied Wallet Inc. at 9000 Sunset Boulevard, Suite 820, West Hollywood, CA 90069, United States of America] ("*Allied Wallet*"); and
2. TelexFree Inc. known as the *Merchant*, a company incorporated in Massachusetts under registration number 32-0064300, the registered office which is located at 225 Cedar Hill Street (Suite 200) Marlborough, MA 01752.

WHEREAS

- (A) Allied Wallet provides payment processing service which allows Allied Wallet to clear payments for the Merchant's products and services over the Internet via payment cards, credit cards and/or debit cards;
- (B) Allied Wallet, as part of the service, shall also provide Merchant with access to the administration interface which allows Merchant to track sales and make certain administrative changes to its account(s) on-line;
- (C) Merchant wishes to have such payment processing service provided to it; and
- (D) Allied Wallet agrees to provide such services on the terms of and subject to the conditions contained in this Agreement.

In consideration of the mutual covenants herein contained and intending to be legally bound by the provisions of this Agreement, the parties to this Agreement agree as follows:

1. *Definitions and Interpretation*

1.1. *Definitions*

The following terms are defined for use in this Agreement:

"*Allied Wallet Credit Card Service*" means the Allied Wallet service which allows Allied Wallet to accept payments for Merchant's services via credit card.

"*Agreement*" means this Payment Processing Agreement.

"*Cardholder*" or "*End User*" means the natural person or legal entity or entities who or which has or have ordered goods and/or services from Merchant via Allied Wallet and who or which is/are formally and officially registered with a financial institution as the holder of a particular debit or credit card.

"*Cardholder Charge*" means the amount to be charged to the Cardholder's account for the purchase of access to the Merchant's products and services via Allied Wallet and/or the Merchant.

"*Chargeback*" means a Cardholder Charge via the Allied Wallet Credit Card Service which the Cardholder's credit card issuer identifies as being invalid or non-collectible after initial acceptance on account of fraud, lost, canceled, non-issued, invalid account identification, an unresolved cardholder complaint, or other cause which results in the deduction of the Cardholder Charge from moneys otherwise payable to Allied Wallet.

"*Country of Origin*" means the country where the Merchant is established.

"*Effective Date*" means the date as of which this Agreement is effective between the Parties.

"*G2*" means a third party compliance service.

"*G2 Super Persistent Monitoring*" means an additional third party compliance service.

"*Merchant*" means the individual or business entity that agrees to these terms and conditions and intends to use Allied Wallet's payment processing service.

"*Net Revenue*" means the Total Revenue minus Refunds and Chargebacks.

"*Penalties*" means the penalties and other charges the Card Associations and/or Allied Wallet may charge.

"*Refund*" means a Cardholder Charge via the Service which Allied Wallet, Merchant, or the Cardholder and Allied Wallet, or the Cardholder and Merchant identify as being invalid or non-collectible after initial acceptance on account of fraud, lost, canceled, non-issued, invalid account identification, an unresolved cardholder complaint, or other cause which results in the deduction of the Cardholder Charge from moneys otherwise payable to Allied Wallet.

"*Retrieval*" means a dispute initiated by a customer of the Merchant with the issuing bank that is considered, for purposes of this Agreement, to be a Chargeback.

"*Reserve*" means funds withheld from Merchant by Allied Wallet sales in order to cover Chargebacks, revokes and Refunds or Merchant indemnification obligations hereunder.

"*Service*" means the Allied Wallet payment processing service and any related products and services provided pursuant to this Agreement.

"*Service Fees*" means the charges, fees and prices for the Services as further set out in Appendix 1 to this Agreement.

"*Software*" means software and related documentation provided by Allied Wallet to Merchant in connection with the Service.

"*Total Revenue*" means Merchant's revenues for the applicable service, before the deduction of applicable Reserve, Service Fees, and any other charges or obligations.

"*Trademarks*" means all trademarks and logos of Allied Wallet that exist now or in the future, both registered and non-registered, all as may be specified by Allied Wallet from time to time.

"*USD*" means the currency, dollar of United States of America.



1.2. Interpretation

- 1.2.1. Headings in this Agreement are only for convenience and shall not affect its construction and shall not be used in interpreting, construing, performing or enforcing this Agreement.
- 1.2.2. Any obligations given or entered into by more than one person are given to or entered into jointly and severally unless otherwise specified.
- 1.2.3. Any reference in this Agreement to a paragraph or a schedule is a reference to a paragraph or schedule of this Agreement.
- 1.2.4. Any reference to a statute or statutory provision shall be construed as a reference to the same as from time to time amended, consolidated, modified, attended, re-enacted or replaced.

2. Subject of the Agreement

- 2.1. In consideration of the Service Fees payable by Merchant and subject to Merchant complying in full with its obligations in this Agreement Allied Wallet agrees with effect from the Effective Date to provide the Services upon the terms of and subject to the conditions contained in this Agreement.
- 2.2. Merchant agrees that Allied Wallet in providing the Services does not act as principal but acts as facilitator on behalf of Merchant to enable Merchant to enter into transactions with its customers. Merchant further agrees to allow Allied Wallet to act as facilitator on behalf of Merchant for the purpose of processing payments.

3. Investigate Consumer Report

Merchant agrees that an investigative or consumer report may be made in connection with this Agreement. Merchant authorizes any party to the Agreement or any of their agents to investigate the reference provided or any other statements or data obtained from Merchant and from any of its personal guarantor(s), or from any person or entity with any financial obligations under this Agreement. You have a right, upon written request, to a complete and accurate disclosure of the nature of and scope of the investigation requested.

4. Fees and Reserve

4.1. Fees for Credit Card Service.

The Service Fees for Allied Wallet Credit Card Services are equal to a percentage of the Net Revenue during the relevant billing period.

4.2. Penalties and Other Charges Imposed By Card Association.

Merchant shall be responsible for any fees imposed upon Allied Wallet by the bank or card brand that is related to processing Merchant's credit card transactions. Moreover, Allied Wallet will not share any fine documentation received from the bank or the card brands it deems to be confidential.

4.3. Fees for Credit Card Services Chargebacks.

Merchant shall be charged per Chargeback processed against the Merchant's account. Fees assessed against Merchant hereunder, if any, shall be applied immediately. Chargebacks are strictly limited to 100 Chargebacks / Retrievals OR one percent (1%) of the total aggregate transactions that have been processed by Allied Wallet for the account of Merchant during a period of one (1) month, whichever comes first. Anything over that amount is excessive and will incur penalties and constitutes cause for Allied Wallet to terminate this Agreement and close Merchant's account with funds held for one hundred and eighty (180) days to five hundred and forty days (540) from the last card event depending on the service provided. After which time, the balance in the account less Chargebacks, penalties, fines, Service Fees and any other fees will be returned. If Merchant's account incurs 100 Chargebacks or more OR incurs Chargebacks exceeding one percent (1%) of transactions processed in a one month period, Merchant's account will be fined by Allied Wallet, in addition to and / or separate from any fine imposed by the bank or card brand, at a rate of \$100 USD per Chargeback. Moreover, Merchant agrees that it is absolutely prohibited to suggest, imply, propose, advertise, indicate, express, promote, advise or state to any of its customers to "Chargeback", "Refund" or initiate a "Retrieval" for the products or services offered by Merchant. If a Merchant causes Allied Wallet or its subsidiaries to lose a merchant account, or Visa or MasterCard relationship within a Merchant account, there will be a \$1,000,000 USD fine assessed in addition to the fines and penalties assessed by the credit card associations and the bank. Causes for this typically include high chargeback rates, fraud, non-compliance with the laws of local, state and national jurisdictions as well as not adhering to the acceptable use policies of the card associations.

4.4. Reserve for Allied Wallet Credit Card Processing.

Allied Wallet will withhold a percentage of Merchant's Total Revenues for Allied Wallet Credit Card processing for a period of as set forth in Appendix 1 (which may be updated from time to time) as Reserve to be applied towards Chargebacks, Retrievals, revokes and Refunds for Allied Wallet Credit Card services. Allied Wallet shall have the right, in its sole discretion, to adjust the amount held and holdback period as is deemed necessary as security against future Chargebacks and Refunds or indemnification obligations of Merchant hereunder. Reserves will be returned to Merchant subject to expiration of all claims in relation thereto. In addition, if Allied Wallet for any reason suspects or has concern that it may sustain losses as a result of Merchant's account, Merchant agrees and gives Allied Wallet the right to automatically ACH debit Merchant's bank account in advance for the amount of potential losses Allied Wallet may sustain as security. Allied Wallet may hold the funds as reserve until it is determined that Merchant's account is secure and Allied Wallet will not sustain losses as a result.

- 4.5. **Aggregation Damages.** Merchant CANNOT aggregate or send transactions to Allied Wallet from any URL that is not approved by Allied Wallet. If Merchant violates this provision and aggregates or sends transactions to Allied Wallet from

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any URL that is not approved by Allied Wallet, Merchant must pay an agreed upon liquidated damages in the amount of \$200,000 USD per URL that Merchant has not submitted to and received approval from Allied Wallet in writing. This liquidated damages amount will be in addition to and separate from any bank or card brand fine also imposed for said aggregation.

4.6. Technical Assistance from Allied Wallet.

If Merchant is in need of technical assistance from Allied Wallet technicians, Merchant will be billed on an hourly basis. This includes phone and email. The technician will first hear and learn about the problem and then decide in Allied Wallet's discretion if billing is appropriate. Billing will be at a rate as set by Allied Wallet and may be amended from time to time.

4.7. Monthly Maintenance Fee.

Each month a service maintenance fee is deducted from the Merchant's account and is payable regardless of processing volume.

5. Payment to Merchant.

5.1. Account Activation.

Before Merchant may utilize the Service, Allied Wallet's compliance department must ensure that Merchant has complied with Allied Wallet's set up requirements and has properly set up its account and Allied Wallet must activate the Merchant's account. This set-up includes among other things, the various issues in any API (Application Program Interface) Merchant may be instructed by Allied Wallet to use.

5.2. Credit Card Services.

Merchant payouts are calculated based on "Settlement period" as set forth in Appendix 1. Payment shall be delivered to Merchant as promptly as is practicable after processing, subject to Allied Wallet's rights to offset and holdback as set forth in this Agreement. The payment due to Merchant is equal to the sum of Merchant's Total Revenues during the specified time period along with any Reserve due to be released LESS;

- the sum of all Chargeback's processed during the period,
- the sum of all Refunds processed and requested during the Settlement Period,
- the applicable Reserve,
- the applicable Service Fee, and
- all taxes, Penalties and other items reimbursable hereunder or otherwise occurring during the period including but not limited to any indemnification obligations, offsets and holdbacks as determined by Allied Wallet.

5.3. Payment by Bank Wire Transfer.

There will be a charge of against Merchant's account for each wire transfer made. A wire transfer will not be made if the amount due is less than specified in Appendix 1. Any outstanding balances not credited to Merchant shall roll over to Merchant's next billing cycle, if appropriate. Merchant authorizes Allied Wallet to deposit amounts owed Merchant by initiating credit entries to Merchant's financial institution indicated on the form submitted to Allied Wallet. Merchant further authorizes Merchant's financial institution to accept and credit any entries indicated by Allied Wallet to Merchant's account. In the event that Allied Wallet deposits funds erroneously into Merchant's account, including payment of transactions which are later Chargebacks or otherwise contested, Merchant authorizes Allied Wallet to debit Merchant's account for an amount not to exceed the original amount of the erroneous credit, and Merchant shall be personally liable for any amounts that are not available for debit. This authorization is to remain in full force and effect until Allied Wallet and Merchant's financial institution have received written notice from Merchant of its termination in such time and manner as to afford Allied Wallet and Merchant's financial institution reasonable opportunity to act on such notice and until all accounts between Merchant and Allied Wallet are settled, in Allied Wallet's discretion.

5.4. General Conditions:

5.4.1. Payment to Merchant or owner or parent company only.

Allied Wallet will only direct payments to Merchant, the owner or parent company of the Merchant, or the Merchant's registered fictitious name (also known as "Doing Business As" ("DBA") name) and accounts held in the name of any such party.

5.4.2. Revision of Service Fee.

Allied Wallet is entitled to revise the Service Fee at any time taking into account a notice period of two (2) months. If the Service Fee is revised, Merchant is entitled to terminate the Agreement per the effective date of the amendment by sending Allied Wallet a written notice within thirty (30) days from receipt of Allied Wallet's notification of the Service Fee change.

5.4.3. Set-off.

Allied Wallet is entitled to set-off any indebtedness of Merchant towards Allied Wallet pursuant to this Agreement. Merchant has no right to set-off, or to withhold payments to Allied Wallet, in connection with any amounts due to Merchant by Allied Wallet.

5.4.4. Taxpayer or Employer ID required for Merchants who are US Persons.

A valid social security number or Employer's ID number will be required in the sign-up process as a condition of making payment to any individual citizen or resident of the United States or a domestic corporation, partnership, or limited liability company. Foreign individuals and entities need to supply a Tax Identification number.

5.4.5. Compliance with Laws Regarding Money Transfer and Money Laundering.

Allied Wallet reserves the right to require Merchant to furnish Allied Wallet with such additional information concerning Merchant's business or its ownership as may be necessary to assure Allied Wallet's compliance with the



laws of any state or the United States or any other applicable jurisdiction concerning money transfer, money laundering, or similar subject. Allied Wallet may refuse to provide services, or withhold payments to Merchant without liability if Merchant does not promptly furnish Allied Wallet with information requested hereunder or if such conduct may be in violation of relevant law.

6. **Undertakings of Merchant**
Merchant guarantees to Allied Wallet that, while using the Services:
 - 6.1. it provides and will provide such information to customers on its website and in other commercial communications to customers as is required pursuant to the laws of the Country of Origin and of those countries in which it offers its goods and/or services;
 - 6.2. it respects and will respect the intellectual property rights of third parties and does not and will not infringe such rights in any way and upon becoming aware of any infringement of such rights will immediately terminate such infringement;
 - 6.3. it does not and will not sell any goods or services the sale of which is prohibited under the laws of the Country of Origin and of those countries in which it offers its goods and/or services;
 - 6.4. it will perform its obligations towards Cardholder, including but not limited to accepting responsibility for the acceptance of a Cardholder order, its fulfillment in an agreed upon manner, and all material warranties and guarantees or order commitments; and
 - 6.5. it is and will remain for the term of this Agreement PCI Compliant.
7. **Sales of Illegal Products or Services**
Allied Wallet reserves the right to close and freeze any access to accounts or funds, and terminate the Agreement, if Allied Wallet discovers any illegal products or services are being run through the Merchant's account or if Merchant aggregates or sends transactions to Allied Wallet from any URL that is not approved by Allied Wallet.
8. **Spam**
"Spam" generally involves the sending of unsolicited commercial e-mail. The use of Spam to promote a site receiving service hereunder is prohibited. While Allied Wallet cannot monitor the manner in which Merchants advertise, upon receipt of a verifiable complaint that Spam has been generated on behalf of a site receiving Service hereunder, Allied Wallet shall notice Merchant. Upon the second complaint of Spam sent to the same recipient, Allied Wallet reserves the right to suspend the Merchant's account, until such time as Allied Wallet receives adequate assurances that Merchant shall refrain from engaging in Spam. Failure to provide such assurances or continued use of Spam by Merchant entitles Allied Wallet to terminate this Agreement in its discretion.
9. **End User Information**
Merchant understands that any information accepted by Allied Wallet from end users is the property of Allied Wallet, and shall remain the property of Allied Wallet upon cancellation of this Agreement.
10. **Merchant Transaction Limits**
Allied Wallet is entitled to set an overall transaction limit for all transactions along with a specific limit for each channel. Should Merchant request to increase this limit for any reason Allied Wallet agrees to review such request in good faith along with Merchant to determine whether such request can be accommodated in light of Merchant's existing and projected, Chargeback and refund levels. There is also a standard "time limit" function that prevents Merchant to be accidentally double charged – this feature is found in WEB mode and in API mode.
11. **Cardholder Transaction Limits**
In order to prevent the occurrence of fraudulent transactions Allied Wallet may impose reasonable limits on the amount or number of purchases which may be charged to an individual Cardholder account during any time period, or refuse to accept orders from Cardholders with a prior history of questionable charges.
12. **Refund Policy**
Allied Wallet will use commercially reasonable efforts to direct inquiring and complaining Cardholders to utilize the cardholder support services offered by Merchant in order to resolve all disputes and complaints, however, Allied Wallet reserves the right to issue a Refund without the knowledge or consent of Merchant in any case that it deems appropriate. Such determination will be binding on Merchant and the Refund debited from this account. Any transaction deemed fraudulent by Allied Wallet, will be addressed by Allied Wallet cardholder dep. - and if not verified as valid to Allied Wallet's satisfaction within seven (7) work days – the transaction will be cancelled and refunded.
13. **Merchant Cardholder Support**
Merchant shall be responsible for all cardholder support issues. Merchant shall have the ability to reasonably respond to inquiries from its Cardholders promptly and shall endeavor to resolve disputes with Cardholders amicably. The occurrence of complaints from Cardholders and/or inquiries or Chargebacks regarding Merchant's services may be cause for termination of this Agreement if such events occur with unacceptable frequency as determined in the sole discretion of Allied Wallet. In addition, Allied Wallet reserves the right to charge Merchant reasonable fees and recover its expenses on account of excessive cardholder inquiries, Refunds, or Chargebacks. Prior to imposing such fees and recovering its costs, Allied Wallet shall notify Merchant of the details and nature of the problems and attempt to find mutually acceptable solutions. If Allied Wallet and Merchant are unable to achieve mutually acceptable solutions, Merchant shall have the option of continuing this Agreement subject to the additional fees and costs imposed by Allied Wallet, or of terminating this Agreement and paying fees and costs through the date of termination.



- 14. Shipping Documents**
Request for shipping documents on tangible goods and/or for proof of services provided, must be provided by Merchant to Allied Wallet within one (1) working day of the request. Documents not supplied to Allied Wallet within that time will be charged a \$150 fine per day the documents are not received up to a maximum of \$1,000. It is imperative that Allied Wallet obtains these documents upon request to dispute Chargebacks and keep Merchant accounts in good standing. Failure to provide such documentation is cause for termination of this Agreement by Allied Wallet.
- 15. Password security**
The security of Merchant's Allied Wallet account is dependent in part upon Merchant maintaining the confidentiality of the Allied Wallet passwords. Merchant is wholly responsible for maintaining the confidentiality of Merchant's password and account and for any and all activities that occur under Merchant's account and shall indemnify Allied Wallet with respect thereto. Allied Wallet shall not be responsible for any unauthorized changes made to the Merchant's account.
- 16. Merchant E-Mail, Account Changes**
Merchant must provide a valid, working administrative e-mail address on enrollment. Any changes to Merchant's account via e-mail must be made via the administrative e-mail address provided on enrollment. The security of Merchant's Allied Wallet account is dependent in part upon Merchant maintaining the security of the administrative e-mail address as provided to Allied Wallet by Merchant. Any changes to Merchant's account via e-mail must be made via the administrative e-mail address provided on enrollment. Allied Wallet shall not be responsible for any unauthorized changes made to Merchant's account via this e-mail address.
- 17. Regulation Authorization, Merchant Representations**
Merchant represents and warrants that it is legally authorized and has obtained all necessary regulatory approvals and certificates to provide any services it intends to offer. Merchant further represents and warrants that it will comply at all times with all applicable federal, state/provincial, or local laws, rules and regulations including any applicable card association or Automated Clearing House rules and that the good/services it offers are in compliance with the same.
- 18. Merchant Information**
Merchant is responsible for providing information which is timely, complete, truthful, and not misleading. If Merchant provides any misleading information or misrepresents its business, products or services that Merchant is engaged in, there will be a significant penalty assessed and the account will be subject to termination by Allied Wallet, frozen with remaining funds to be released after one hundred and eighty (180) days from the last card event, subject to offsets set forth herein. If Allied Wallet approves a Merchant based on a conditional approval or limitation of products and services sold, any deviation from said approval, products and services will result in possible suspension or termination of services, with funds frozen for one hundred and eighty (180) days from the last card event, and subject to offsets set forth herein. Merchant agrees to notify Allied Wallet of any changes of ownership, regulatory actions, financial conditions and business products or services it provides that could materially affect Allied Wallet's rights under this Agreement. All Merchants must have a website to use Allied Wallet services, all websites and content on the websites (video, text, music, merchandise, etc.) must be reviewed by Allied Wallet for compliance with the card brands rules and regulations as well as the Automated Clearing House rules and regulations. Upon approval of content, the website is considered approved for processing. Allied Wallet reserves the right to change terms of approval of website content, albeit that website has been previously approved, if it is discovered that the content could be a possible Business Risk Assessment Mitigation (pBRAM) violation or definite BRAM violation of the card brand rules and regulations. If the Merchant changes or adds new content, products or services to a website, Allied Wallet must be notified immediately so the website can be reviewed for compliance. If content is added or changed without Allied Wallet being notified, or even if the website is offline and inactive, Allied Wallet reserves the right to interrupt service pending a review of said content, product or services for compliance or the reason for the inactivity. Any content, products or services found to be a pBRAM or BRAM violation can result in fines and possible termination of services and agreements with Allied Wallet. Should Allied Wallet terminate a Merchant for any reason, all funds will be held for one hundred and eighty (180) days from the last card event, or longer, depending on products or services offered by Merchant to its customers. Funds will be eligible for release once a review of transaction liability and possible loss to Allied Wallet has been successfully reviewed and mitigated. Merchant will be responsible for all chargebacks, refunds and losses to Allied Wallet, which Allied Wallet will offset against the Merchant's frozen funds without prejudice to Allied Wallet's right to claim any further damages against Merchant.
- 19. Data Protection**
Merchant complies and will comply at all times with the personal data protection laws of any country in which it offers its goods and/or services and that it shall implement appropriate technical and organizational measures to protect personal data.
- 20. Confidential Information**
Allied Wallet's services and all information and documentation relating thereto shall be held in confidence by Merchant and may not be used by Merchant (other than for the furtherance of the purposes of the Agreement) nor disclosed to third parties without Allied Wallet's prior written consent. This includes the discovery of any errors or omissions in the Services. The terms and conditions of this Agreement may not be disclosed or made available by either party hereto to third parties without the prior written consent of the other party. Notwithstanding anything in this Agreement to the contrary, either party may disclose to third parties the fact that Merchant is using Allied Wallet's services. Merchant recognizes that the services and documentation are and contain the valuable, confidential and trade secret information of Allied Wallet. In furtherance of the foregoing Merchant and Allied Wallet shall enter into a confidentiality agreement substantially in the form of Appendix 3.

TTH



21. Intellectual Property

- 21.1. Allied Wallet hereby grants Merchant a royalty-free, non-transferable and non-exclusive right for the term of this Agreement to use the Trademarks on its website(s) and in any off-line promotional materials solely in order to indicate that it makes use of the Services. Merchant shall use such Trademarks in accordance with Allied Wallet's directions for the use of such Trademarks. Merchant does not have a right of sub-license. Allied Wallet may apply limitations to the right granted to Merchant under this paragraph at any time and at its sole discretion. Merchant hereby grants Allied Wallet and its affiliated companies an irrevocable, royalty free and non-exclusive right for the term of this Agreement to use its trademark and logos on their websites and in off-line publications for promotional purposes.
- 21.2. When using the Trademarks, Merchant will ensure that no composite marks are created with its own trademarks and/or logos. Merchant acknowledges that its use of the Trademarks does not create for itself any rights in the Trademarks other than those explicitly granted in this Agreement.
- 21.3. All proprietary rights in the equipment, software (such as interfaces) and other materials used or made available by Allied Wallet in the performance of this Agreement, whether or not supplied to Merchant, shall remain with Allied Wallet or its licensors. Merchant shall only acquire such right of use as is explicitly granted hereunder or otherwise.
- 21.4. Upon termination of this Agreement, Merchant will immediately withdraw any reference to Allied Wallet from its website(s) and will cease the use of the Trademarks.

22. Software

- 22.1. *As-Is Basis.* The Software and Services are provided to Merchant under this Agreement on an "as-is" basis.
- 22.2. In consideration for payment of any applicable fees, Merchant is granted a personal, non-exclusive, non-transferable license to use the Software, in object code form only, solely in connection with the Service (the "License"). Merchant shall not: (i) attempt to reverse engineer, decompile, disassemble or otherwise translate or modify the Software in any manner; or (ii) sell, assign, license, sublicense or otherwise transfer, transmit or convey Software, or any copies or modifications thereof, or any interest therein, to any third party. All rights in the Software, including without limitation any patents, copyrights and any other intellectual property rights therein, shall remain the exclusive property of Allied Wallet and/or its licensors. Merchant agrees that the Software is the proprietary and confidential information of Allied Wallet and/or its licensors subject to the provisions of Section 19 ("Confidential Information") above. The License shall immediately terminate upon the earlier of: (i) termination or expiration of this Agreement; (ii) termination of the Service(s) with which the Software is intended for use; or (iii) failure of Merchant to comply with any provisions of this Section.

23. Taxes

Merchant is fully responsible for and agrees to pay all taxes and other charges imposed by any government authority on the services provided under this Agreement and on any transactions processed pursuant to this Agreement.

24. Limitations of Liability

ALLIED WALLET ASSUMES NO LIABILITY FOR DISRUPTIONS OR IMPROPER OPERATION OF THE SERVICE FOR ANY REASON, INCLUDING, BUT NOT LIMITED TO, VANDALISM, THEFT, ACTIONS OF THIRD PARTY SERVICE PROVIDERS, PHONE SERVICE OUTAGES, INTERNET DISRUPTIONS, EXTREME OR SEVERE WEATHER CONDITIONS OR ANY OTHER CAUSES IN THE NATURE OF "ACTS OF GOD" OR FORCE MAJEURE. ALLIED WALLET SHALL NOT BE RESPONSIBLE FOR ANY SPECIAL, INCIDENTAL, INDIRECT OR CONSEQUENTIAL DAMAGES INCLUDING ANY LOSS OF PROFIT, REVENUE, SOFTWARE OR DATA, EVEN IF ALLIED WALLET IS ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. IN NO CASE SHALL MERCHANT BE ENTITLED TO RECOVER DAMAGES FROM ALLIED WALLET WHICH EXCEED THE SUM OF THE AMOUNTS OF FEES RETAINED BY ALLIED WALLET UNDER THIS AGREEMENT DURING THE ONE MONTH PRIOR TO THE EVENT GIVING RISE TO THE CLAIM FOR DAMAGES.

25. Disclaimer of Warranties

EXCEPT AS SPECIFICALLY SET FORTH IN THIS AGREEMENT, ALLIED WALLET MAKES NO WARRANTIES, EXPRESS OR IMPLIED, AS TO ANY ALLIED WALLET SERVICES, RELATED PRODUCTS, SOFTWARE OR DOCUMENTATION. ALLIED WALLET SPECIFICALLY DISCLAIMS ANY AND ALL IMPLIED WARRANTIES, INCLUDING WITHOUT LIMITATION ANY IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.

26. Indemnification

Merchant agrees to indemnify and hold harmless Allied Wallet, its employees, officers, agents, directors and subsidiaries from any and all fines, penalties, losses, claims, expenses (including attorney fees), or other liabilities resulting from or in connection with this Agreement. Allied Wallet assumes no liability of Merchant for failure to comply with this Agreement and any results caused by the acts, omissions or negligence of Merchant, sub-contractor or an agent of Merchant or an employee of any one to them, including, but not limited to, claims of third parties arising out of or resulting from or in connection with Merchant's products or services, messages, programs, caller contracts, promotions, advertising, infringement or any claim for libel or slander or for violation of copyright, trademark or other intellectual property rights. Allied Wallet may deduct the above described fines, penalties, losses, claims, expenses (including attorney fees and the allocable costs of in-house counsel), or other liabilities from the Reserve, or if the Reserves are inadequate, directly from the proceeds of Merchant's sales.

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27. Cross Corporate Guarantee

Merchant shall procure an independent guarantee by its parent and/or its group companies in favor of Allied Wallet substantially in the form of Appendix 2.

28. Term

The term of this Agreement shall be for twelve (12) months beginning upon execution of this document by Merchant and subsequent acceptance by Allied Wallet, and shall automatically renew at the end of each consecutive twelve (12) month period unless Allied Wallet receives written notice of non-renewal from Merchant no less than thirty (30) days prior to the expiration of such twelve (12) month period. Allied Wallet reserves the right to terminate this Agreement at any time with or without cause or prior notification to Merchant. Allied Wallet may further terminate this Agreement immediately without notice at any time Merchant breaches any part of this Agreement. Upon termination, notice of non-renewal or cancellation of this Agreement payment shall be made in accordance with the Section entitled "Payment to Merchant", above. Upon expiration or termination of this Agreement, Allied Wallet may hold Merchant funds until such time as all of the Merchant's Cardholder transactions are complete and Allied Wallet reasonably believes no further Chargebacks claims of fraud or other offsets will be incurred.

29. Default

In the event Merchant defaults in any provision or fails to perform pursuant to this Agreement, Allied Wallet shall be entitled to damages, costs and attorney's fees from Merchant.

30. Survival of Claims

Any claim arising out of or related to this Agreement must be brought no later than one year after it has accrued.

31. Invalid or Non-enforceable Provisions

The invalidity or non-enforceability of any provision of this Agreement, as so determined by a court of competent jurisdiction, shall not affect the other provisions hereof, and in any such occasion this Agreement shall be construed in all respects as if such invalid or non-enforceable provision were omitted or, as the case may be, such provision shall be modified to the minimum extent necessary to make it legal, valid and enforceable.

32. Account Claims, Disputes, and Attorneys' Fees Clause

If another person or entity makes a claim against funds in Merchant's account, or if Allied Wallet has reason to believe there is or may be a dispute over matters such as ownership of the account or the authority to receive payment, or make changes to the account, Allied Wallet may, in its sole discretion, (1) continue to rely upon current Allied Wallet documents; (2) honor the competing claim upon receipt of evidence Allied Wallet deems satisfactory to justify such claim; (3) freeze all or part of the funds until the dispute is resolved to Allied Wallet's satisfaction; or (4) pay the funds to an appropriate court of law for resolution.

In the event of a dispute between Allied Wallet and the Merchant relating to the subject matter of this Agreement, it is agreed that the prevailing party shall be entitled to recover its reasonable attorneys' fees and costs in enforcing its rights hereunder.

33. Choice of Law/Venue

For purposes of convenience, this Agreement shall be construed and enforced in accordance with the laws of California and the exclusive venue for any action, dispute or proceeding with respect to this Agreement shall be Los Angeles, California.

34. Amendments and Modifications

No Amendment or modification of this Agreement shall be valid unless same is in writing and signed by all parties hereto. Allied Wallet may amend this Agreement to take into account changes in law or regulations or industry mandates and to accommodate changes imposed on Allied Wallet, and to make other changes deemed necessary by Allied Wallet, by sending Merchant a specimen of the changed Agreement, or making a specimen of the changed Agreement available upon a web page located on the Internet. Unless Merchant rejects the changed Agreement and terminates this Agreement by notice to Allied Wallet in writing within fifteen (15) days after Allied Wallet sends the changed Agreement, or makes said changed agreement available on the Internet, the changed Agreement shall replace this Agreement and be in full force and effect.

35. Notices

Any and all notices to Allied Wallet, or other communications under or with respect to this Agreement to Allied Wallet, shall be in writing, and shall be delivered by hand; e-mail; mailed postage pre-paid, either by registered or certified mail, return receipt requested; or by overnight courier to the following address:

Allied Wallet, Ltd.
1 Northumberland Avenue
Trafalgar Square, London, WC2N 5BW
United Kingdom

And a duplicate copy to:
Allied Wallet
9000 Sunset Boulevard., Suite 820, West Hollywood, CA 90069

And via email: support@AlliedWallet.com

EM



Notices to Merchant shall be made to the administrative e-mail provided by Merchant on enrollment with Allied Wallet and be deemed delivered when sent.

36. Survival of Obligations

The rights and obligations of the parties hereunder which by their nature would continue beyond the termination or cancellation of this Agreement (including, without limitation, those relating to confidentiality, payment of charges and limitations of liability) shall survive any termination or cancellation of this Agreement.

37. Transfer and Assignment

Merchant may not sell, assign or transfer any of its rights or obligations under this Agreement without the prior written consent of Allied Wallet.

38. Authorization; Entire Agreement

The persons signing or otherwise accepting this Agreement on behalf of Merchant represent and warrant that they have the authority to enter into this Agreement on behalf of Merchant. This Agreement contains the entire agreement of the parties and supersedes any other agreements (written or oral), instruments or writings as to its subject matter.

39. Acceptance

By signing this page you state that you understand and agree to these terms and conditions, Merchant agrees that Merchant has read, understands, and agrees to abide by this Agreement, and any documents incorporated by reference, and Merchant agrees that Merchant intends to form a legally binding contract; and that this Agreement constitutes "a writing signed by Merchant" under any applicable law or regulation. Any rights not expressly granted herein are reserved by Allied Wallet.

By signing and entering into this Agreement with Allied Wallet, I certify that I have carefully read and understood the terms of this Agreement, hereby agree to it, and acknowledge receipt of a fully completed and signed copy of it. Moreover, I certify that I am an authorized person of Merchant that is the subject of this Agreement.

AGREED AND ACCEPTED:

TelexFree Inc.

SIGNATURE: _____

BY [print]: James Merrill

TITLE: President

DATED: 8/28/2013

WITNESS: _____

ALLIED WALLET

SIGNATURE: _____

BY [print]: _____

TITLE: _____

DATED: _____

JA



APPENDIX 1

PAYOUT SCHEDULE

Allied Wallet wires every Wednesday to all Merchants due more than 1000 units of the processed and settled currency. Funds will post to the wired account within 1 to 4 business days (bank holidays and country specific holidays may delay funds).
Price display: the customer must be able to identify the final price of a product unmistakably.

All Merchants must put the Allied Wallet logo and Allied Wallet details for customers to clearly see who they will be billed by on payment pages – Allied Wallet technical team will send you details. This must be done prior to your first payout.

Discount Rate and Details

Currency: USD

Merchant Discount Rate: 6.50%

One Time setup fee: 0

Monthly Maintenance Fee: 95 Units

Transaction Fee: 0.35 Units

Refund Fee: 0.75 Units

Retrieval Fee: 5 Units

Chargeback fee: 35 Units

Wire Fee: 45 Units

Holdback Reserve (rolling 6 mo.): 10%
Holdback funds are released on the 15th of each month, unless this date falls on a weekend, and are only released if 1000 Units or more are due and are subject to a wire fee.

Payout Period: 12 days in arrears wired once a week

Processing Period: Saturday to Friday

New clients have no limit on voids of pre-authorizations. Refunds are limited to five per cent (5%) of total captured transactions.

Allied Wallet, Ltd.

TelexFree Inc.

SIGNATURE: _____

SIGNATURE:  _____

BY [print]: _____

BY [print]: James Merrill _____

TITLE: _____

TITLE: President _____

DATED: _____

DATED: 8/26/2013 _____

JM



APPENDIX 2

CROSS CORPORATE GUARANTEE

Date: 8/26/2013

From: [Guarantor Name] ("Guarantor[s]") in favor of Allied Wallet Ltd. ("Allied Wallet")

Allied Wallet Card Payment Processing Agreement dated 8/26/2013 between TelexFree Inc. ("Merchant") and Allied Wallet (the "Agreement")

As a primary inducement to Allied Wallet to enter into the Agreement, the undersigned in [its/her/his/their] capacity of Guarantor[s], by signing this Agreement, hereby guarantee[s], without reservation, jointly and severally, unconditionally and irrevocably, by way of independent guarantee (a) the continuing full and faithful performance by Merchant of each of its duties and obligations to and (b) payment of any monies due by Merchant to Allied Wallet under the Agreement or any other agreement currently in effect or in the future entered into between Merchant or its principals and Allied Wallet as such agreements now exist or are amended from time to time, with or without notice.

Guarantor[s] understand[s] further that Allied Wallet may proceed directly against Guarantor[s] without first exhausting their remedies against any other person or entity responsible to it or any security held by Allied Wallet or Merchant. To the extent permitted by applicable law, Guarantor[s] waive[s] all defenses and deferral rights and legal prerogatives which the law has vested in or may vest in guarantors and joint and several debtors.

Guarantor[s] agree[s] to immediately remit payment regarding any monies owed to Allied Wallet. In addition, Guarantor[s] will promptly provide any information requested concerning [its/her/his/their] financial profile and business relationships.

This guarantee will not be discharged or otherwise affected by any waiver, indulgence, compromise, settlement, extension of credit or any other variations of the terms and agreement of the Agreement.

Guarantor[s] waive[s] trial by jury with respect to litigation arising out of or relating to this guarantee. This guarantee will not be discharged or affected by the death of the undersigned, will bind all heirs, administrators, representatives and assigns and may be enforced by or for the benefit of any successor of Allied Wallet or its subsidiaries.

Guarantor[s] understand[s] that the inducement to Allied Wallet to enter into this Agreement is consideration for the guarantee, and that this guarantee remains in full force and effect even if Guarantor[s] receive[s] no additional benefit from the guarantee.

Guarantor certifies that Guarantor is a Director/Shareholder of Merchant.

This guarantee shall be construed and enforced in accordance with the laws of California and the venue for any action, dispute or proceeding with respect to this guarantee shall be Los Angeles, California.

Sincerely,

SIGNATURE: 

BY [print]: James Merrill

TITLE: President

WITNESS: _____

AGREED AND ACCEPTED
ALLIED WALLET

SIGNATURE: _____

BY [print]: _____

TITLE: _____

Attachment: Corporate Resolution of Guarantor[s]



APPENDIX 3

NON-DISCLOSURE / CONFIDENTIALITY AGREEMENT

With this Agreement dated 8/26/2013, Allied Wallet is providing Merchant confidential trade secret information, including, but not limited to, terms and conditions, fee schedules, rates (such information whether written or oral called the "Confidential Information"). In consideration of furnishing the Confidential Information to Merchant, Merchant agrees to the following:

Merchant may disclose such Confidential Information only to those of its employees who need to know such information given the nature of the business relationship being considered by Merchant and Allied Wallet, and who agree to be bound by the terms and conditions of this Agreement. Neither Merchant nor any of its employees shall use, disseminate or in any way circulate within its own organization or otherwise any Confidential Information that is supplied to or obtained by Merchant in writing, orally or by observation, except (i) to the extent necessary to evaluate a possible business relationship with Allied Wallet and (ii) in the course of negotiations, discussions and consultations with personnel or authorized representatives of the Allied Wallet in connection with such evaluation or defining the terms of such relationship.

Merchant shall treat all Confidential Information with a degree of care that is not less than the degree of care used by it in safeguarding its own similar information or material, and in no event less than the degree of care generally accorded in the industry to confidential information of the same or similar nature.

Merchant shall NOT publish or copy any Confidential Information, or disclose any Confidential Information to ANY third party, before, during or after the conclusion of its business relationship with Allied Wallet. The non-disclosure provisions of this Agreement shall survive the termination of this Agreement and Merchant's duty to hold the Confidential Information in confidence shall remain in effect until Allied Wallet sends Merchant written notice releasing Merchant from the non-disclosure provisions of this Agreement. In any event, the merchant shall not publish any information in any public forum regarding it's relationship with Allied Wallet.

Merchant makes this Agreement in good faith, without mental reservation or purpose of evasion. Merchant understands that Allied Wallet may seek any remedy available to it to enforce this Agreement, including, but not limited to, application for a court order prohibiting disclosure of information in breach of this Agreement.

If a court finds any provisions of this Agreement invalid or unenforceable, the remainder of this Agreement shall be interpreted so as best to effect the intent of the parties.

This Agreement and each party's obligations shall be binding on the representatives, assigns and successors of such party. Merchant has signed this Agreement through its authorized representative.

Any failure by either party to enforce at any time any term or condition of this Agreement shall not be considered a waiver of that party's right thereafter to enforce each and every term and condition of this Agreement.

This Agreement shall be construed and enforced in accordance with the laws of California and the venue for any action, dispute or proceeding with respect to this Agreement shall be Los Angeles, California.

IN WITNESS WHEREOF, Merchant has executed this Agreement as of the date first written above.

Allied Wallet, Ltd.

TelxFree Inc.

SIGNATURE: _____

SIGNATURE:  _____

BY [print]: _____

BY [print]: James Merrill _____

TITLE: _____

TITLE: President _____

DATED: _____

DATED: 8/26/2013 _____

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EXHIBIT 18

From: Dustin Sparman [dustin@vantagepayments.com]
Sent: Wednesday, November 13, 2013 3:56 PM
To: 'jmerrill@telexfree.com'
Cc: 'Nathan Shew'
Subject: New processor


Hey Jim, when we initially started working with you back in August we approached 2 of our banking partners on your account. One was reluctant to take it at that point so we told them we would approach them again in a couple months. I spoke with them today and shared how well you guys have been performing and they are now interested in revisiting the opportunity. My hope would be to get an additional 2 to 3 Million per month in additional processing which would give you some diversity and hopefully leave you uncapped. Before I submitted your current numbers and previous underwriting package to them I wanted to make sure that you were ok with me doing so. The processor is actually a member acquirer with Visa and Mastercard in the EU, is based out of the UK, and is a direct bank on both the acquiring and issuing side.

Please let me know if you want me to proceed with this opportunity. It should be relatively painless for you, will probably just need update bank statements if they agree to proceed with the info I submit to them

Thanks,



Dustin Sparman
dustin@vantagepayments.com

480-766-9103 • 480-609-5730 x2151 | 888-316-5993  dsparm

Dustin Sparman - Vantage Payments
480-609-5730 x2151

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EXHIBIT 19



CDRN PORTAL AGREEMENT

MERCHANT INFORMATION FORM <small>(Must be completed by all Merchants)</small>		
Legal Business Name: Telexfree Inc.		Type of Business:
Company Trade Name (DBA):		<input type="checkbox"/> Sole Proprietor
Federal Tax ID / SSN: 32-0051309		<input type="checkbox"/> Partnership
		<input checked="" type="checkbox"/> Corporation
		<input type="checkbox"/> LLC
Business Address: 225 Cedar Hill St., Suite 200		
City: Marlboro	State: MA	Zip Code: 01752
Phone Number: 508 263 0733		Fax Number: 508 630 2313
Business Type:		Website: telexfree.com
Primary Business Contact (Required)		
Full Name: James Merrill		Title: President
Business Address: 225 Cedar Hill St., Suite 200		
City: Marlboro	State: MA	Zip Code: 01752
Phone Number: 508 889 8888	Fax Number: 508 630 2313	Email Address: jmerrill@telexfree.com
Designated Portal Administrator (Required) <small>(Person responsible for entering merchant descriptor information)</small>		
Full Name: Andreia Moreira		Title: Office Manager
Business Address: 225 Cedar Hill St., Suite 200		
City: Marlboro	State: MA	Zip Code: 01752
Phone Number: 774 696 8614	Fax Number: 508 630 2313	Email Address: andreia@telexfree.com
Primary Billing Contact (Required)		
Full Name: Ana Paula Veras Oliveira		Title:
Business Address: 225 Cedar Hill St. Suite 200		
City: Marlboro	State: MA	Zip Code: 01752
Phone Number: 508 733 9892	Fax Number: 508 630 2313	Email Address: anapaula@telexfree.com

This CDRN Portal Agreement (the "Agreement") is made and entered into as of the last date that this Agreement is signed below (the "Effective Date") by **Vantage Payments, LLC**, an Arizona Limited Liability Company ("Vantage") with its principal mailing address located at 8300 North Hayden Road, A-207, Scottsdale, AZ 85258 and Merchant (as defined herein above in the Merchant Information Form).

Vantage and Merchant may hereinafter be referred to collectively as the "Parties" or individually as a "Party".

RECITALS

A. Vantage's vendor desires to perform certain

Vantage Payments, LLC
8300 North Hayden Road Suite A-207
P: (480) 609-5730 | Fax: (866) 316-9993

CDRN PORTAL AGREEMENT

Services ("Services" shall have the meaning as set forth in Section 1 hereinbelow) for Merchant pursuant to the terms and provisions set forth herein; and

B. Merchant desires to retain Vantage's Vendor to perform certain Services pursuant to the terms and provisions set forth herein.

TERMS AND CONDITIONS

NOW, THEREFORE, in consideration of the mutual covenants, conditions and consideration as provided in this Agreement, the Parties agree as follows:

1. **CDRN Portal Access for Merchant.** Vantage will provide Merchant with a limited, fully revocable license to utilize the CDRN Portal, which shall be defined as the website hosted at my.cdm.com, in accordance with the following terms and conditions:

(a) Vantage will provide Merchant with Portal Access to the Portal to enroll merchant descriptors ("Merchant Descriptor" shall be defined as the descriptor and descriptor contact) in the CDRN Program ("CDRN" shall mean and refer to Vendor's patented Cardholder Dispute Resolution Network, which enables a Merchant to resolve Customer billing disputes directly, before said dispute is escalated to a Chargeback). Enrollment will include configuration of eligible merchant descriptor, MID and merchant category code for each account. Cases will only generate upon accurate enrollment of the Merchant Descriptor.

(b) Once Merchant enrolls the Merchant Descriptors, Merchant will be responsible for assuring set up of notifications of Cases from a Participating Issuer or logging into the Portal in order to review and process the Cases. "Case" shall be defined as an action by a Consumer disputing a Transaction that qualifies under the CDRN program. "Transaction" shall mean and refer to the sale of goods or services for any of Merchant's products for which the Customer Issues payment through the use of a payment brand which is then presented to a Member Bank for processing and collection. "Participating Issuer" shall be referred to as a financial institution that issues a debit or credit card to a Consumer and that is also under contract to participate in CDRN.

Merchant will have two choices with respect to Processing a Case:

- "Resolve" the Case which means that Merchant is responsible for refunding or crediting the Case, blocking all future charges for the Consumer for the same product and inputting the calendar date and amount of the refund in order confirm complete resolution and avoid any Chargebacks; or
- "Decline" a Case, which means that no credit or refund is issued and the Case will most likely result in a chargeback. In either instance it is Merchants

sole responsibility to assure monitoring and processing of the pending Cases. As used herein "processing" shall be defined as the decision to either Resolve or Decline a Case.

(c) All Cases must be processed by Merchant within seventy **two (72) hours of the time** () that they appear in the Portal and Merchant will use its best efforts to process said Cases in a timely fashion. Any Cases not processed within this time frame will be automatically closed and no longer eligible for processing.

(d) Merchant will be charged for all Cases that appear in the Portal, irrelevant of whether the Case is ultimately processed by Merchant and whether or not Merchant Declines or Resolves the CDRN Transaction.

(e) Merchant will be responsible for updating the Portal with current information, including changes to Merchant Descriptors. For the avoidance of doubt, the Portal is designed to be a self-service platform where the Merchant will control the Cases including the resolution thereof. Merchant will be responsible for all facets of managing the CDRN Program through the Portal.

(f) To the extent that Merchant opts to leverage upon the **Managed Service** as noted in Schedule A of this Agreement the following requirements shall apply: Vantage will absorb the requirements of Merchant as set forth in Section 1 of this Agreement. Merchant and Vantage will work together to create the initial Portal settings and Vantage will then process all Cases on behalf of Merchant. Vantage will resolve by **refunding** all Cases on behalf of Merchant and Merchant will be charged for all Cases that populate in the CDRN Portal. The Merchant services will ONLY apply to merchant accounts that have been issued by Vantage Payments and/or its banking partners. Vantage Payment cannot offer the manage services to other merchant accounts issued by other merchant service providers.

2. **TRANSACTION FEES.** Transaction Fees are those fees paid by Merchant to Vantage for the Services, as set forth in Schedule A. Merchant will be required to select a Plan in accordance with Schedule A by checking the applicable box and will be billed on a weekly basis (calendar month) for the plan minimum fees, irrelevant of usage. This Fee will not be prorated.

3. **PAYMENT AND INVOICING TERMS**

3.1 **Payment for Services.** Payment is due in accordance with the Schedule of Fees ("Fees" shall mean and refer to the consideration paid by Merchant to Vantage for the Services provided by Vantage in accordance with the terms of this Agreement), attached hereto as Schedule A. Merchant will provide Vantage with a fully executed Payment Authorization form, as set forth in Schedule B, which will permit Vantage to withdraw Fees for Services

CDRN PORTAL AGREEMENT

under this Agreement and in accordance with the terms herein.

Vantage will initiate and debit Merchant's bank deposit account(s) or credit card for the Fees due and payable to Vantage. All Fees for processed Transactions accrued hereunder are due on a WEEKLY basis and shall be debited from Merchant's account every Monday for the previous week's activity from Monday-Sunday. Merchant acknowledges and agrees that Vantage is permitted to debit such fees by ACH and credit card ("ACH" shall mean and refer to the "Automated Clearing House") via EFT from the Merchant's bank account as designated by the Merchant in Schedule B. Vantage reserves the right in its sole and absolute discretion, to delay billing of Fees and charges hereunder and in no event will a delay in such billing waive Vantage's rights to same.

3.2 Fee Summary. All Fees shall be accrued at the time of submission of such Cases to Vantage. Vantage will provide Merchant with a written summary of all Fees accrued hereunder for each billing week. If Merchant has a commercially reasonable basis for disputing any portion of the summary of Fees, Merchant must notify Vantage in writing within ten (10) calendar days of receipt of such summary. If a Fee or Transaction is not disputed in writing within such period, any dispute as to said Fees shall be waived. A finance charge of 1 ½ % per month will be charged on all past due balances.

3.3 Taxes. All amounts payable pursuant to this Agreement are exclusive of taxes. Accordingly, Merchant will be solely and exclusively responsible for any and all current and future applicable taxes, which may be incurred as a result of or otherwise in connection with this Agreement or the provision of the Services, including without limitation, state and local privilege, excise, sales, services, withholding, and use taxes and any taxes or other amounts in lieu thereof paid or payable by Merchant.

4. DISCLAIMER/LIMITATION OF LIABILITY. To the fullest extent permissible under the applicable law, Vantage disclaims all warranties express or implied, including, but not limited to, implied warranties of merchantability and fitness for a particular purpose, in relation to its Service, use thereof and the results of such use.

Vantage shall not be liable to Merchant or any other person or entity for: (a) any indirect, special, incidental, consequential or exemplary damages of any kind arising out of the use or inability to use Vantage's Services or any information provided by Vantage either through its website or verbally by a representative of Vantage, including, without limitation, damages for loss of goodwill, lost profits, business interruption, loss of programs or other data, even if Vantage has been advised of the possibility of such damages, or (b) any claim attributable to errors, omissions or other inaccuracies as to Vantage's Services.

Notwithstanding the foregoing, the cumulative aggregate liability of Vantage shall not exceed the actual

aggregate amount of compensation and Fees paid to, and received by Vantage for the prior six (6) months of the Agreement, less the aggregate sum of Vantage's actual third party expenses.

5. TERM AND TERMINATION

5.1 Term. This Agreement shall commence on the Effective Date and will remain in effect a period of ONE year thereafter. It will automatically renew for additional one (1) year term ("Additional Term"), unless otherwise terminated as set forth here in below. Either party may terminate this agreement upon sixty (60) days advance written notice at any give time.

5.2 Termination. In addition to the foregoing, this Agreement may also terminate in the following instances and conditions:

(a) In the event of a breach of the terms of this Agreement, provided that the non-breaching Party provides written notice and at least five (5) calendar days to cure the breach to the reasonable satisfaction of the non-breaching Party. In the instance of non-payment by Merchant, Merchant shall cure within two (2) calendar days of written notice. If any breach hereunder, is not cured to the non-breaching Party's reasonable satisfaction within the specified time period, the non-breaching Party may immediately terminate without further notice;

(b) If Merchant terminates this Agreement any time during the Term or any Additional Term or period as set forth herein, Merchant will be precluded from participating in CDRN or from receiving the services set forth in Section 1 hereinabove, for six (6) months following termination, unless otherwise agreed to in writing by Vantage's vendor; or

(c) If either Party becomes insolvent, is placed in a receivership, an assignment is made for the benefit of creditors, upon notice advising of either Party's inability to pay its debts or if a petition is filed against either Party under any provision of the Federal Bankruptcy Code.

6. INDEMNIFICATION/ HOLD HARMLESS. Merchant agrees to indemnify, defend, and hold Vantage harmless including its officers, directors, employees and agents from and against any and all liability, claims, losses, damages, injuries, expenses, attorneys' fees, costs or otherwise, directly or indirectly arising from or related to breach of this Agreement including acts or omissions thereof, whether such conduct is negligent or intentional.

7. LOGO USAGE. Vantage shall have the right, within its discretion, to display Merchant's name, trademark and/or logo on its website and related to publicity, including but not limited to marketing materials and press releases; provided that Vantage does not tarnish Merchant's logo with respect to any such use.

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8. REPRESENTATIONS, WARRANTIES AND COVENANTS OF MERCHANT. Merchant agrees, represents, warrants and covenants as follows:

(a) Merchant is a corporation, limited liability company, partnership or other entity validly existing and in good standing under the laws of the State where formed;

(b) Merchant has full authority and power to enter into this Agreement and to perform its obligations hereunder;

(c) Merchant's performance of this Agreement will not violate any applicable law or regulation or any agreement to which it is bound as of the date hereof, including, without limitation the Merchant Processor Agreement;

(d) Merchant has been authorized by each Consumer to use the personal and other information of Consumer ("*Consumer Information*") that shall be provided to Vantage hereunder and has the right to use all such Consumer Information in connection with Vantage's provision of the Services hereunder in the manner contemplated by this Agreement; and

(e) Merchant has legal rights and permission for all its Consumers ("*Consumer*" shall mean and refer to an individual or entity that presents a Payment Brand (defined below) to purchase goods or services from the Merchant and submits a Payment Brand to facilitate said payment) for which Merchant requests Cases, to obtain said Cases related to said Consumers. Payment Brand shall mean and refer to the type of payment submitted by a customer for services, products or otherwise, including, but not limited to, Visa, MasterCard, American Express, Discover, PayPal, ACH, "Bill Me Later", or any credit card, charge card, debit card, gift card, loyalty card, prepaid card or other alternative method accepted as payment by Merchant.

9. CONFIDENTIAL INFORMATION AND NON-DISCLOSURE

9.1 Confidential Information. The Parties may wish to disclose certain proprietary, Confidential Information ("*Confidential Information*" shall mean any and all data and information relating to the business of the disclosing Party ("Disclosing Party") which is disclosed to the other Party ("Receiving Party") pursuant to this Agreement, including but not limited to information relating to business operations (including customers, suppliers, equipment, services of employees, financial information or methods of operation), know-how, trade secrets, technical and economic data, computer programs, systems documentation, interfaces, requirements, specifications, database tables, dictionaries and designs, functional descriptions, interface control documents, system implementation plans, user and maintenance guides, screen and file formats, Web page designs, procedures, formulas, improvements, ideas, copyrights or publications of a confidential nature pertaining to the Disclosing Party, its products and services or its customers) to the other Party on a confidential basis. Confidential Information may

be communicated orally, in writing, by electronic or magnetic media, or by visual observation. Any Confidential Information that is disclosed between the Parties in accordance with the terms of this Agreement shall be used only in furtherance of the purposes of this Agreement and shall not be disclosed to anyone outside of the Receiving Party's organization. Confidential Information shall remain confidential unless the information is:

(a) Now, or hereafter becomes, through no act or failure to act on the part of the Receiving Party, generally known or available to the public; (b) Rightfully known by the Receiving Party prior to the time of receiving such information from the Disclosing Party; (c) Hereafter rightfully furnished to the Receiving Party by a third Party without, to the best knowledge of the Receiving Party, any breach of any confidentiality obligation to the other Party; (d) Independently developed by the Receiving Party without any breach of this Agreement; or (e) Required to be disclosed by the Receiving Party by judicial or government action, provided, the Disclosing Party complies with the terms of Section 9.5.

Confidential Information may include but is not limited to information (i) disclosed to the Disclosing Party by a third Party which the Disclosing Party is obligated to treat as confidential, or (ii) which is Confidential Information of an affiliate of the Disclosing Party. The terms and conditions of this Agreement shall be treated as Confidential Information.

9.2 Disclosure of Confidential Information. The Receiving Party may use the Disclosing Party's Confidential Information only in furtherance of this Agreement. The Receiving Party shall use reasonable care and discretion to prevent disclosure, publication, or dissemination of the Disclosing Party's Confidential Information. Disclosure by the Receiving Party of Confidential Information may be made only to officers, directors, general partners, employees, agents, financial advisors or attorneys (collectively, "Representatives") of the Receiving Party who have a reason to know or have access to such information, and have obligated themselves to hold such Confidential Information in trust and confidence or otherwise to comply with the terms herein.

9.3 Disposal of Confidential Information Upon Termination. Upon termination of this Agreement, and within ten (10) calendar days following the receipt of a written request from the Disclosing Party, the Receiving Party will (i) deliver to the Disclosing Party all tangible materials containing or embodying the Confidential Information received from the Disclosing Party, or (ii) destroy or put in escrow for the benefit of Disclosing Party at Receiving Party's discretion, all documents, memoranda, analyses, notes and other writings (including electronic versions thereof) pertaining to the Confidential Information prepared by the Receiving Party or its Representatives, and (iii) deliver to the Disclosing Party a certificate executed by an authorized officer of the Receiving Party certifying that all such materials in the Receiving Party's possession or control have been either delivered to the

CDRN PORTAL AGREEMENT

Disclosing Party or destroyed or escrowed as required by this provision; provided however that in the instance of Vantage, it may retain Confidential Information associated with the Services in accordance with its then-current data retention policies and will abide by the terms of this Confidentiality section for so long as such information is maintained.

9.4 Injunction for Breach of Confidentiality. Each Party acknowledges and agrees that in the event of any breach of this provision of this Agreement by the other Party, the Disclosing Party will suffer irreparable harm and injury and no remedy at law will afford it adequate protection against, or appropriate compensation for, such injury. Accordingly, each Party hereby agrees that in any such event the Disclosing Party shall be entitled, in addition to all other potential rights and remedies available to it, immediate injunctive relief as may be granted by a court of competent jurisdiction. The Parties agree that unless otherwise required by law, no bond shall be required to be posted in such instances.

9.5 Disclosure Required by Law. If either Party, or its Representatives, are requested or required by law, statute or otherwise to disclose any Confidential Information covered herein, Receiving Party will provide Disclosing Party with prompt written notice, and shall reasonably cooperate with Disclosing Party (at no cost to Receiving Party), so that Disclosing Party may in its absolute discretion seek an appropriate protective order or waive compliance with the provisions of this Agreement or both. If, absent the entry of a protective order or the receipt of a waiver under this Agreement, Receiving Party or its Representatives is, upon the advice of its legal counsel, legally compelled to disclose Information of Disclosing Party, Receiving Party may disclose such Information to the least extent required, without liability under this Agreement.

10. GOVERNING LAW. This Agreement shall be governed by and construed in accordance with the laws of the State of Arizona (irrespective of its choice of law principles).

11. BINDING ARBITRATION. All disputes that cannot be resolved pursuant to the internal issue resolution process identified above will be submitted to and settled by final and binding arbitration according to the rules and procedures of the Judicial Arbitrator Group, or Jams in Dispute, unless otherwise mutually agreed by the parties. Any arbitration shall occur in Phoenix, Arizona by a single arbitrator mutually selected by the parties, and the law of the State of Arizona shall apply to all issues. The arbitrator shall have binding authority to determine all issues arising out of this Agreement and to enter any legal, equitable or restitutionary remedy, including injunction and/or restitution. The decision of the arbitrators will be final and binding, and judgment on the award may be entered in any court of competent jurisdiction. Fees and costs of arbitration shall be initially born by the parties equally. However, the arbitrator shall, in addition to damages or other remedy, award to the prevailing party reimbursement

of all arbitration costs, expenses and reasonable attorney fees incurred, including any attorney fees reasonably necessary to obtain judgment on or otherwise enforce the award.

12. SEVERABILITY. Should any provision or term of this Agreement be declared or rendered invalid, illegal or unenforceable by reason of any existing or subsequently enacted legislation or by decree of a Court of competent jurisdiction, such decision shall not affect the validity of any remaining provisions, which shall remain in full force and effect as if this Agreement had been executed with the invalid portion thereof eliminated. In such instances, the Parties shall in good faith, renegotiate such provisions to effectuate as closely as possible the language and intent of the invalid provision. The remaining provisions shall nevertheless remain in full force and effect in all other circumstances.

12. WAIVER. Waiver of any breach of this Agreement by either Party shall not be considered a waiver of any other subsequent breach.

13. RELATIONSHIP OF THE PARTIES. The Parties acknowledge that this Agreement shall not create a relationship of partnership, agency, servant, joint venture, or otherwise and the Parties agree that at no time will they represent same.

14. NOTICES. All notices or other communications hereunder shall be in writing, delivered by: (i) facsimile transmission with confirmation of transmittal, (ii) by courier, or (iii) by overnight mail. Notice shall be deemed given when verifiably delivered to each Party at the address specified in the initial paragraph of this Agreement or such other address as may be subsequently specified in a written notice from time to time.

15. ATTORNEYS' FEES: In the event of any legal or equitable action, whether by way of arbitration, enforcement of a judgment or otherwise, which arises from or relates to this Agreement, the prevailing Party shall be entitled to reasonable attorneys' fees and costs.

16. ASSIGNMENT. Merchant shall not assign this Agreement or any of Merchant's rights and/or obligations hereunder to any third Party without the prior written consent of Vantage, except to (i) a person or entity into which Merchant merges or is consolidated, (ii) a person or entity which acquires all or substantially all of such Merchant's business or assets, or (iii) a person or entity which is controlled by, under common control with, or controls Merchant. This Agreement shall be binding upon and shall inure to the benefit of any such successors and assigns of Merchant. No other assignment of this Agreement shall be made by Merchant without Vantage's prior written consent, and any attempt to assign this Agreement without such prior written consent shall be deemed null and void. Vantage may assign this Agreement and such assignment shall be binding upon and inure to the benefit of Vantage, and its respective successors and assigns.

CDRN PORTAL AGREEMENT

17. **SURVIVAL.** The provisions of Sections 3.1, 4, 5.1, 5.2, 6, 8, 9.1, 9.2, 9.3, 9.4, 9.5, 10 and 11 shall survive the termination of this Agreement, to the extent applicable.

18. **COUNTERPARTS.** This Agreement may be executed (by original, email, or telecopy signature) in counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one and the same instrument without regard to delivery methods of said agreement.

19. **ENTIRE AGREEMENT.** This Agreement, including all Attachments, Schedules and Appendices shall contain the entire Agreement between the Parties and supersedes all previous contracts, proposals, oral or written, and all other communications between the Parties respecting the subject matter hereof, including any and all prior understandings, representations, warranties, agreements or contracts (whether oral or written) between Merchant and Vantage respecting the subject matter hereof. This Agreement may only be amended by an agreement, in writing executed by the Parties hereto.

IN WITNESS HEREOF, the Parties, having caused this Agreement to be executed by their duly authorized representatives as of the Effective Date.

VANTAGE PAYMENTS


By: _____

Name: _____

Title: _____

Date: _____

MERCHANT

By:  _____

Name: James Merrill

Title: President

Date: 12/05/13

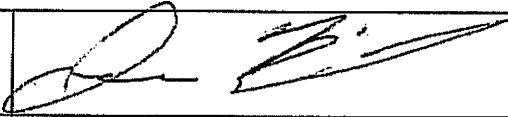
RESELLER CDRN PORTAL AGREEMENT

SCHEDULE A

	Monthly Minimum	Additional Flat Rate CDRN Case Fee
<input checked="" type="checkbox"/> Plan – Self Managed Portal	Monthly minimum \$0.00	\$40.00 per case
<input type="checkbox"/> Plan – Vantage Managed	\$100.00 monthly minimum includes 2 disputes	\$45.00 per case after 2 nd case

RESELLER CDRN PORTAL AGREEMENT

SCHEDULE B

Payment Authorization Form	
Account Number:	170183859
Routing Number:	211370707
Bank Name:	Fidelity Bank
Bank Address/City/State:	9 Leominster Connector, Leominster, MA 01453
Bank Phone Number:	(978) 345-4331
<p>Authorized Signature: I hereby authorize Vantage Payments, LLC. or any third Party in accordance with this Agreement to initiate debit/credit entries to deposit account, as indicated above. This authority is to remain in full force and effect until (a) Vantage Payments, LLC, has received written notification of its termination, in such a manner as to afford Vantage Payments, LLC reasonable opportunity to act on it and (b) all obligations to Vantage Payments, LLC. have been paid in full. This authorization extends, but is not limited to, such entries to this account; which concern fees, transaction fees, penalties, service fees, and return item fees.</p>	
Authorized Signature:	
Print Name:	James Merrill
Date:	12/05/2013

Telexfree INC.
 P.O. Box 3092
 Worcester, MA 01613

Fidelity Bank
HELPING YOU GET WHERE YOU WANT TO BE
Fitchburg • Leominster • Gardner • Millbury • Shirley • Worcester
 53-7070-2113

3015

PAY TO THE
 ORDER OF

VOID

\$

DOLLARS

MEMO

 AUTHORIZED SIGNATURE

⑈003015⑈ ⑆211370707⑆ 170183859⑈

RESELLER CDRN PORTAL AGREEMENT

CREDIT CARD AUTHORIZATION FORM

Please print out and complete this authorization and return to us

All information will remain confidential

Card Holder Name: _____

Billing Address: _____

Credit Card Type: _____ VISA _____ MasterCard _____ American Express

Credit Card Number: _____

Expiration Date: _____

Card Identification number (last 3 digits located on MC and Visa / the 4 digits above the card number on AMX): _____

I hereby authorize Vantage Payments, LLC. or any third Party in accordance with this Agreement to initiate debit/credit entries to deposit account, as indicated above. This authority is to remain in full force and effect until (a) Vantage Payments, LLC, has received written notification of its termination, in such a manner as to afford Vantage Payments, LLC reasonable opportunity to act on it and (b) all obligations to Vantage Payments, LLC have been paid in full. This authorization extends, but is not limited to, such entries to this account; which concern fees, transaction fees, penalties, service fees, and return item fees.

Cardholder – Print Name, sign and date below:

Signed: _____

Date: _____

Print: _____

Vantage Payments, LLC
8300 North Hayden Road Suite A207
Scottsdale AZ 85258

EXHIBIT 20

Alexander Wall

From: Jim Merrill [jmerrill@telexfree.com]
Sent: Wednesday, January 15, 2014 12:34 PM
To: 'Dustin Sparman'
Subject: RE: Telexfree
Attachments: allied dustin s new scan0001.pdf

Hi Dustin,

If we are doing unlimited transactions there will be plenty of business to go around. You deserve your share for getting us started and Tom deserves his share for getting us what we needed. Whomever treats us best will get most of the business. I know this will work out.

Look forward to continuing to work with you.

Thanks Jim

Jim Merrill
President TelexFREE
225 Cedar Hill
Marlborough, MA 01752

From: Dustin Sparman [mailto:dustin@vantagepayments.com]
Sent: Monday, January 13, 2014 7:51 PM
To: 'Jim Merrill'
Cc: 'Jay Borromei'; 'Underwriting - Nick - Vantage'
Subject: RE: Telexfree

The rate sheet would help ☺

From: Dustin Sparman [mailto:dustin@vantagepayments.com]
Sent: Monday, January 13, 2014 5:48 PM
To: 'Jim Merrill'
Cc: 'Jay Borromei'; 'Underwriting - Nick - Vantage'
Subject: RE: Telexfree

Jim, here is the updated rate sheet. The rate has been dropped to 5.5%, the pre-authorization transaction fees have been credited back, and the volume has been moved to unlimited.

If you agree to these terms please sign and send back. Please call me if you have any questions.

Thanks,

Dustin-

From: Jim Merrill [mailto:jmerrill@telexfree.com]
Sent: Monday, January 13, 2014 3:13 PM
To: 'Dustin Sparman'

Cc: 'Jay Borrromei'; T. Wells

Subject: Telexfree

Hi Dustin,

I wanted to think you for your past service you have been great to work with, but I could not pass up the opportunity we have at hand with Argus/IPS. They were able to get are rates down and reduce the number of transactions fees.

Like I said you were great to work with but we could not afford the rate and transactions fees.

Thanks again Jim

Jim Merrill
President TelexFREE
225 Cedar Hill
Marlborough, MA 01752

EXHIBIT 21

Alexander Wall

From: Dustin Sparman [dustin@vantagepayments.com]
Sent: Friday, December 27, 2013 5:44 PM
To: 'Jim Merrill'
Cc: 'Jay Borrromei'; 'Natalia Yenatska'; 'underwriting@vantagepayments.com'
Subject: RE: TelxFree EU corp
Attachments: TELEXFREE_LTD.pdf

I believe we set this up for you. I have attached the certificate of Incorporation and cc'd Natalia as well.

Thanks,

D

From: Jim Merrill [mailto:jmerrill@telexfree.com]
Sent: Friday, December 27, 2013 3:26 PM
To: 'Dustin Sparman'
Cc: 'Jay Borrromei'
Subject: RE: TelxFree EU corp

Hi Dustin,

Natalia Yenatska is from our E-wallet Vendor IPS. Can you get her the document for our EU corporation. Allied set this up for us but I never saw a document. This is her email natalia.yenatska@i-payout.com Please send her the document if you can.

Thanks Jim

Jim Merrill
President TelexFREE
225 Cedar Hill
Marlborough, MA 01752

From: Natalia Yenatska [mailto:natalia.yenatska@i-payout.com]
Sent: Friday, December 27, 2013 4:30 PM
To: Jim Merrill
Subject: TelxFree EU corp

Jim, could you direct me to the right person on your team for the EU corp docs? I know that TelexFree is registered, which is necessary for the Prepaid card program. I just need the certificate of incorporation

Thank you!!

Best Regards,



Natalia Yenatska
Chief Financial Officer

✉ natalia.ventaska@i-payout.com ☎ 1-954-513-3151

🏠 www.i-payout.com 🌐 i-payout.com

