

SETTLEMENT AGREEMENT

This Settlement Agreement (“Settlement Agreement” or “Agreement”) is made and entered into this 26th day of February, 2019 (“Execution Date”) by Base Commerce, LLC (formerly known as Phoenix Payments, LLC)¹ (“Base Commerce”), John Hughes, Brian Bonfiglio, John Kirchhefer, and Alex Sidel (the “Base Commerce Defendants”) and Synovus Bank (“Synovus”) (collectively the “Settling Defendants”) and Tyzza Hartman, Waldamara Martin, Rita Dos Santos, Edivaldo A. Reis and Igor Shikhman (together “Putative Class Representatives” or “Releasing Parties”) individually and on behalf of and representing “[a]ll persons who purchased TelexFree AdCentral or AdCentral Family packages and suffered a Net Loss during the period from January 1, 2012 to April 16, 2014” falling under the jurisdiction of U.S.D.C. (D. Mass.) C.A. No. 4:14-md-2566 (the “TelexFree Class Plaintiffs”).²

PREAMBLE

WHEREAS, TelexFree Class Plaintiffs are prosecuting the above-entitled actions (collectively, “MDL 2566 Action(s),” “Action(s)” or “TelexFree Litigation”) on their own behalf and on behalf a class of victims of the TelexFree pyramid scheme (the “Pyramid Scheme”) against, among others, the Base Commerce Defendants and Synovus;

WHEREAS, TelexFree Class Plaintiffs allege that they were injured as a result of the Settling Defendants’ assistance and participation in the unlawful TelexFree Pyramid Scheme and related money laundering in violation of statutory and common law, as referenced in

¹ The name of the former Phoenix Payments, LLC was changed to Base Commerce, LLC, on June 24, 2013.

² Hereinafter, the Base Commerce Defendants, Synovus and TelexFree Class Plaintiffs are sometimes collectively referred to as “Parties” or, individually, each a “Party.” “Net Loss” is defined below.

TelexFree Class Plaintiffs' Consolidated Amended Class Action Complaints in the Actions (the "Complaints") and the attachments to this Settlement Agreement;

WHEREAS, the Court granted Synovus' Motion to Dismiss the Complaints based on lack of personal jurisdiction;

WHEREAS, the Court granted the Motion to Dismiss of Base Commerce and John Hughes in part, by dismissing the Third and Fourth Claims for Relief in the Complaints;

WHEREAS, TelexFree Class Plaintiffs have reviewed the assets and financials of Base Commerce as represented;

WHEREAS, Base Commerce has presented financials and sworn they are truthful and complete, and these Base Financials were relied upon as truthful and complete representations and the truthfulness and the completeness of the financials remain material terms to this Settlement Agreement

WHEREAS, Base Commerce has conditioned this settlement upon the release of their former employee Jason Doolittle ("Doolittle"), but has represented they are not able to obtain his signature;

WHEREAS, the Plaintiffs do not object to his release but in exchange require his cooperation;

WHEREAS, in compromise, Jason Doolittle is released on the condition that if he does not cooperate as defined herein, Doolittle's release shall be subject to revocation and the action against him shall be subject to being reinstated nunc pro tunc as provided herein;

WHEREAS, Base Commerce has conditioned this settlement upon the release of their former employee John Hughes and throughout has identified him as their Most

Knowledgeable Person but have represented they are not able to guarantee his appearance or full cooperation;

WHEREAS, the offering of John Hughes as Base Commerce's Most Knowledgeable Person and the execution of the evidentiary affidavit he has prepared and continued cooperation are material terms to this Settlement Agreement;

WHEREAS, the failure of John Hughes to provide Full Cooperation prior to Preliminary Approval as provided herein shall be grounds for the Plaintiffs to seek to terminate the Settlement Agreement as to John Hughes and Base Commerce pursuant to the protocol described in paragraph 15;

WHEREAS, in compromise, John Hughes and Base Commerce are released on the condition John Hughes will provide Full Cooperation prior to Preliminary Approval and that if he does not cooperate as defined herein prior to the date of the Preliminary Approval hearing, Plaintiffs may request the Court to terminate the Settlement Agreement as to Hughes and Base Commerce and to reinstate the actions against them nunc pro tunc pursuant to the protocol described in Paragraph 15;

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

WHEREAS, arm's-length settlement negotiations have taken place between Settlement Class Counsel (as defined below) and counsel for the Settling Defendants, and this Agreement has been reached as a result of those negotiations;

WHEREAS, TelexFree Class Plaintiffs have requested all information and documents related to the subject matter of the MDL 2566 Litigation and the Settling Defendants have agreed as set forth herein to provide all information and documents as well as cooperative

testimony relating to the conduct referred to in the Actions (“Full Cooperation” is also defined below);

WHEREAS, TelexFree Class Plaintiffs have concluded that resolving the claims against the Settling Defendants according to the terms set forth below is in the best interests of TelexFree Class Plaintiffs;

WHEREAS, TelexFree Class Plaintiffs have investigated the facts and the law regarding the conduct alleged in the Actions and have concluded that resolving the claims against the Settling Defendants is in the best interests of TelexFree Plaintiffs Settlement Class because of the value of the Full Cooperation and the payment of the full insurance benefits available plus out-of-pocket funds (“Full Cooperation”) that the Settling Defendants have agreed to provide pursuant to this Agreement and the Settlement Amount exceeds the risk of further litigation;

WHEREAS, the Settling Defendants, specifically without admitting any liability, have agreed to enter into this Agreement to avoid further expense, inconvenience, and the distraction of burdensome and protracted litigation, to obtain the releases, orders, and judgment contemplated by this Agreement, and to put to rest with finality all claims that have been or could have been asserted against the Settling Defendants and Releasees with respect to the TelexFree Pyramid Scheme based on the allegations in the Actions, as more particularly set out below;

WHEREAS, the payment of funds and Full Cooperation that the Settling Defendants have agreed to provide to TelexFree Class Plaintiffs, if allowed by the Court, will aid TelexFree Class Plaintiffs, provide cash settlement funds and reduce the substantial burden and expense in the ongoing prosecution of the Actions; and

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

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

AGREEMENT

A. Definitions.

1. "Cooperation" and "Full Cooperation" refer to the provisions set forth in Paragraphs 13-30 and to the material representations made relating to Base Commerce's financials.

2. "Defendant(s)," for purposes of this Settlement Agreement, includes, but is not limited to, all Defendants named in the Fourth Consolidated Amended Complaint; all those entities and persons connected or related to TelexFree's unlawful Pyramid Scheme as identified in good faith by the Settling Defendants or contained in their business records or personnel files; and the persons and entities identified in Attachments A and B.³

3. "Document" is defined to be synonymous in meaning and equal in scope to the usage of this term in Rule 34(a) of the Federal Rules of Civil Procedure, including without

³ A list of all Top Level Promoters are identified on Attachment A (to be filed under seal) and a list of all soon to be named Defendants (including stayed Defendants) are identified on Attachment B (to be filed under seal).

limitation, electronically stored information. A draft or non-identical copy is a separate document within the meaning of this term. For purposes of this Agreement, Document shall include all foreign and English translations in the Settling Defendants' custody, possession or control as well as those appearing in another language.

4. "Releasees" shall refer jointly and severally, individually and collectively to the Settling Defendants, their parents, subsidiaries, affiliates, divisions, predecessors and successors, and their respective past and present officers, directors and employees. The term Releasees does not include any Defendant in the Actions other than Base Commerce, LLC, John Hughes, Brian Bonfiglio, John Kirchhefer, Alex Sidel and Jason Doolittle, and Synovus.

5. "Releasers" shall refer jointly and severally, individually and collectively to TelexFree Class Plaintiffs and the Settlement Class Members, as well as each of their parents, subsidiaries, affiliates, divisions, predecessors, heirs, successors and assigns, and their respective past and present officers, directors and employees.

6. "Settlement Class" is defined as "[a]ll persons subject to the jurisdiction of the MDL 2566 Court who purchased TelexFree AdCentral or AdCentral Family packages and suffered a Net Loss⁴ during the period from January 1, 2012 to April 16, 2014" in U.S.D.C. (D. Mass.) C.A. No. 4:14-md-2566."

7. "Settlement Class Counsel" shall refer to Interim Lead Counsel and the members of Plaintiffs' Interim Executive Committee:

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Lisa Sleboda, Esq.
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⁴ "Net Loss" is defined as the class member having invested more funds than they withdrew.

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

9. “TelexFree” for purposes of this Settlement Agreement includes all TelexFree entities, including the entities identified in Attachment C (to be filed under seal) and those

otherwise as identified in good faith by the Settling Defendants or as contained in their business records or personnel files.

B. Settlement Amount

10. “Settlement Amount” means the Base Settlement Amount and the Synovus Settlement Amount as defined in paragraphs 10(a) and (b).

a. The Base Commerce Defendants shall pay a total of USD \$1,575,000.00, inclusive of all attorneys’ fees and court costs, (the “Base Settlement Amount”) into the Escrow Account as described herein upon TelexFree Class Plaintiffs’ filing of a motion for certification of a settlement class and the Court granting preliminary approval of the Settlement Agreement (“Preliminary Approval”).

b. Simultaneous with Base Commerce’s payment of the Base Settlement Amount, Synovus shall pay a total of USD \$425,000.00, inclusive of all attorneys’ fees and court costs, (the “Synovus Settlement Amount”) into the Escrow Account as described herein.

11. Subject to the provisions hereof, and in full, complete and final settlement of the Actions as provided herein, the Settling Defendants shall pay the “Settlement Amount” at the times and in the amounts set forth in Paragraph 10 of this Agreement into an escrow account to be administered in accordance with the provisions of Paragraph 12 of this Agreement (the “Escrow Account”). Nothing in this Paragraph shall relieve the Settling Defendants from their Cooperation obligations as specified in Paragraphs 13-31, which obligations shall survive the payment of any and all financial consideration by the Base Commerce Defendants.

12. Escrow Account.

(a) An escrow account shall be maintained at the nationally chartered CitiBank (the “Escrow Account”). Such escrow shall be administered under the Court’s continuing supervision and control.

(b) All payments into the Escrow Account shall, at the direction of Settlement Class Counsel, be invested in instruments backed by the full faith and credit of the United States Government or fully insured by the United States Government or an agency thereof, including U.S. Treasury Bills, U.S. Treasury Money Market Funds or a bank account insured by the Federal Deposit Insurance Corporation (“FDIC”) up to the guaranteed FDIC limit. Any interest earned on any of the foregoing shall become part of the Settlement Fund.

(c) All funds held in the Escrow Account shall be deemed and considered to be in *custodia legis* of the MDL 2566 Court and shall remain subject to the jurisdiction of that Court, until such time as they are distributed pursuant to this Agreement and/or further order(s) of the Court.

(d) The funds in the Escrow Account may be used as provided herein for reasonable disbursements of expenses associated with providing notice of the settlement to the Settlement Class and administrative (not legal) expenses for maintaining and administering the Settlement Fund, which may be paid without approval from the Court and shall not be refundable to the Settling Defendants in the event the Agreement is disapproved, rescinded, or otherwise fails to become effective for any reason. The funds provided by Base Commerce may be used in an amount up to \$150,000.00, which Settlement Class Counsel shall deduct from the Settlement Fund. In the unlikely event that the cost of notice exceeds \$150,000.00, then the funds provided by Synovus may be used in an amount up to \$50,000, which

Settlement Class Counsel shall deduct from the Settlement Fund. No other disbursement from or distribution of the Settlement Fund shall be made without prior approval of the Court. The Settling Defendants shall have no further obligation to pay costs of notice or expense of maintaining and administering the Settlement Fund. Once the Court finally approves the Settlement Agreement the Settling Defendants shall have no further say in the disposition of the remainder Settlement Amount.

(e) The Escrow Account is intended by the Parties to be treated as a “qualified settlement fund” within the meaning of Treas. Reg. § 1.468B-1, and to that end the Parties shall cooperate with each other and shall not take a position in any filing or before any tax authority that is inconsistent with such treatment. At the request of the Settling Defendants, a “relation back election” as described in Treas. Reg. § 1.468B-1(j) shall be made so as to enable the Escrow Account to be treated as a qualified settlement fund from the earliest date possible, and the Parties shall take all actions as may be necessary or appropriate to this end. At the direction of Settlement Class Counsel, with notice to the Settling Defendants and without Court approval, taxes or estimated taxes shall be paid on any income earned on the funds in the Escrow Account, whether or not final approval as defined in paragraph 48 (“Final Approval”) has occurred. Except as set forth in this Paragraph, TelexFree Class Plaintiffs shall have no responsibility to make any tax filings related to the Settlement Fund or to pay any taxes with respect thereto, and neither the Releasees nor any Releasor nor their respective counsel shall have any liability or responsibility for the taxes or expenses incurred in connection with taxation matters.

(f) If this Agreement does not receive Final Approval, including final approval of the Settlement Class as defined in Paragraphs 47(a) and 48, or if the Actions are

not certified as class actions for settlement purposes, then all amounts paid by the Settling Defendants into the Settlement Fund (other than costs expended or incurred in accordance with Paragraphs 12(d) and 52) shall be returned to the Settling Defendants from the Escrow Account along with any interest accrued thereon as soon as reasonably practicable but no later than thirty (30) calendar days following the Settling Defendants' request for same.

C. Agreement to Cooperate.

13. In addition to payment of the Settlement Amount set forth in Paragraphs 10 and 11, the Settling Defendants each agree to promptly, timely and fully provide Full Cooperation to TelexFree Class Plaintiffs as set forth below at their own expense except as specifically articulated within this Settlement Agreement.

14. "Cooperation Materials" means:

- a. as to the Base Commerce Defendants: (i) any and all information relating to the conduct referred to in or related to MDL 2566, the TelexFree Pyramid Scheme, and the money laundering alleged by Plaintiffs to have been carried out by any Defendant and those persons and entities identified in Attachment A and B, (ii) the Affidavit and chart to be provided by John Hughes, (iii) testimony to be provided to Plaintiffs by witnesses including but not limited to Keepers of the Records and Most Knowledgeable Persons such as John Hughes, who has been designated by the Base Commerce Defendants to be their designated Most Knowledgeable Person, and (iv) all Documents or other material or information possessed by or under the control of the Settling Defendants and required to be provided by the Settling Defendants under this Agreement. The full cooperation of John Hughes must be completed prior to the Preliminary Approval hearing and a

failure by John Hughes to fully cooperate shall constitute a material breach of the terms of this settlement agreement as to John Hughes and Base Commerce and trigger the provisions of Paragraph 15; and

- b. as to the Synovus Defendants: the documents and other informal and formal discovery identified in Paragraph 21(c) including interviews and testimony provided to the Plaintiffs by persons designated by Synovus, including but not limited to interviews and testimony by Frasier Cruickshank who has been designated by Synovus to be its Most Knowledgeable Person.

15. The prompt, timely and full provision of Full Cooperation and the Cooperation Materials are material terms to this Agreement. If the Plaintiffs take the position that a Settling Defendant is not cooperating as required under the terms of this Agreement (including but not limited to the withholding of any non-privileged materials, witnesses or information that is required to be provided by the Settling Defendants under this Agreement), the Plaintiffs shall provide the non-cooperating Settling Defendant(s) with notice of the non-cooperation and a reasonable period to cure of no less than fifteen (15) days. If the Settling Defendant fails to cure within 15 days, or to commit that the cure will be complete within (30) days from the date of the notice of non-cooperation notice, the Plaintiffs shall be entitled to request that the Court make a determination whether or not that Settling Defendant has failed to adhere to the terms of this Agreement. Upon a finding by the Court that a Settling Defendant has failed to adhere to a material term of the Settlement Agreement after the aforementioned proper notice and an opportunity to cure, the Plaintiffs shall have the right to request that the Court terminate this Settlement Agreement as to the Settling Defendant and authorize Plaintiffs to proceed to pursue the full extent of damages against said Base

Defendant in the Litigation with respect to the Fifth and Tenth Claims for Relief in the Complaints nunc pro tunc, and with respect to Synovus, the relevant response time periods are tolled or alternatively the Plaintiffs agree not to seek the entry of a separate and final judgment with respect to the Court's allowance of Synovus' Motion to Dismiss pending final approval of this Settlement Agreement.

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

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

18. Full Cooperation includes the prompt, timely and full production of relevant documents. The format of production is that provided in the technical specifications attached hereto as Attachment "D".

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

20. Base Commerce has agreed to complete document dumps of all files that are required to be provided by Base Commerce under this Agreement without performing a complete review and screening for privileged documents in view of the substantial time and expense involved and the Plaintiffs' desire to receive documents promptly. Base Commerce retains the right, pursuant to the process set forth herein, to mark documents as privileged subsequent to their production without waiver of any privilege and to claw back privileged documents pursuant to the terms of the Protective Order (as defined herein) which is attached

hereto as Attachment "E". Hughes does not have responsive documents in his care, custody or control.

21. The volume of materials to be produced by Synovus has been represented as being substantially less than Base Commerce. Synovus has elected to perform a privilege review and screening of documents prior to their production and prepare and shall timely provide a privilege log prepared in strict conformance with the Federal Rules of Civil Procedure including Rule 26(b)(5)(A).

22. Each Settling Defendant shall provide Full Cooperation with TelexFree Class Plaintiffs in discovery in the TelexFree Litigation as follows:

(a) The Base Commerce Defendants will produce within fourteen (14) business days of the execution of this Settlement Agreement and Court approval of the Protective Order all Documents as set forth herein in their respective possession, custody or control that were created or that otherwise came into their possession as of January 1, 2012 to April 30, 2015, relating to the allegations and claims in the TelexFree Litigation [which may include documents relating to the persons and entities identified in Attachments A, B and C]. The Documents shall include, but not be limited to, all such Documents that the Settling Defendants have produced to the Chapter 11 Trustee for TelexFree or in response to any subpoena issued by any governmental or investigatory agency related to TelexFree;

(b) The Base Commerce Defendants' Cooperation obligations shall include, but is not limited to, the following:

- i) Brian Bonfiglio, John Kirchhefer, and Alex Sidel will make themselves separately available in the presence of counsel for one

telephone and one in-person informal interview each in Phoenix, Arizona. Each telephonic and in-person interview shall be limited to a combined total of 4 hours of time during which the witness is responsive; and

- ii) John Hughes, individually and as the Base Commerce Defendants' Most Knowledgeable Person, will make himself available in the presence of counsel for one telephone and one informal in-person interview in Walworth County, Wisconsin, of 7 hours of responsive time in the aggregate prior to the hearing on Preliminary Approval of this Settlement Agreement. Plaintiffs have requested and Hughes has agreed to provide a targeted affidavit on an expedited basis. In lieu of one (1.5) hour of his examination time, Hughes will provide an executed version of the Affidavit he has prepared (and provided to Plaintiffs' counsel in draft form on February 19, 2019) to TelexFree Class Plaintiffs' counsel concerning the Base Commerce Defendants' interaction with Global Payroll Gateway, Inc. and ProPay, Inc. in connection with processing financial transactions for TelexFree forthwith and upon the execution of this Agreement. Later Hughes will also provide a chart of Base/Phoenix revenue and contacts related to Telexfree (the "Chart") and a more comprehensive affidavit to Telexfree Class Plaintiffs' counsel concerning the Base Commerce Defendants' interaction with other persons and entities as relates to

Telexfree and its related persons and entities including Global Payroll Gateway, Inc. and ProPay, Inc. The Chart will be provided prior to the Hughes interview and the full affidavit will be provided prior to Preliminary Approval. Plaintiffs' counsel will prepare the first draft of the full affidavit. Despite the fact that Hughes is a former employee of Base, a Court determination pursuant to paragraph 15 that Hughes has failed to cooperate hereunder prior to the hearing on Preliminary Approval of the Settlement Agreement will constitute the basis for Plaintiffs to request that the Court terminate this Settlement Agreement against all Base Commerce Defendants.

- iii) Jason Doolittle will make himself separately available for one telephone and one in-person informal interview in Phoenix, Arizona or in a location not more than 20 miles from his residence. His telephonic and in-person interview shall be limited to a combined total of 4 hours of time during which he is responsive. As Jason Doolittle is a former employee of Base with no financial involvement in Base and over whom Base has no control, any failure by Doolittle to cooperate hereunder cannot be the basis for any termination of this Settlement Agreement against Base Commerce or any of the other Base Commerce Defendants other than Doolittle.

- iv) In the event that the Court enters an Order terminating the Settlement Agreement as to the Base Commerce Defendants prior to Preliminary Approval, the Base Commerce Defendants shall not be required to make any portion of the Base Settlement Payment hereunder and this Settlement Agreement shall be deemed null and void as to the Base Defendants.
- v) Once Preliminary Approval of this Settlement Agreement occurs and the Base Settlement Amount is paid, any non-cooperation by Hughes cannot be the basis for any termination of the Settlement Agreement against any of the Base Commerce Defendants other than Hughes.

(c) Following execution of the Settlement Agreement and court approval of the Protective Order, Synovus will provide informal discovery concerning any involvement of Synovus in the allegations and claims currently made in the TelexFree Litigation to counsel for the Plaintiffs, limited to:

- i. an opportunity to interview in the presence of counsel Synovus personnel with personal knowledge concerning the allegations and claims made in the TelexFree Litigation in Georgia, or by telephone if Plaintiffs' counsel prefers, with all the interviews totaling no more than seven hours;
- ii. the delivery to Plaintiffs' counsel of copies of all documents previously provided to the Bankruptcy Trustee or to any US Attorney concerning TelexFree together with a privilege log

- that complies with FRCP 26 (b) (5); Synovus was never served with a subpoena from the Massachusetts Secretary of State's office in connection with Telexfree;
- iii. the delivery to Plaintiffs' counsel of copies of all contracts that Synovus had with TelexFree;
 - iv. the delivery to Plaintiffs' counsel of copies of all contracts that Synovus had with Base concerning TelexFree;
 - v. the delivery to Plaintiffs' counsel of copies of all written communications, including emails, that Synovus had with TelexFree;
 - vi. the delivery to Plaintiffs' counsel of copies of all written communications before the TelexFree Litigation, including emails, that Synovus had with Base or any other Defendant concerning TelexFree;
 - vii. the delivery to Plaintiffs' counsel of all "Risk Review" reports concerning TelexFree;
 - viii. Synovus also agrees to make available for interview in the presence of counsel in Columbus, Georgia or at a mutually agreed upon location, or via videoconference or by telephone if Plaintiffs' counsel prefers, Synovus personnel with personal knowledge concerning the allegations and claims made in the TelexFree Litigation. All interviews under para. 22(c) combined will last no more than a total of seven (7) hours. Synovus also

agrees to use good faith efforts to obtain the cooperation of former directors, officers and/or employees, as part of the witnesses identified above.

- ix. If Synovus determines that any such former directors, officers, or employees are necessary witnesses, Synovus will name those persons within 14 days of the execution of the Agreement and shall seasonably supplement that list as may be required. The omission of a person from the Synovus list shall not preclude a request by the TelexFree Class Plaintiffs' counsel to interview such omitted person;
- x. The Synovus informal discovery will be scheduled for a mutually agreeable time and location, which may be before preliminary court approval of this Settlement Agreement, but which shall be after execution of the Settlement Agreement.
- xi. The Synovus informal discovery shall be used only in the TelexFree Litigation. To the extent that the informal discovery may involve confidential information concerning customers of Synovus, all such information may be redacted or coded to protect the interests of those customers.
- xii. Synovus will respond to formal discovery by counsel for the Plaintiffs, limited to document requests and depositions that substantially replicate the informal discovery. There shall be

no other formal discovery concerning Synovus initiated by Plaintiffs' counsel.

- xiii. To the extent that the formal discovery may involve confidential information concerning customers of Synovus, Synovus may move for an appropriate protective order before providing the formal discovery. The formal discovery will be scheduled for a mutually agreeable time and location, which may be after preliminary court approval.

23. If the Settlement Agreement does not receive preliminary Court approval, or if Court after notice and hearing does not approve the settlement, the limitations on discovery addressed by the TelexFree Class Plaintiffs to Synovus shall remain in effect.

24. Any Documents produced to TelexFree Class Plaintiffs shall be marked "Confidential" and subject to a Protective Order that shall allow the Settling Defendants to produce documents that may contain protected personal, confidential and/or privileged information ("Protected Information") without waiving their rights to protect and claw back such Protected Information.

25. The Protective Order shall be prepared and filed by the Settling Defendants' counsel with the consent of TelexFree Class Plaintiffs' Counsel, in the form attached hereto as Attachment E.

(a) The Protective Order will include a procedure by which, prior to disclosure to the Court, other parties in the TelexFree Litigation, or anyone else other than Plaintiffs' attorneys or experts employed by TelexFree Class Plaintiffs' Counsel or another Settling Defendant, Plaintiffs' counsel shall identify to a Settling Defendant

all documents produced or provided by such Settling Defendant that they intend to file in Court or to disclose to anyone other than the persons allowed access by the Protective Order. The Settling Defendant who is the subject of a document deemed to disclose personal, confidential and/or privileged information to them shall then have a reasonable period of twenty (20) business days to identify protected personal, confidential and/or privileged information that must be redacted or removed by TelexFree Class Plaintiffs from the documents before the contents of the documents can be used in any way in the TelexFree Litigation or in any other way or that may be filed but only under seal. This requirement shall not relieve Plaintiffs of their own obligation to redact SSNs, protected personal information and full credit card numbers before producing or filing the same.

(b) Pursuant to the above procedure, in the event that the relevant Parties are unable to reach agreement on a document or witness related matter, the producing Settling Defendant shall file a motion for a Protective Order within fifteen (15) business days of Plaintiffs' notifying that Settling Defendant that they wish to make use of a document or witness to which such Settling Defendant objects. The parties shall simultaneously request that the Court refer this dispute to Magistrate Judge Hennessey for resolution within 30 days of the filing of the Motion for Protective Order.

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

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

26. Plaintiffs shall be entitled to depose any Base Defendant witness who appears for an informal interview pursuant to paragraph 22(b) above, or who is later identified as possessing evidence unique or personal to them alone for the purpose of preserving that witness’s testimony for trial; provided, however, such a deposition shall be in the city and state of the witness’s residence and otherwise conducted pursuant to the Federal Rules of Civil Procedure.

27. At the request of TelexFree Class Plaintiffs’ Counsel, the Settling Defendants will provide one or more witnesses who is competent to testify and who can sign affidavits, upon personal knowledge, regarding Cooperation Materials and other informal or formal discovery responses, for the purpose of signing affidavits in connection with motion practice by Plaintiffs’ counsel. The Settling Defendants shall be entitled to require that any interview conducted pursuant to this Agreement be transcribed before a competent court reporter at Plaintiffs’ expense however, those interviews shall be deemed settlement discussions.

28. If Plaintiffs’ counsel deems it necessary to have the Settling Defendants authenticate one or more documents for admission at trial, they shall identify those documents to the Settling Defendants’ counsel and the Settling Defendants shall proffer one or more competent witnesses to appear at a deposition in Phoenix, Arizona or Columbus, Georgia, in the case of Synovus, to support the admission of the identified documents at trial. There shall

be no other formal discovery initiated by Plaintiffs' counsel against the Settling Defendants other than that described in paragraphs 13-28.

29. If reasonably necessary, Settling Defendants agree to provide one or more witnesses who have personal knowledge of admissible evidence to appear at trial. Plaintiffs' counsel will provide reasonable and necessary costs for transportation, lodging, and food for the Settling Defendant witnesses called to testify at trial.

30. Jason Doolittle is no longer an employee or member of Base Commerce or otherwise under its control. Plaintiffs shall be entitled to take the deposition of Jason Doolittle in accordance with Federal Rules of Civil Procedure 30 and 45 and to telephone or speak to Mr. Doolittle in advance as Mr. Doolittle may agree to but in no event shall it be less than one hour. Any other discovery from Jason Doolittle, including, without limitation, document production in accordance with Federal Rules of Civil Procedure 45 and/or 34, shall otherwise be subject to and considered part of this Settlement Agreement. Jason Doolittle shall be subject to the same discovery restrictions as the Base Commerce Defendants, i.e., Doolittle shall produce documents created or that otherwise came into his possession as of January 1, 2012 to April 30, 2015, relating to the allegations and claims in the TelexFree Litigation. Should Jason Doolittle not cooperate as set forth herein, he shall be subject to the provisions of Paragraph 15 as if he were a Settling Defendant.

31. All Cooperation shall be coordinated in such a manner so that all unnecessary duplication and expense is avoided. Base Commerce and Synovus shall withdraw from the Joint Defense Agreement upon the execution of this Agreement and shall not share any information concerning the Plaintiffs with the other non-settling TelexFree Defendants. The Settlement Class Counsel will be provided with correspondence from and to all non-settling

Defendants relating to the TelexFree Litigation, excepting therefrom any such correspondence subject to a joint defense privilege, and be invited to participate in any informal attorney proffers, witness interviews, and depositions provided by Settling Defendants to any non-settling Defendant as related to the subject matter of the Litigation and TelexFree's Pyramid Scheme and money laundering.

32. From and after the date of this Settlement Agreement, the Settling Defendants will provide notice to, and a copy of, any interview, deposition notice or subpoena issued by another Defendant and all formal or informal written communication(s) relating to the TelexFree Litigation they receive from another Defendant. The notice and such copies shall be promptly provided upon receipt (to the extent any Settling Defendants is aware of such deposition notice or subpoena and actually receives same).

33. The Parties and their counsel further agree that any statements made by the Settling Defendants' or their counsel in connection with and/or as part of this settlement shall be governed by Federal Rule of Evidence 408.

34. TelexFree Class Plaintiffs and Settlement Class Counsel agree they and their experts will not use the information provided by the Settling Defendants, the Releasees or their representatives for any purpose other than the pursuit of the TelexFree Class Plaintiffs' claims in the Actions, and will use it in the Litigation in compliance with the Protective Order, and will not use it beyond what is reasonably necessary for the prosecution of the TelexFree Class Plaintiffs' claims in the Actions or as otherwise required by law. While TelexFree Class Plaintiffs may employ knowledge that they have obtained from the Settling Defendants' Cooperation under this Agreement in prosecuting their claims in the Actions, TelexFree Class Plaintiffs, Settlement Class Counsel and their experts, shall treat all

documents, testimony and statements provided pursuant to this Agreement in accordance with the protections of the Protective Order.

35. The obligation of each Settling Defendant to provide Cooperation includes providing ongoing assistance to TelexFree Class Plaintiffs to understand any transactional sales and cost data produced to TelexFree Class Plaintiffs by the Settling Defendants during the interviews conducted pursuant to this Agreement, and this assistance shall not be affected by the terms of the Release set forth in this Settlement Agreement. Unless this Agreement is rescinded, disapproved, or otherwise fails to take effect, the Settling Defendants' obligations to provide Full Cooperation under this Agreement shall continue as reasonably necessary to understand any transactional sales and cost data or until otherwise ordered by the Court, or the date that final judgment has been entered in the Action against the last Defendant. This obligation is subject to the time and scope limitations set forth in the Agreement.

36. Other than to enforce the terms of this Agreement, neither the Settling Defendants nor TelexFree Class Plaintiffs shall file motions against the other in this Action during the pendency of the Agreement. The pending Motion against John Hughes for a Preliminary Injunction shall be withdrawn upon execution of this Settlement Agreement.

37. Notwithstanding the Parties' agreement to inform the Court of the fact of this settlement, the Settling Defendants and TelexFree Class Plaintiffs agree not to disclose publicly or to any other person the terms of this Agreement until it is submitted to the Court for preliminary approval.

38. If the Settling Defendants or any current or former employee, officer, director or agent of the Settling Defendants has failed to cooperate under the terms of this Agreement, and that failure continues after specific notice and a reasonable opportunity to cure no less

than fifteen (15) but no more than thirty (30) days, Settlement Class Counsel shall move for termination under Paragraph 15 of this Settlement Agreement or move for an Order from the Court compelling such cooperation and a non-cooperating witness shall bear all related costs and expenses including attorney fees approved by the Court. In no event shall the Settlement Agreement be terminated, or sanctions imposed as to Base Commerce on account of the actions of a former employee, officer, director or agent except as to John Hughes (and only as expressly provided above) who the Base Defendants have designated as their Most Knowledgeable Person. In no event shall the Settlement Agreement be terminated, or sanctions imposed as to Synovus on account of the actions of a former employee, officer, director or agent.

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

39. Except as specified in Paragraphs 15, 22 and 30 above and in addition to the effect of any final judgment entered in accordance with this Agreement, upon this Agreement becoming final as set out in Paragraph 48 of this Agreement, and in consideration of payment of the Settlement Amount and Cooperation, as specified in Paragraphs 10 and 13-32, the Releasees shall be completely released, acquitted, and forever discharged from any and all claims, demands, actions, suits, causes of action, whether class, individual, or otherwise in nature that Releasors, or each of them, ever had, now have, or hereafter can, shall, or may ever have, that now exist or may exist in the future, on account of, or in any way arising out of, any and all known and unknown, foreseen and unforeseen, suspected or unsuspected, actual or contingent, liquidated or unliquidated claims, injuries, damages, and the consequences thereof in any way arising out of or relating to TelexFree, including without limitation (a) any conduct alleged in the Complaints, (b) any act or omission of the Releasees (or any of them) alleged in the Complaints concerning the conduct of the Settling Defendants

as relates to the TelexFree Pyramid Scheme, or (c) any conduct alleged and causes of action asserted or that could have been alleged or asserted, in any class action or other complaints filed in the Actions (the "Released Claims").

40. As specified in Paragraphs 58 and 67 above, Releasors shall not, after the date of this Agreement, seek to establish liability against any Releasee as to, in whole or in part, any of the Released Claims unless (i) the Agreement is, for any reason, not finally approved or is rescinded or otherwise fails to become effective or (ii) if the Settling Defendants are found by the MDL 2566 Court to have withheld Cooperation or to have not fully cooperated or to have materially breached the terms of this Settlement Agreement.

41. In exchange for the release, the Settling Defendants shall pay money as set forth herein and provide Full Cooperation to the TelexFree Class Plaintiffs as set forth herein, both of which are considered material terms.

42. In addition to the provisions of Paragraph 39 of this Agreement, Releasors hereby expressly waive and release, solely with respect to the Released Claims and upon this Agreement becoming final, any and all provisions, rights, and benefits, conferred by § 1542 of the California Civil Code, which states:

CERTAIN CLAIMS NOT AFFECTED BY GENERAL RELEASE.
A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH
THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN
HIS FAVOR AT THE TIME OF EXECUTING THE RELEASE,
WHICH IF KNOWN BY HIM MUST HAVE MATERIALLY
AFFECTED HIS SETTLEMENT WITH THE DEBTOR.

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

E. Approval of this Agreement and Dismissal of Claims against the Settling Defendants.

42. TelexFree Class Plaintiffs and the Settling Defendants shall use their best efforts to effectuate this Agreement, including cooperatively seeking the Court's approval for the establishment of procedures (including the giving of class notice under Federal Rules of Civil Procedure 23(e) electronically) to secure the complete and final dismissal with prejudice of the Actions as to the Releasees only.

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

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

45. Following receipt of the approval order, TelexFree Class Plaintiffs shall seek authorization to electronically disseminate notice of the proposed settlement to the Settlement Class (the "Notice Motion").

46. TelexFree Class Plaintiffs shall seek, and the Settling Defendants will not object unreasonably to, the entry of an order and final judgment, the text of which TelexFree Class Plaintiffs and the Settling Defendants shall mutually agree upon.

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

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

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

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

(d) That Massachusetts law, including the provisions of M.G.L. c. 231B, §4 which bars contribution actions against joint tortfeasors who settle in good faith, without regard to the principles of conflicts of law, shall govern the enforcement and interpretation of the final judgment and any other claims arising under or in any way related to the TelexFree Pyramid Scheme;

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

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

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

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

48. This Agreement shall become final when (i) the Court has entered a final order certifying the Settlement Class described in Paragraph 6 and approving this Agreement under Federal Rule of Civil Procedure 23(e) and a separate and final judgment dismissing the Settling Defendants and Jason Doolittle from the above-captioned Actions with prejudice as to all Settlement Class Members and without costs other than those provided for in this Agreement, and (ii) the time for appeal or to seek permission to appeal from the Court's approval of this Agreement and entry of a separate and final judgment as to the Settling Defendants described in (i) hereof has expired or, if appealed, approval of this Agreement and the final judgment as to the Settling Defendants has been affirmed in its entirety by the Court of last resort to which such appeal has been taken and such affirmance has become no longer subject to further appeal or review.

49. It is agreed that the provisions of Rule 60 of the Federal Rules of Civil Procedure shall not be taken into account in determining the above-stated times. On the date that TelexFree Class Plaintiffs and the Settling Defendants have executed this Agreement, TelexFree Class Plaintiffs and the Settling Defendants shall be bound by its terms and this

Agreement shall not be rescinded except in accordance with Paragraphs 15, 51 or 63 of this Agreement.

F. Exclusions

50. Within thirty (30) business days after the end of the period to request exclusion from the Settlement Class, Settlement Class Counsel shall cause copies of requests for exclusion from the Settlement Class to be provided to counsel for the Settling Defendants and placed on file. With respect to any potential Settlement Class Member who requests exclusion from the Settlement Class, the Settling Defendants reserve all of their legal rights and defenses.

51. Opt Out. If more than twenty-five percent (25%) of the Settlement Class members, calculated by number of members or by amount of payments to TelexFree, opt out of the settlement with the Settling Defendants, then the Settling Defendants shall have the option, in their sole and absolute discretion, to declare that the Settlement Agreement and the Term Sheet are null and void. The Settling Defendants shall be deemed to waive their right to declare this Settlement Agreement and the Term Sheet null and void if they fail to notify the TelexFree Class Plaintiffs' counsel of such an election within 10 days of receiving notice that more than 25% of the TelexFree Class Plaintiffs have opted out.

G. Electronic Notice To The Class

52. The Base Defendants agree to permit use of a maximum of US \$150,000.00 of the Settlement Fund monies paid by them for notice to the Class and the costs of administration of the Settlement Fund. In the unlikely event that notice costs more than \$150,000 or if the court otherwise orders notice that costs more than \$150,000.00 then up to a maximum of \$50,000 of the Synovus Settlement Amount may be used to effectuate notice.

53. It is agreed to by the Parties that electronic notice is the best possible method of notice to this unique class. The use of electronic notice only, rather than mail or publication is a material term to this Settlement Agreement, and should the Court not approve this term the parties have the right to terminate the agreement subject to Paragraph 57 below which provides a period during which they shall be afforded the option of presenting the Court with an alternative form of Notice.

54. The aforementioned notice and administration expenses up to the maximum of US \$150,000.00 from Base and \$50,000 from Synovus and payable from the Settlement Fund are not recoverable if this settlement does not become final or is rescinded or otherwise fails to become effective to the extent such funds have actually been expended or the expenses have been incurred for notice and administration costs.

55. Other than through the funds paid associated with providing notice of this settlement and administration of the Settlement Fund, the Settling Defendants shall not be liable for any other of the Plaintiffs' costs or expenses of the litigation of the Actions, including attorneys' fees, fees and expenses of expert witnesses and consultants, motion practice, hearings before the Court or any Special Master, appeals, trials or the negotiation of other settlements, or for Class administration and costs.

56. If Settlement Class Counsel enter into any other settlements on behalf of a class of TelexFree Class Plaintiffs in the MDL 2566 Litigation after the Execution Date, but before notice of this Agreement is given to the Settlement Class, Settlement Class Counsel shall use reasonable efforts to provide a single notice to prospective Settlement Class members of all such settlements, and the administrative costs associated with providing notice and administration of the settlement fund shall be allocated proportionately among the settling

defendants, but in no event shall Base Commerce's payments exceed the \$150,000 cap on such payments.

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

H. The Settlement Fund.

58. Releasors shall look solely to the Settlement Fund for settlement and satisfaction against the Releasees of all Released Claims and shall have no other recovery against the Settling Defendants or any Releasee.

59. After this Agreement becomes final within the meaning of Paragraph 48, the Settlement Fund shall be distributed in accordance with a plan to be submitted at the appropriate time by Settlement Class Counsel, subject to approval by the Court. In no event shall any Releasee have any responsibility, financial obligation, or liability whatsoever with respect to the investment, distribution, or administration of the Settlement Fund, including, but not limited to, the costs and expenses of such distribution and administration, with the exception of the provisions set forth in Paragraphs 15(d), 43, and 52 of this Agreement.

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

60. Subject to Court approval, TelexFree Class Plaintiffs and Settlement Class Counsel shall be reimbursed and paid solely out of the Settlement Fund for all past, current, or future litigation costs and expenses and any award of attorneys' fees after this Agreement becomes final within the meaning of Paragraph 48. Incentive awards to any of the TelexFree Class Plaintiffs named above, if approved by the Court, will also be paid solely out of the

Settlement Fund. Attorneys' fees and costs and expenses awarded by the Court shall be payable from the Settlement Fund.

61. Neither the Settling Defendants nor any Releasee under this Agreement shall have any responsibility for, or interest in, or liability whatsoever with respect to any payment to Settlement Class Counsel of any fee or cost and expense award in the Actions and shall take no position on the proposed distribution of the funds it pays or the use of the evidence it provides.

62. In addition, neither the Settling Defendants nor any Releasee under this Agreement shall have any responsibility for, or interest in, or liability whatsoever with respect to the allocation among Settlement Class Counsel, and/or any other person who may assert some claim thereto, of any fee or cost and expense award that the Court may make in the Actions.

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

63. If the Court refuses to approve this Agreement or any material term herein or if the Court does not certify a settlement class in accordance with the specific Settlement Class definition set forth in this Agreement, or if such approval is modified or set aside on appeal, or if the Court does not enter the final judgment provided for in Paragraphs 47 and 48 of this Agreement, or if the Court enters the final judgment and appellate review is sought, and on such review, such final judgment is not affirmed in its entirety, then the Settling Defendants and TelexFree Class Plaintiffs shall each, in their sole discretion, have the option to rescind this Agreement in its entirety except as to paragraph 23 pertaining to the discovery obligations of Synovus.

64. Written notice of the exercise of any such right to rescind shall be made according to the terms of Paragraph 80. A modification or reversal on appeal of any amount of Settlement Class Counsel's fees or costs and expenses awarded by the Court from the Settlement Fund shall not be deemed a modification of all or a part of the terms of this Agreement or such final judgment.

65. In the event that this Agreement does not become final, or this Agreement otherwise is terminated pursuant to Paragraphs 15, 51 or 63, then this Agreement shall be of no force or effect, and any and all parts of the Settlement Fund caused to be deposited in the Escrow Account (including interest earned thereon) shall be returned forthwith to the Settling Defendants less only disbursements made, or obligations incurred in accordance with Paragraphs 12 and 52 of this Agreement. The Settling Defendants expressly reserve all of their rights and defenses if this Agreement does not become final.

K. Miscellaneous.

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

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

68. TelexFree Plaintiffs' Counsel shall determine in good faith all materials reasonably required to be sent to appropriate Federal and State officials pursuant to the Class

Action Fairness Act of 2005, 28 U.S.C. § 1715 (“CAFA”). The Settling Defendants will provide all such materials reasonably requested by Plaintiffs’ counsel and Plaintiff’s counsel will prepare all notices required under CAFA. Defendants shall mail the CAFA notices. No part of this clause shall violate the express terms of CAFA or its interpretive cases.

69. This Agreement does not settle or compromise any claim by TelexFree Class Plaintiffs, or any other Settlement Class Member asserted in the Complaints or, if amended, any subsequent Complaint, against any Defendant or alleged co-conspirator other than the Releasees. All rights against such other Defendants or alleged co-conspirators are specifically reserved by TelexFree Class Plaintiffs and the Settlement Class.

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

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

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

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

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

75. This Agreement shall be governed by and interpreted according to the substantive laws of the Commonwealth of Massachusetts without regard to its choice of law or conflict of laws principles. With the exception of the limitations set forth in Paragraphs 22, 26, 28, and 30 of this Agreement, the Settling Defendants will not object to complying with any of the other provisions set forth in this Agreement on the basis of jurisdiction.

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

77. This Agreement shall be binding upon, and inure to the benefit of, the successors and assigns of TelexFree Class Plaintiffs and the Settling Defendants. Without limiting the generality of the foregoing, upon final approval of this Agreement each and every covenant and agreement made herein by TelexFree Class Plaintiffs or Settlement Class Counsel shall be binding upon all Settlement Class Members, Releasers and Releasees. The Releasees (other than the Settling Defendants which are parties hereto) are third-party

beneficiaries of this Agreement who are bound by this agreement and are otherwise authorized to enforce its terms applicable to them.

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

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

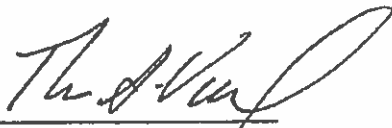
80. Where this Agreement requires either party to provide notice or any other communication or document to the other, such notice shall be in writing, and such notice, communication or document shall be provided by facsimile, or electronic mail (provided that no notice of rejection or non-delivery of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

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

Dated: February 26, 2019

THE REPRESENTATIVE PARTIES AGREE TO THE ABOVE TERMS AND CONDITIONS

BASE COMMERCE, LLC,
BRIAN BONFIGLIO, JOHN KIRCHHEFER,
ALEX SIDEL,
By their attorneys,



Thomas S. Vangel
John C. Wyman

TELEXFREE CLASS PLAINTIFFS
By their attorneys,

Robert J. Bonsignore
MDL 2566 Interim Lead Counsel

Ronald A. Dardeno

statute, case law, rule of interpretation or construction that would or might cause any provision to be construed against the drafter of this Agreement.

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

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

Dated: February 21, 2019
26

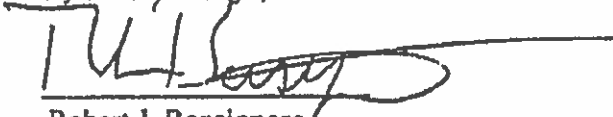
THE REPRESENTATIVE PARTIES AGREE TO THE ABOVE TERMS AND CONDITIONS


BASE COMMERCE, LLC
By its attorneys,


Thomas S. Vangel
John C. Wyman


Ronald A. Dardeno

TELEXFREE CLASS PLAINTIFFS
By their attorneys,


Robert J. Bonsignore
MDL 2566 Interim Lead Counsel

<p>JOHN HUGHES By its attorneys,  Kevin G. Kenneally</p>	<p>Ronald A. Dardeno, Esq. Law Offices of Frank N. Dardeno 424 Broadway Somerville, MA 02145 Telephone: 617-666-2600 Email: rdardeno@dardeno.com</p> <p>D. Michael Noonan, Esq.</p>
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<p>Ben N. Dunlap</p> <p>SYNOVUS BANK By its attorneys</p> <p> _____ John O. Mirick Alan G. Snipes</p> <p>_____</p>	<p>Shaheen and Gordan 140 Washington Street P.O. Box 977 Dover, NH 03821 Telephone: 603-749-5000 Email: mnoonan@shaheengordan.com Fax: 603-749-1838</p> <p>R. Alexander Saveri, Esq. Saveri & Saveri, Inc. 706 Sansome Street San Francisco, CA 94111 Telephone: 415-217-6810 Email: rick@saveri.com</p> <p>William Coulthard, Esq. Kemp, Jones & Coulthard, LLP Wells Fargo Tower 3800 Howard Hughes Pkwy., 17th Floor Las Vegas, NV 89169 Telephone: 702-385-6000 Email: w.coulthard@kempjones.com</p> <p>William R. Baldiga, Esq. Brown Rudnick LLP One Financial Center Boston, MA 02110 Telephone: 617-856-8586 Email: wbaldiga@brownrudnick.com</p>
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ATTACHMENT A

Targeted Identified U.S. Net Winners

Net Winner

Maria Teresa Milagres Neves
Benjamin Argueta
Alexandro Rocha
Marcos Lana
Luiz Antonio Da Silva
Jose Neto
Eduardo N. Silva
Julio C. Paz
Bruno Graziani
Michel Cristiano Santolin De Arruda
Francisdalva Siqueira
Alexander N. Aurio
Amilcar Lopez
Renato Sacramento
Euzebio Sudre Neto
Julio Silva
Davidson R. Teixeira
Jose Carlos Maciel
Jesus Osuna
Chai Hock Ng
Hugo Alvarado
Ana R. Ramos
Edilene Storck Navarro
Helio Barbosa
Gelalin-3377, LLC
Linda Suzanne Hackett
Soraya Ferreira
Ruddy Abreau
Edson F Souza
Vaming Services
Jorge Antonio Mejia Sequeira
Rodrigo Castro
Marco Almeida
David Reis
Rodrigo Montemor
Ana Santos
Wesley Dias
Timex Research Consulting Inc.
Celso Roberto Silva Filho
Team Global Adverting LLC

LWC Marketing, Inc.
Bartolo Castillo
Gaspar Jesus
Laureano Arellano
Aaron Ataide
Luisa E. Lopez
Marcio Souza Nery
Debora C. Brasil
Joelito Souza Caldas Junior
Rosane Cruz
United Group USA
Jean 2004 Enterprise Corp
Rudmar Gentil
New Generation Med Supply Inc.
Daneng Xiong
Omar Quinonez
Carlos C. Dejesus
Carlos Alfaro
Lusette Balan
Technovia Inc.
Faith Sloan
Mariza S Marinelli
Nubia R Goulart
Roberto Nunez
Gilson Nassar
Bingjian Pan
Chen, Vue
Rodrigo R Breda
Paulo Giuliano Diogenes De Bessa Rosado
Jose Miguel Filho
Bilkish Sunesara
Lan Lan Ji
Ezau Soares Ferreira
Venerando Contreras
Jap International Network LLC
Andres Bolivar Estevez
Walace Augusto Da Silva
Fabiana Acacia Da Cruz Dos Santos
Eddie Alberto Duverge
Global Marketing Strategies
Carlos Vanterpool
Devendra Shah
Pat Jackson
Silverio Reyes
Jose Lopez
Dwayne Jones

Gerald Agnew
Joseph Pietropaolo
Jamilson Marcos Conceicao
Sonya Crosby
Wesley Nascimento Alves
Antonio Oliveira
Ronei Barreto
Ana Rosa Lopez
Milagros Adames
Lm Davar Inc.
Frantz Balan
Parrot Bay Homes, Inc.
Edgar Borelli
Ricardo Fabin
Daniel Chavez
Faustino Torres
Randy Crosby
Marcelo Dasilva

ATTACHMENT B

List of All Upcoming Defendants

[to be inserted]

ATTACHMENT C

TelexFree Entities, collectively known as "TelexFree"

TelexFree, Inc.

TelexFree, LLC

TelexFree Financial, Inc.

Telexelectric, LLLP

Telex Mobile, Holdings, Inc.

TelexFree International, Inc.

TelexFree, Ltd.

Ympactus Comercial Ltda

P.L.I. TelexFree Rwanda, Ltd.

JC REALTY Co.'s

INSERT WIND COMPANY

ATTACHMENT "D"

STANDARDIZED TECHNICAL SPECIFICATIONS FOR DISCOVERY EXCHANGE OF ESI

This Addendum contains standardized technical specifications for the production and exchange of Electronically Stored Information (ESI) made in the course of discovery. It also contains standardized technical specifications for the exchange of legacy hard-copy paper documents that will be produced as scanned images. These specifications establish technical compatibility between the producing party's document management platform and the requesting party's document management platform.

The intended use of this document is to convey these standardized specifications to the litigation support team of the producing party, whether they are in-house litigation support personnel or an outside litigation technology vendor. The specifications described below should answer most every question that may arise to ensure compatibility in the exchange of ESI from the producing party to the requesting party.

These specifications are common, industry normalized standards reflecting best practices. The specifications can be met by most any contemporary document review platform currently in use. Deviations from these specifications can be accomplished by coordination between the parties.

I. PRODUCTION FORMAT

A. Presumptive Format of Production

1. Document Images, with Metadata, and Text: Subject to the specifications or exceptions set forth below, the presumptive format for production of an ESI document is as Group IV single page .TIFF image files accompanied by metadata, and a document level searchable text file.

2. Certain types of files lose all meaningful functionality when produced as .TIFF image files and their native version should be included in the production. The integrity of these files (protection from alteration) is accomplished by the use of Hash values. A producing party should produce ESI files in native format for any *media* files (i.e., audio or video files), *spreadsheet* files (for example, Microsoft Excel™ or Lotus 1-2-3™ or Corel QuattroPro™) or *presentation* files (for example, Microsoft PowerPoint™, Corel Presentation Plus™) files. A producing party should also produce ESI files in native format for *word processing* files (for example, Microsoft Word™ or Corel WordPerfect™) containing track changes or comments. When a producing party has applied permissible redactions to an image file, the underlying native file may be withheld. Files produced solely in native format may be produced with a .TIFF image slip sheet indicating the

production number of the native file and the confidentiality designation, and stating "Produced in Native Format." The native file name nomenclature will correspond to the same Bates number nomenclature of the corresponding .TIFF image slip sheet, as more specifically described in Appendix 5.

3. **Ancillary Content Disclosed:** When TIFF images are produced for electronic documents, such images will be rendered, if possible, in such a way as to show, as may be applicable, all disclosable reviewer's comments, tracked changes, speaker's notes, and other similar content.

4. **Parent-Child Relationships Preserved:** The parent-child relationship between attachments, enclosures, embedded files, and/or exhibits to any parent document shall be preserved. The child-document should be consecutively produced immediately after the parent-document. If parent or child document is withheld on grounds of relevance or responsiveness, such withholding shall be noted with a slip sheet or indicated in a field. If the parent or child document is privileged, a slip sheet shall be inserted in the production. Child documents will be mapped to their parent document by attachment range within the applicable load file.

5. **Color When Necessary:** When a document that contains color content is produced without its native file because of applied redactions, and the absence of color in the document's TIFF rendering compromises the requesting party's ability to discern the remaining information it contains, the producing party will honor reasonable requests to supplement the production with color images or native files.

B. Appendices

Additional technical specifications for production format are set forth in the attached appendices (Appendix 1: *TIFF Image File Specifications*; Appendix 2: *Data Load File Specifications*; Appendix 3: *Searchable Text File Specifications*, Appendix 4: *Image Load File Specifications*; Appendix 5: *Native File Specifications*, Appendix 6: *Processing Protocols and Specifications*) A Producing Party may supplement the metadata fields set forth in Appendix 2 whenever the nature of the ESI file makes such supplementation appropriate for a complete production.

C. Presumptive Sources of Extracted Text

The presumptive source of extracted text is from the native file. Where a document image has been redacted and produced in a .TIFF format, OCR of the redacted image may be used to generate the source of searchable text. Similarly, where the native file does not contain a source of extractable text (e.g. a non-searchable PDF image file,) OCR may be used to generate the source of searchable text.

D. Production Format for Hard Copy Documents

In scanning and producing Hard Copy Documents that were Hard Copy Documents when this litigation was filed, those documents should be unitized and organized as they are kept in the normal course of business. For Hard Copy Documents found in file folders and other containers

that have labels or tabs or other identifying information, such labels and all sides of such file folders and tabs should be scanned. In the case of an organized compilation of separate Hard Copy Documents – for example, a binder containing several separate Hard Copy Documents behind numbered tabs – the document behind each tab should be scanned separately, but the relationship among the documents in the binder should be reflected in proper coding of the beginning and ending document and attachment fields. For Hard Copy Documents that contain fixed notes, the pages will be scanned both with and without the notes and those pages will be treated as part of the same document. Hard Copy Documents will be unitized at the lowest possible level and attachment information preserved. For example, if a folder contains two Hard Copy Documents, the folder and each document will constitute a separate document, but they will have the same attachment start and end. If more than one level of parent-child relationship exists, documents will be kept in order, but all will be treated as children of the initial parent document.

E. Redactions and Production of Redacted Documents

To the extent that a responsive document contains information that is Protected Health Information (PHI), information protected by the Health Insurance Portability and Accountability Act (HIPAA), privileged information, or is otherwise specifically protected against disclosure by a separate order of the Court, the producing Party may apply redactions to the TIFF image file and produce the document in redacted form. Any redactions shall be clearly indicated on the face of the document and each page of the document from which information is redacted shall bear a designation that it has been redacted. The corresponding native file of the document may be withheld from production.

If a redaction is made because of Protected Health Information, and the basis of such redaction is annotated (e.g., “PHI” or “Protected Health Information”) on the redaction itself, such redaction need not be included in a party’s privilege log. Otherwise, the basis for any redaction applied to a document image should be reflected in a multi-value field in a load file or listed in a separate redaction log. The Parties may apply redactions to the native version of a document, with any such redactions made in a substantially similar manner as is applicable to TIFF images, described above.

F. Enterprise Databases or Document Management Systems

If responsive information is identified in a party’s enterprise or relational database (e.g. Oracle, SQL Server, DB2) or in a party’s document management system, (e.g., Documentum) the parties should first meet and confer regarding a protocol to achieve the purpose of the requested discovery. Document management systems have hybrid features both as a database and also as file based collection of documents. Both system metadata and user generated metadata may be contained in the associated database, and this information about the associated document should typically be exported along with the associated document.

II. CONVEYANCE AND DELIVERY

A. A producing party should send a small test load file at the onset of its first document production to test the parameters discussed within this protocol for production format.

B. ESI productions should be conveyed on by File Transfer Protocol or physical media such as a CD-ROM, DVD, external hard drive (with standard PC compatible interface), or readily accessible computer or electronic media as the parties may hereafter agree upon (the "Production Media"). Each item of Production Media should include: (1) the name of the producing party; (2) the production date; (3) a unique production volume name; (4) the Bates number range of the materials contained on such Production Media item; (5) the source of the documents for each Bates number range (i.e., custodian, information platform, etc.); (6) the name and contact information of a technical contact, preferably the person who generated the media item, so that in case of extraction issues the receiving party has a collaboration contact; and (7) any additional description of the items the producing party deems appropriate. The Production Media shall be accompanied by a transmittal letter identifying the above described information.

C. Producing parties shall maintain a running production log in spreadsheet format containing the above described information, plus any necessary encryption key associated with each Production Media. Upon the occasion of a physical conveyance of a production, an updated version of the production log shall be contemporaneously forwarded by electronic mail to persons designated by the requesting party. Encryption key information will not be contained in the physical conveyance of the Production Media.

III. PRIOR PRODUCTIONS

In addition to productions made in this litigation (and made in accordance with the terms of this Attachment D), all prior productions made in response to governmental subpoenas relating to this issues in this litigation will be produced as produced to the government agency. No effort will be made by the producing party to alter the productions as made to the government agency. Further, the producing party will not take steps to identify or correlate documents produced to the government agency with documents being produced in this litigation.

IV. PROCESSING OF NON-PARTY DOCUMENTS

A. A Party that issues a non-Party subpoena ("Issuing Party") should include a copy of this ESI Protocol with the subpoena and request that the non-Party produce documents in accordance with the specifications described here.

Attachment "D" - Appendix 1: TIFF Image File Specifications

TIFF image files created for this litigation pursuant to this Order shall comport with the following specifications:

- The TIFF image file shall be a Group IV compression, black-and-white, single-page TIFF image file using a 300 x 300 dots-per-inch (DPI) optical scan resolution and an 8.5 x 11 inch page size, except for documents that in the producing party's reasonable judgment require a different resolution or page size.

- Original document orientation should be maintained (*i.e.* an original landscape document should be produced in landscape format).

- Each TIFF image file shall be branded with a legible, unique Bates number in the lower right corner, positioned so as not to interfere with reading the document. The Bates number shall: (1) be unique across the entire document production; (2) be a combination of an alphabetic prefix along with an 8-digit number (*e.g.* ABC00012345), wherein the numeric portion shall be zero-padded leftwards as needed to comprise 8 digits, (3) contain no special characters or embedded spaces, and (4) be numerically sequential within a given document. If a production number or set of production numbers is skipped, the skipped number or set of numbers will be communicated to the receiving party.

- Confidentiality designations, if any, will be branded on the lower left corner of the applicable image, also positioned so as not to interfere with reading.

- The resulting TIFF image file shall be named according to the naming convention *number.TIF*, where "*number*" is the Bates number of the corresponding page. File names for these files shall not contain any special characters or embedded spaces.

- Image files shall be grouped in folders on the production media of no more than 1,000 TIFF files each unless necessary to prevent a file from splitting across folders. Files will not be split across folders, and separate folders will not be created for each file.

Attachment "D" - Appendix 2: Data Load File Specifications

The data load file is a delimited text file containing data about each document needed for use with standard litigation support software.

The file name of the data load file should contain the volume name of the production media, although additional description information may be provided after the volume name. For example, both "ABC001.dat" and "ABC001_metadata.dat" would be acceptable names for a data load file having a production volume named "ABC001." File names shall not contain any special characters or embedded spaces.

Unless other delimiters are specified, the data in each field should be separated using Concordance default delimiters. A semicolon should be used as a multi-entry separator. A carriage-return line-feed should be used to indicate the start of the next record.

The first line of the data load file must contain each field name, separated by a delimiter, corresponding to the order in which the data appears in the file.

Load files should not span across media (*e.g.* CDs, DVDs, hard drives, etc.); a separate volume should be created for each piece of media delivered.

Data for documents shall be produced in only one data load file throughout the productions, unless that document is noted as being a replacement document in the Replacement field of the data load file.

Metadata Fields to be Included in the Data Load File

For all documents or electronic files produced, the following metadata fields for each document or electronic file, if available at the time of collection and processing and unless such metadata fields are protected from disclosure by attorney-client privilege or work-product immunity or otherwise prohibited from disclosure by law or regulation, including the European Data Privacy Regulation, will be provided in the data load file except to the extent that a document or electronic file has been produced with redactions.

The term "Scanned Docs" refers to documents that are in paper form at the time of collection and have been scanned into *.tif images (*i.e.*, "Hard Copy Documents" as defined above.) The term "Email and E-Docs" refers to files that are in electronic form at the time of their collection.

The following fields are not exclusive and should be supplemented by a producing party with available metadata whenever appropriate or when otherwise consistent with this protocol, including data fields exported from a database or Document Management System.

Field Name	Sample Data	Scanned Docs	Email and E-Docs	Comment
PRODBEG	ABC00000001	Yes	Yes	Beginning production number
PRODEND	ABC00000008	Yes	Yes	Ending production number
PRODBEGATT	ABC00000009	Yes	Yes	Beginning production number of parent in a family
PRODENDATT	ABC00001005	Yes	Yes	Ending production number of last page of the last attachment in a family
CUSTODIAN	Smith, John	Yes	Yes	Custodian(s) that possessed the document or electronic file
OTHERCUSTODIANS	Jones, David; Williams, Robert	N/A	Yes	Additional Custodian(s) that possessed de-duplicated document or electronic file—multiple custodians separated by semicolon
FILEDESC	Microsoft Office 2007 Document	N/A	Yes	Description of the type file for the produced record.
FOLDER	\\My Documents\Document1.doc	N/A	Yes	Original source folder for the record produced.
FILENAME	Document1.doc	N/A	Yes	Name of original electronic file as collected.
DOEXT	DOC	N/A	Yes	File extension for email or e- doc
PAGES	2	Yes	Yes	Number of pages in the produced document or electronic file.
AUTHOR	John Smith	N/A	Yes	Author information as derived from the properties of the document.
DATECREATED	10/09/2005	N/A	Yes	Date that non-email file was created as extracted from file system metadata

Field Name	Sample Data	Scanned Docs	Email and E-Docs	Comment
DATELASTMOD	10/09/2005	N/A	Yes	Date that non-email file was modified as extracted from file system metadata
SUBJECT	Changes to Access Database	N/A	Yes	"Subject" field extracted from email message or metadata properties of the document
FROM	John Beech	N/A	Yes	"From" field extracted from email message
TO	Janice Birch	N/A	Yes	"To" field extracted from email message
CC	Frank Maple	N/A	Yes	"Cc" or "carbon copy" field extracted from email message
BCC	John Oakwood	N/A	Yes	"Bcc" or "blind carbon copy" field extracted from email message
DATESENT	10/10/2005	N/A	Yes	Sent date of email message (mm/dd/yyyy format)
TIMESENT	10:33 am	N/A	Yes	Sent time of email message, time zone set to GMT
DATERCVD	10/10/2005	N/A	Yes	Received date of email message (mm/dd/yyyy format)
TIMERCVD	10:33 am	N/A	Yes	Received time of email message, time zone set to GMT
CONFIDENTIALITY	CONFIDENTIAL	Yes	Yes	Text of confidentiality designation, if any
REDACTION	REDACTED	Yes	Yes	User-generated field indicating whether a document was redacted.
TEXTPATH	Tex\001\001\ABC00000001.txt	Yes	Yes	Path to *.txt file containing extracted or OCR text
NATIVEPATH	Natives\001\001\ABC00000001.xlsx	N/A	Yes	Path to files supplied in native format.

Field Name	Sample Data	Scanned Docs	Email and E-Docs	Comment
MD5 HASH	30999747f4c6d7b ef786e614ff2cf4b0	N/A	Yes	MD5 Hash for electronic document
REPLACEMENT	REPLACEMENT	Yes	Yes	"Replacement" indicates the image is a replacement for a previously produced image; otherwise blank.
PRODVOL	VOL001	Yes	Yes	Name of the Production Volume

Attachment "D" - Appendix 3: Searchable Text File Specifications

- The document level searchable text file will contain any text in the respective document, omitting any text redacted from the produced document.
- The file naming convention for the text file shall be in the form number.TXT, where "number" is the same Bates number as the Beginning Production Number for the first page of the respective document images. File names shall not contain any special characters or embedded spaces.
- The full path and file name of the text file must be provided in the data load file as specified in Appendix 2.
- OCR text for scanned images of paper documents should be generated by applying optical character recognition processes to the image of the document. The parties will endeavor to generate accurate OCR and will utilize quality OCR processes and technology. OCR shall be performed on a document level and provided in document-level text files. OCR text should not be delivered in the data load file or any other delimited file.
- For electronic files, searchable text shall be extracted from the native file and included in the text file. If the electronic file has no extractable text (e.g. a non-searchable PDF image file), the document will be OCR'd, and file-level OCR text will be provided in lieu of extracted text. Extracted text shall likewise be produced in document-level text files.

Attachment "D" - Appendix 4: Image Load File Specifications

- The image load file should be a Standard Opticon formatted load file (.opt text file) with ANSI/Western European encoding that references the Control ID on a page level consistent with ingestion into the kCura Relativity® review platform. The name of the image load file should mirror the name of the delivery volume, and should have an .OPT extension (e.g. ABC001.OPT). File names shall not contain any special characters or embedded spaces.
- The volume names should be consecutive (e.g. ABC001, ABC002, etc.).
- Every image in the delivery volume should be contained in the image load file, one row in the load file per TIFF image. The total number of documents referenced in the image load file should match the total number of designated documents in the data load file for that production.
- Load files should not span across media (e.g. CDs, DVDs, Hard Drives, Etc.), i.e., a separate volume should be created for each piece of media delivered.

Attachment "D" - Appendix 5: Native File Specifications

- The file naming convention for the native file shall be in the form number.EXT, where "number" is the first page Bates number for the corresponding TIFF image and "EXT" is the original native file extension (i.e., .doc, .xls, .ppt, etc.) File names shall not contain any special characters or embedded spaces.
- The full path and file name of the native file must be provided in the data load file as specified in Appendix 2.

Attachment "D" - Appendix 6: Processing Protocols and Specifications

A. Processing Protocols

1. When processing ESI, Greenwich Mean Time (GMT) should be selected as the time zone.
2. Files containing dynamic fields such as file names, dates, and times should be processed for production showing the field code (e.g. "[FILENAME]" or "[AUTODATE]"), rather than the values for such fields existing at the time the file is processed.
3. Compressed file types (e.g. .CAB, .GZ, .TAR, .ZIP) should be decompressed in a reiterative manner to ensure that a compressed file within a compressed file is decompressed into the lowest possible compression resulting in individual files. The parent/child relationship of these files should be preserved and reflected in the applicable attachment metadata fields listed in Exhibit A.
4. Embedded files, including objects embedded in Microsoft Word and RTF documents that have been embedded with the "Display as Icon" feature, should be extracted and produced as standalone files along with corresponding attachment Metadata to the parent document.
5. If a producing party cannot unencrypt discoverable electronically stored information that exists in encrypted format, the parties should meet and confer regarding how such information should be handled.

B. Culling of Identified Data Sets

1. System Files may be culled by de-NISTing. An electronic file collection may be "de-NISTed" at the producing party's option, by removing commercially available, non-user created operating system and application files contained on the National Institute of Standards and Technology ("NIST") file list. Identification of NIST list matches should be through MD5 or SH-1 Hash values.

C. De-duplication

1. ESI will be considered duplicative if it has matching MD5 or SHA-1 hash values. For this purpose, file contents only may be used for MD5 or SHA1 Hash value calculation and will not require inclusion of operating system metadata (e.g., filename, file dates) values. Messaging files associated with a discreet custodian may be de-duplicated based upon MD5 or SHA1 Hash values for the entire message family, including parent object and attachments.
2. Parties may de-duplicate stand-alone documents or entire document families vertically within each custodian or horizontally across custodians and data sources, including serial production sets. De-duplication procedures shall not break apart document families. The identity

of other custodians of de-duplicated documents must be listed in the "Other Custodian(s)" field identified in Appendix 2. The "Other Custodians" field for a given document will be populated with any existing data at the time of the first production of that document. The "Other Custodians" overlay field will contain all previously provided duplicate custodial data as well as any additional duplicate custodians.

3. A producing party may employ electronic mail thread suppression in the manner specified in this protocol. As used in this protocol, email thread suppression means reducing duplicative production of email conversation threads by producing only the most recent or most complete email containing the prior thread of emails, as well as all attachments appended at any point within the history of the thread, and excluding email segments constituting exact duplicates of prior email text within the produced string. To qualify as a single email conversation thread, all lesser included individual messages must have identical message conversation participants (including "bcc:" blind copy participants) and attachment history. The inclusion or deletion of a message participant shall terminate a conversation thread for this purpose, but such an occurrence ("conversation branching") may create the beginning of a separate and distinct conversation thread containing some or all of the lesser included messages.

END

ATTACHMENT "E"

AGREED TO PROTECTIVE ORDER CONCERNING DOCUMENTS AND DIGITAL FILES PRODUCED TO PLAINTIFFS' COUNSEL BY BASE COMMERCE LLC

This Agreed to Protective Order (the "Protective Order") governs documents and digital files previously produced and to be produced by Base Commerce, LLC, formerly known as Phoenix Payments, LLC ("Base Commerce" or "Producing Party"), an Arizona limited liability company, to the members of the Plaintiffs Interim Executive Committee individually and on behalf of their law firms (the "Plaintiffs' Counsel" or "Receiving Party") in the litigation captioned In re: Telexfree Securities Litigation, Civil Action No. 4:14-md-2566-TSH, United States District Court for the District of Massachusetts (the "Litigation"). Base Commerce, its legal counsel, the Plaintiffs and the Plaintiffs' Counsel are collectively referred to in this Protective Order as the "Parties."

WHEREAS, the Plaintiffs have named Base Commerce as a defendant in the Litigation, a multi-district class action lawsuit; and

WHEREAS, the Parties have been engaged in settlement discussions in an effort to resolve the claims asserted by the Plaintiffs against Base Commerce and its present and former members, officers, employees, and agents in the Litigation ("the Base Commerce Defendants"); and

WHEREAS, during the settlement discussions Base Commerce has provided to Plaintiffs' Counsel certain documents and financial information regarding TelexFree, work performed for TelexFree, and the financial performance and condition of Base Commerce, pursuant to a signed Confidentiality Agreement dated March 17, 2017 (the Confidentiality Agreement") to facilitate the Parties' discussions; and

WHEREAS, the Parties have negotiated an agreement pursuant to which all claims of the Plaintiffs in the Litigation against the Base Commerce Defendants will be settled ("the Base Commerce Settlement Agreement"); and

WHEREAS, the Base Commerce Settlement Agreement provides that the Base Commerce Defendants will provide to the Plaintiffs' Counsel certain additional documents, files and information which are likely to contain attorney-client privileged, attorney work product, trial preparation materials, and confidential business and personal information of the Base Commerce Defendants and third parties ("Confidential Information") in the custody of the Base Commerce Defendants; and

WHEREAS, it would be a substantial expense for the Parties to pay for attorneys to review and redact the Confidential Information in the large number of documents and files to be produced to Plaintiffs' Counsel by the Base Commerce Defendants pursuant to the Base Commerce Settlement Agreement:

NOW THEREFORE, in order to avoid the expense, inconvenience and delay that would occur if Base Commerce were required to perform a line-by-line review of documents and files and redact Confidential Information from the documents and data that Base Commerce has agreed to produce to Plaintiffs' Counsel, and in accordance with the agreements of the Parties and Rules 16 (a)(1)(A),(F),(G) and (H) and 26(b)(3)(iii) and (iv) of the Federal Rules of Civil Procedure, it is ORDERED THAT:

1. Base Commerce may designate documents, digital files, statements, testimony, and other materials as Confidential Information by affixing a "CONFIDENTIAL" stamp to the document or material or by serving notice(s) in writing to Plaintiffs' Lead Counsel or his/her designee identifying documents and/or materials as "CONFIDENTIAL". Any document or other material designated as Confidential Information by Base Commerce shall be used only by Plaintiffs' Counsel or their employees and experts in connection with the potential settlement of the Litigation as to Base Commerce or in the evaluation, preparation or trial of the Litigation. No person to whom the Confidential Information is disclosed, shown, or made known pursuant to this Agreement shall use it for any purpose other than in pursuit of claims relating to this Litigation such as preparing for and participating in claim evaluation, discovery, trial and settlement.

2. Plaintiffs' Counsel will use their best efforts to safeguard the Confidential Information provided by Base Commerce and to prevent the dissemination of its contents to anyone other than persons permitted hereunder. Plaintiffs' Counsel will keep the contents of any and all Confidential Information provided by the Base Commerce Defendants strictly confidential. Plaintiffs' Counsel shall only disclose the contents of the Confidential Information to such persons employed or retained by them on a need to know basis. Prior to disclosing any Confidential Information to Plaintiffs' Representatives, Plaintiffs' Counsel shall inform such persons of the confidential nature of the information and must obtain a written acknowledgement of receipt of Confidential Information and agreement to abide by the terms of this Order. Plaintiffs' Counsel shall ensure that the Plaintiffs' Representatives comply with this Agreement.

3. In the event that Plaintiffs' attorneys of record desire to file with the Court and/or disclose to additional third parties in connection with motion practice, discovery and/or trial of the Litigation one or more of the documents or digital files containing Confidential Information or statements or testimony containing or referring to Confidential Information, they shall first send to Thomas S. Vangel, counsel for Base Commerce, copies of such documents with social security numbers, dates of birth, account numbers, and other personally identifiable information ("PII") having been redacted unless the disclosure to the Court of such Confidential Information is reasonably necessary. To the extent the disclosure to the Court of Confidential Information is reasonably necessary, Plaintiffs' counsel will seek to file such information with the Court under seal. Otherwise, any document, pleading or motion attaching, referencing or quoting such Personally Identifiable Information must be redacted if such information is marked as an exhibit in any deposition or filed with the Court. In addition, Base Commerce shall have ten (10) business days from receipt of Plaintiffs' designation of Confidential Information to be disclosed to identify any additional protected Confidential

Information that must be redacted before the document, digital or other material may be released from protection pursuant to this Order. In the event that the Parties are unable to resolve any controversies with respect whether documents or files or statements or testimony should be released from the protections of this Order, such controversies will be resolved by the Court. Plaintiffs' Counsel will use their best efforts to ensure that no Base Commerce documents or data containing PII or other Confidential Information which Base requests be redacted is produced or available to anyone other than the persons authorized to have access to Confidential Information pursuant to Paragraph 2 above.

4. The production of Confidential Information to Plaintiffs' Counsel by the Base Commerce Defendants in accordance with the provisions of Paragraph 1 of this Order shall not be deemed a waiver of the attorney-client privilege, attorney work product doctrine, trial preparation materials protection, and confidential business and/or personal information protections that would otherwise be applicable to that information.

5. Inadvertent failure to designate a document, a digital file or other discovery materials Confidential Information may be corrected by supplemental written notice given as soon as practicable.

6. Federal Rule of Evidence 502(d) and (e), Clawback & Non-Waiver.

- (a) Pursuant to Fed. R. Evid. 502(d) and (e), the production or disclosure of any information, documents, or other materials, including ESI, by any Party that is protected by the attorney-client privilege, work-product privilege or other protection ("Privileged Information") shall not waive such applicable privilege or protection for the respective document or information, or the subject matter thereof. This provision shall displace the provisions of Fed. R. Evid. 502(b)(1), (2) and (3).
- (b) If the Receiving Party discovers that it is in receipt of a document, information or ESI that it reasonably believes might contain Privileged Information, it shall notify the Producing Party, and identify the document in question, within ten (10) days of such discovery.
- (c) Upon discovery by a Producing Party (whether by notice from the Receiving Party, or otherwise) that it did or may have produced Privileged Information, the Producing Party shall, within ten (10) days of such discovery, request the return of such Privileged Information by sending a written notification ("Clawback Letter") to the Receiving Party, which shall identify the documents or ESI in question by Bates number or otherwise and the basis on which the Privileged Information should have been withheld from production. The requirements in this paragraph apply equally to instances in which the Producing Party discovers during a deposition or interview that it did or may have produced Privileged Information. For purposes of this protocol, "discovery" shall mean "actual

notice;" production of Privileged Information alone is insufficient to constitute actual notice.

- (d) Upon receipt of a Clawback Letter, the Receiving Party shall promptly destroy or delete all documents or ESI containing Privileged Information identified in the letter, and all reproductions or summaries thereof regardless of whether the Receiving Party plans to challenge the claim of privilege. The Receiving Party shall follow these procedures regardless of whether a document is comprised fully or partially of Privileged Information. The Producing Party shall, within twenty (20) business days of the date of the Clawback Letter, reproduce any document or ESI that is comprised only partially of Privileged Information with the Privileged Information redacted.
- (e) If the Receiving Party disagrees with a claim of privilege set forth in a Clawback Letter, it shall notify the Producing Party and provide the basis for disputing the privilege claim in writing. The Producing Party must preserve the information claimed to be privileged or otherwise protected until the claim is resolved. Thereafter, the parties shall meet and confer in a good faith attempt to resolve the dispute.
- (f) In the event that the Parties do not resolve their dispute, the Receiving Party may bring a motion for a determination of whether a privilege applies. If such a motion is made, the Producing Party shall submit to the Court, under seal and for *in camera* review, a copy of the disputed Privileged Information in connection with its motion papers. This *in camera* submission to the Court shall not constitute a waiver of any privilege or protection. Any motion to determine whether a privilege applies shall be filed no later than thirty (30) days after the parties meet and confer. The obligations of the Parties set forth in this section apply irrespective of the care taken by the Producing Party to prevent inadvertent disclosure as the Plaintiffs acknowledge that Base Commerce, in the interests of expediting production and minimizing expense, is providing a so called "data dump" to Plaintiffs without performing a line by line review of the produced documents.

7. At the end of any Plaintiffs' Counsel's involvement in the Litigation or the conclusion of the Litigation, whichever first occurs, each of the Plaintiff's Counsel shall provide to Thomas S. Vangel, counsel for Base Commerce, or his designee, within thirty (30) days thereafter a written certification signed under the pains and penalties of perjury that he/she has destroyed by means that preclude access to the content or text of all Confidential Information provided to him/her in the Litigation and all copies thereof or that he/she has returned to Thomas Vangel all original Confidential Information received by him/her and all copies thereof.

8. The Court will retain jurisdiction of this matter to enforce the provisions of this Protective Order.

So Ordered this ___ day of _____, 2019

Timothy S. Hillman
United States District Court Judge