

UNITED STATES DISTRICT COURT
DISTRICT OF MASSACHUSETTS

_____)	
)	
IN RE: TELEXFREE SECURITIES LITIGATION)	
)	
This document relates to:)	CIVIL ACTION
)	NO. 4:14-md-02566-TSH
All Cases)	
)	
)	
_____)	

SETTLEMENT AGREEMENT

This Settlement Agreement (“Settlement Agreement” or “Agreement”) is made and entered into this 25th day of August 2023 (“Execution Date”) by International Payout Systems, Inc. (“IPS”), Natalia Yenatska and Edwin Gonzalez (together, the “IPS Defendants”), on the one hand, and Jason Botelho, Rudeimaia A. Calcano, Anthony Cellucci, Jose Manuel Cuevas, Karina G Ramirez Grazia, Orlando Guillon Llorente, Veronica Martinez, Jesus Alberto Matienzo, Frank Maximchuk, Lee Mwaura Njeri, Francisco Marino Olivares (together “Putative Class Representatives” or “Releasing Parties”) individually and on behalf of and representing all persons who purchased TelexFree AdCentral or AdCentral Family packages and suffered a Net Loss during the period from January 1, 2012 to April 16, 2014 (the “TelexFree Class Plaintiffs”), on the other hand (the IPS Defendants and TelexFree Class Plaintiffs are collectively referred to as “Parties” or, individually, each a “Party”). A “Net Loss” is defined as providing more funds into TelexFree than the total funds withdrawn from TelexFree.

PREAMBLE

WHEREAS, TelexFree Class Plaintiffs have brought the above-captioned actions

(herein, “MDL 2566 Action(s),” “Action(s)” or “TelexFree Litigation”) individually and as putative class representatives on behalf of a class of victims of the TelexFree pyramid scheme (the “Pyramid Scheme”) against, among others, the IPS Defendants;

WHEREAS, IPS performed certain payment processing services for TelexFree from approximately September 2013 through April 2014, specifically, IPS only processed credits for TelexFree commission payments and did not debit bank accounts for TelexFree customers, nor did IPS receive or maintain information regarding TelexFree’s debiting of customer bank accounts;

WHEREAS, TelexFree Class Plaintiffs allege that they suffered ascertainable economic injury as a result of the IPS Defendants’ alleged assistance and participation in the unlawful TelexFree Pyramid Scheme, as referenced in TelexFree Class Plaintiffs’ MDL 2566 Consolidated Amended Class Action Complaints (the “Complaints”), and the IPS Defendants unequivocally deny the TelexFree Class Plaintiffs’ allegations;

WHEREAS, TelexFree Class Plaintiffs allege that as a result of its relationship to TelexFree as referenced throughout the Complaints and herein, IPS, including certain of its officers, employees and outside consultants gained knowledge concerning TelexFree’s unlawful enterprise, and the IPS Defendants unequivocally deny the TelexFree Class Plaintiffs’ allegations;

WHEREAS, the Court has granted IPS’s motion to dismiss the claim for unjust enrichment;

WHEREAS, the IPS Defendants have undertaken a full due diligence inquiry and represent that there is no applicable insurance policy applicable to the claims in the pending litigation, contested or uncontested, that might possibly under any interpretation, afford coverage to each and every one of the Releasees (as defined below), including IPS, its officers,

and executives, and this includes personal excess polices, and the completeness and truthfulness of such information is a material term and condition to this settlement, and all parties recognize that in reaching a settlement Plaintiffs are relying on the completeness and truthfulness of these representations;

WHEREAS, Settlement Class Counsel has received and reviewed financial information for IPS's fiscal year ending December 31, 2022;

WHEREAS, the IPS Defendants represent that, other than fees for services performed from 2013 through 2014, they received no benefit from TelexFree's alleged unlawful Pyramid Scheme or related business operations and will not in the future receive benefit directly or indirectly from TelexFree's alleged unlawful Pyramid Scheme or related business operations;

WHEREAS, each representation by the IPS Defendants and the TelexFree Class Plaintiffs is a material term of the Settlement between the parties;

WHEREAS, no payment or monies will be owed by the IPS Defendants and the other Releasees in excess of the amount set forth below.

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

WHEREAS, TelexFree Class Plaintiffs have concluded that resolving the claims against the IPS Defendants according to the terms set forth herein is in the best interests of TelexFree Plaintiffs Settlement Class (as defined below);

WHEREAS, the IPS 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 IPS Defendants and Releasees (as defined below) with respect to the TelexFree Pyramid Scheme based on the allegations in the Actions, as more particularly set out below; and

WHEREAS, the Action will continue against Defendants that are not Releasees and this Agreement with the IPS Defendants will not impair TelexFree Class Plaintiffs' ability to collect the damages from persons other than the Releasees 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 IPS Defendants, subject to the approval of the Court, on the following terms and conditions:

AGREEMENT

A. Definitions

1. "Defendant(s)," for purposes of this Settlement Agreement means all Defendants named in the Fifth Consolidated Amended Complaint and all such other persons that may be further added as Defendants in this Action while it is pending.

2. "Releasees" means IPS, Natalia Yenatska and Edwin Gonzalez and their past, present and future employees, officers, directors, incorporators, spouses, heirs, trusts, trustees, executors, estates, administrators, beneficiaries, distributees, foundations, agents, fiduciaries,

partners, partnerships, joint ventures, member firms, limited liability companies, corporations, parents, subsidiaries, divisions, affiliates, associated entities, principals, managing directors, members, managers, predecessors, predecessors-in-interest, successors, successors-in-interest, assigns, advisors, consultants, brokers, dealers, lenders, attorneys, representatives, accountants, insurers, co-insurers, reinsurers, associates and their related parties.

3. “Releasers” shall refer jointly and severally, individually and collectively to the TelexFree Class Plaintiffs and the members of the putative Settlement Class, 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.

4. “Settlement Class” is defined as all persons worldwide who purchased TelexFree AdCentral or AdCentral Family packages and suffered a Net Loss during the period from January 1, 2012 to April 16, 2014. A “Net Loss” is defined as providing more funds into TelexFree than the total funds withdrawn from TelexFree.

5. “Settlement Class Counsel” shall refer to Interim Lead Counsel, members of Plaintiffs’ Interim Executive Committee, and the following Class Counsel:

Robert J. Bonsignore, Esq.
Melanie Porter, Esq.
Bonsignore Trial Lawyers, PLLC
3771 Meadowcrest Drive
Las Vegas, NV 892121
Telephone: 781-856-7650
Email: rbonsignore@classactions.us
Interim MDL 2566 Lead Counsel

Hon. Steven W. Rhodes (Ret.) Esq.
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Ann Arbor, MI. 48103
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James Wagstaffe, Esq.
WVBR LAW FIRM

100 Pine Street, Suite 2250
San Francisco, California 94111
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J. Gerard Stranch, IV, Esq.
Michael Stewart, Esq.
Kyle C. Mallinak, Esq.
STRANCH, JENNINGS & GARVEY PLLC
223 Rosa L. Parks Avenue, Suite 200
Nashville, Tennessee 37203
Telephone: (615) 254-8801
Email: gstranch@stranchlaw.com

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

7. A “Net Loser” is defined as a participant who providing more funds into TelexFree than the total funds they withdrew from TelexFree.

8. “TelexFree” for purposes of this Settlement Agreement includes all TelexFree entities, including, but not limited to, John Merrill; Carlos Wanzeler; Katia Wanzeler; Above and Beyond the Limit, LLC; TelexFree, Inc.; TelexFree, LLC; TelexFree Financial, Inc.; TelexElectric, LLLP; Telex Mobile Holdings, Inc.; TelexFree International, LLC; TelexFree, Ltd.; Ympactus Comercial Ltda; P.L.I. TelexFree Rwanda, Ltd.; TelexFree LLC DBA TelexFree of Miami; JC Real Estate Management Company, LLC; JC Real Estate Investment Company, LLC; Above & Beyond the Limit, LLC Cleaner Image USA, LLC; K&C Cleaning, Inc.; KC Realty State, LLC; CNW Realty State, LLC; Acceris Realty Estate, LLC; Sun Wind Energy Group, LLLP; Brazilian Help, Inc.; Common Cents Communications Inc.; Forever Diamond Realty, LLC; and Botafogo de Futebol e Regatas and those otherwise as identified in good faith by the TelexFree Plaintiffs or the IPS Defendants or as contained in IPS’s business records or personnel files.

9. “Final Approval” means the completion of all of the following events:
- (a) the Court has entered a final order certifying the Settlement Class and approving this Agreement under Federal Rule of Civil Procedure 23(e);
 - (b) the Court has entered a separate and final judgment dismissing the IPS Defendants from the TelexFree Litigation with prejudice as to all Settlement Class Members and without costs other than those provided for in this Agreement;
 - (c) the Court has entered a bar order consistent with Paragraphs 28(d) and (e) of this Agreement; and
 - (d) 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 IPS Defendants described in (a) and (b) has expired or, if appealed, approval of this Agreement and the final judgment as to the IPS 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.

B. Settlement Amount

10. “Settlement Amount” means five hundred thousand dollars (USD \$500,000), inclusive of all attorneys’ fees, court costs and other administrative costs.

11. In consideration for the dismissal with prejudice of all claims that were brought or could have been brought against the IPS Defendants, the Settlement Amount shall be paid by or on behalf of the IPS Defendants into the Escrow Account (as described herein) within thirty (30) calendar days of the Court granting preliminary approval of the settlement and

receipt of payment instructions and a Form W-9. The IPS Defendants shall have no monetary obligation whatsoever in excess of the Settlement Amount.

12. Escrow Account.

(a) An escrow account shall be maintained at Eastern Bank (the “Escrow Account”). Such escrow shall be administered under the Court’s continuing supervision and jurisdiction.

(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 legal custody 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) IPS will not object to a proposed preliminary approval order providing that: (1) the funds in the Escrow Account may be used as provided herein for reasonable disbursements of expenses associated with providing notice of the Settlement (“Class Notice” or “Notice”) 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 IPS in the event the Agreement is disapproved, rescinded, or otherwise fails to become effective for any reason; (2) the funds in the Escrow Account may be used for such purposes, including, without limitation, validating or determining the identity of net losers and updated addresses of class members, or otherwise restoring or working with TelexFree's user information management system (referred to as the "SIG" system) to ensure accuracy and completeness in an amount up to \$100,000.00, which Settlement Class Counsel shall deduct from the Settlement Fund. To preserve the cash component assets and otherwise serve the best interests of the putative class, and with the approval of the MDL 2566 Court, Notice for the Settlement with IPS may be combined with Notice of Settlement with any or all other Defendants.

(e) No disbursement from or distribution of the Settlement Fund shall be made without prior approval of the Court. IPS shall have no further obligation to pay costs of Notice or the expense of maintaining and administering the Settlement Fund.

(f) Once the Court orders final approval to the Settlement Agreement, IPS shall have no further input or make any motion as to the disposition of the remainder of the Settlement Amount.

(g) 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 IPS 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 IPS 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 9 (“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.

(h) If this Agreement does not receive Final Approval, including final approval of the Settlement Class as defined in this Agreement, or if the Actions are not certified as class actions for settlement purposes, then all amounts paid by the IPS Defendants into the Settlement Fund shall be returned to the IPS 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 IPS Defendants’ request for same.

C. Discovery

13. The TelexFree Class Plaintiffs retain their right to seek additional information from the IPS Defendants that is allowed by the Federal Rules of Civil Procedure. To the extent the TelexFree Class Plaintiffs seek any additional information, counsel for the TelexFree Class

Plaintiffs will first communicate with counsel for the IPS Defendants to facilitate the exchange of information without the need for any formal discovery requests or Court intervention. The exchange of information shall be coordinated in such a manner to avoid unnecessary duplication and expense. The IPS Defendants will fully cooperate in responding to these requests by: agreeing not to raise any non-privilege objections to additional information requests, and providing the requested information in a timely manner and without the need for any formal discovery requests or Court intervention.

14. The continued provision of truthful representations and mutual cooperation is a material term of the settlement between the parties.

15. The IPS Defendants agree to authenticate any documents they have produced, if the TelexFree Plaintiffs deem it necessary, pursuant to the Federal Rules of Evidence.

16. If the TelexFree Plaintiffs take the position that an IPS Defendant is not cooperating as required under the terms of this Agreement, the TelexFree Plaintiffs shall provide counsel for the IPS Defendant with notice of the non-cooperation and a reasonable period to cure of no less than fifteen (15) business days.

17. Should the IPS Defendant fail to cure within fifteen (15) business days, the TelexFree Plaintiffs may request a hearing before a Magistrate Judge for the USDC Massachusetts.

18. Counsel for the IPS Defendants shall refer to:

Richard J. Zack
Brian M. Nichilo
Troutman Pepper Hamilton Sanders LLP
3000 Two Logan Square
Eighteenth and Arch Streets
Philadelphia, PA 19103
215-981-4000
richard.zack@troutman.com

brian.nichilo@troutman.com

19. All exchanges prior to and relating to the execution of this Settlement Agreement, including proffers and meetings between counsel for the Parties, were expressly carried out as such and are entitled to the protections of Fed. R. Evid. 408. No Party shall disclose the contents of those discussions, proffers, and exchanges of documents with any person or entity for any reason.

D. Release, Discharge, and Covenant Not to Sue

20. Upon final approval by the Court of this settlement, and in consideration of payment of the Settlement Amount, as specified in Paragraphs 9 and 10, 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 (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 IPS Defendants as relates to TelexFree, 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").

21. 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 the Agreement is, for any reason, not finally approved or is rescinded or otherwise fails to become effective,

including if the Court terminates this Settlement pursuant to the process described in Paragraph 9 of this Agreement.

22. In addition to the provisions of Paragraph 20 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:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY.

Releasors further expressly waive and release, 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 IPS Defendants

23. The TelexFree Class Plaintiffs and the IPS 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 Rule of Civil Procedure 23(e) electronically, to secure the complete and final dismissal with prejudice of the Actions as to the Releasees only.

24. Within twenty-four (24) hours after the execution of this Agreement, TelexFree Class Plaintiffs shall notify the Court of the fact that the TelexFree Class Plaintiffs and the IPS Defendants have reached an agreement to settle all claims relating to IPS, Natalia Yenatska and

Edwin Gonzalez, and shall file a motion requesting that this Action be stayed as to the IPS Defendants. The TelexFree Class Plaintiffs shall draft and the IPS Defendants shall approve the Joint Notice and Motion for Stay. Other than as contemplated by terms of this Agreement, neither the IPS Defendants nor TelexFree Class Plaintiffs shall file motions against the other in this Action during the pendency of the Agreement.

25. Within thirty (30) days after the execution of this Agreement, 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, a proposed form of the electronic notice, and a request for a final approval hearing as soon as reasonably practicable. No less than five (5) business days before filing, the TelexFree Class Plaintiffs shall submit a draft of the Motion to the IPS Defendants for approval consistent with the terms of this Settlement Agreement, which shall not be unreasonably withheld.

26. The TelexFree Class Plaintiffs shall seek authorization to electronically disseminate notice of the proposed settlement to the Settlement Class.

27. TelexFree Class Plaintiffs shall seek, and the IPS Defendants will not object unreasonably to, the entry of an order and final judgment approving the settlement.

28. 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 4 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 including mail, is a material term of this agreement. The parties have taken into account that TelexFree was an e-based operation;
- (d) That all federal and state claims against the IPS Defendants for contribution or indemnification arising under or in any way related to the TelexFree Pyramid Scheme shall be barred, including pursuant to 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;
- (e) As to the IPS Defendants, 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 IPS Defendants for the duration 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 IPS Defendants shall be final; and
- (h) The terms of this Agreement shall remain binding on the parties following

dismissal and that the MDL 2566 court shall retain continuing jurisdiction.

29. This settlement shall become final when the Court has entered a final order certifying the Settlement Class described in Paragraph 9 and approving this Agreement under Federal Rule of Civil Procedure 23(e) and a separate and final judgment dismissing the IPS Defendants from the above-captioned Actions with prejudice as to all Settlement Class Members and without costs other than those provided for in this Agreement, which are not subject to further review on appeal or otherwise.

30. 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 IPS Defendants have executed this Agreement, TelexFree Class Plaintiffs and the IPS Defendants shall be bound by its terms and this Agreement shall not be rescinded except in accordance with the terms of this Agreement.

F. Exclusions and Opt Outs

31. 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 IPS Defendants and placed on file. With respect to any potential Settlement Class Member who requests exclusion from the Settlement Class, the IPS Defendants reserve all of their legal rights and defenses.

32. If 300 or more of the Settlement Class Members or any number of Settlement Class Member alleging a Net Loss of \$2,500,000.00 or more opt out of the settlement with the IPS Defendants, then the IPS Defendants shall have the option, in their sole and absolute discretion, to declare that the Agreement is null and void. The IPS Defendants shall be deemed to waive their right to declare this Agreement null and void if they fail to notify the TelexFree Class Plaintiffs'

counsel of such an election within 10 days of receiving notice that 300 or more of the Settlement Class Members or any number of Settlement Class Member alleging a Net Loss of \$2,500,000.00 or more have opted out.

G. Electronic Notice to The Class

33. 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 35 below, which provides a period during which they shall be afforded the option of presenting the Court with an alternative form of Notice.

34. The IPS Defendants shall not be liable for any of the TelexFree Class Plaintiffs' costs or expenses in litigating 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.

35. 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.

36. If the Court does not approve electronic notice as the sole notice to the class, the Parties shall have the option of formulating and agreeing to propose to the Court a mutually agreeable alternative notice program within fourteen (14) days following the Court's Order.

H. The Settlement Fund

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

38. After this settlement receives Final Approval within the meaning of Paragraph 9, 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.

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

39. Subject to Court approval, the 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 9. Incentive awards to any of the TelexFree Class Plaintiffs, 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.

40. Neither the IPS 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.

41. In addition, neither the IPS 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, 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

42. 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 Paragraph 9 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 IPS Defendants and the TelexFree Class Plaintiffs shall each, in their sole discretion, have the option to rescind this Agreement in its entirety.

43. Written notice of the exercise of any such right to rescind shall be made according to the terms of Paragraph 41. A modification or reversal on appeal of any amount of Settlement Class Counsel's fees or costs and expenses awarded by the Court from the Settlement Fund shall not be deemed a modification of all or a part of the terms of this Agreement or such final judgment.

44. In the event that this Agreement or the settlement described herein does not become final, or this Agreement otherwise is terminated pursuant to Paragraph 41, 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 IPS Defendants less only disbursements made, or obligations incurred in accordance with Paragraph 42 of this Agreement. In the event that this Agreement is terminated as to one, but not all of the IPS Defendants, pursuant to Paragraph 42, then the Court shall make a determination of the allocation of the Settlement Amount as among the IPS Defendants for purposes of returning funds pursuant to this paragraph.

45. In the event that this Agreement or the settlement described herein is rendered null and void, the IPS Defendants reserve the right to oppose certification of any class in this or any other proceeding, and TelexFree Class Plaintiffs and their counsel agree that IPS Defendants' consent to certification for purposes of this Settlement (a) shall not be deemed to constitute an admission by IPS Defendants with respect to class certification for any other purpose or in any other case or context, (b) shall not be deemed to constitute a waiver by IPS Defendants of any rights to oppose any other request for class certification, (c) shall not be cited or mentioned in support of, or in connection with, any other request for class certification, and (d) shall have no prejudicial, precedential or preclusive effect whatsoever with respect to any subsequent opposition by IPS Defendants to any other request for class certification.

46. The fact of and provisions contained in this Agreement, and all negotiations, discussions, actions and proceedings in connection with this Agreement shall not be deemed or constitute a presumption, concession or an admission by any Party, any signatory hereto or any Releasee of any fault, liability or wrongdoing or lack of any fault, liability or wrongdoing, as to any facts or claims alleged or asserted in the Action or any other actions or proceedings, and shall not be interpreted, construed, deemed, involved, invoked, offered or received in evidence or otherwise used by any person in the Action or any other action or proceeding, whether civil, criminal or administrative, except in connection with any proceeding to enforce the terms of this Agreement. All negotiations, discussions, actions and proceedings leading up to the execution of this Agreement are confidential. The fact of and provisions contained in this Agreement, and all negotiations, discussions, actions and proceedings leading up to the execution of this Stipulation, are intended for settlement discussions only.

K. Miscellaneous

47. Nothing in this Agreement shall prevent the TelexFree Class Plaintiffs from using documents produced by the IPS Defendants against any other Defendant for any purpose in the MDL 2566 Litigation as long as the Protective Order is complied with.

48. The Settlement Class Counsel will make no public statements regarding the settlement or claims relating to the IPS Defendants prior to the filing of a motion for preliminary approval of this settlement except as required to obtain preliminary and final approval of this settlement. Each Settlement Class Counsel shall refrain from any disparagement of the IPS Defendants or of any current or former employee, officer, or director of IPS. This non-disparagement obligation does not apply to any statement by Settlement Class Counsel to the Court, at trial, or to any Putative Class Representative.

49. 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 by the IPS Defendants. The fact of and provisions contained in this Agreement shall not be deemed or constitute a presumption, concession or an admission by any Party, any signatory hereto, any Releasee, or any Releasor of any fault, liability or wrongdoing or lack of any fault, liability or wrongdoing, as to any facts or claims alleged or asserted in the Actions or any other actions or proceedings.

50. Counsel for TelexFree Class Plaintiffs 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”). Counsel for TelexFree Class Plaintiffs will prepare all notices required under CAFA and shall mail the CAFA notices. No part of this clause shall violate the express terms of CAFA or its interpretive cases.

51. This Agreement does not settle or compromise any claim by the 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 the TelexFree Class Plaintiffs and the Settlement Class.

52. 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.

53. IPS 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 persons or entities other than the IPS Defendants and the Releasees and may 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.

54. The Court presiding over this Action shall retain jurisdiction over the implementation, enforcement, and performance of this Agreement, and shall have exclusive jurisdiction over any dispute arising out of or relating to this Agreement or the applicability of this Agreement that cannot be resolved by negotiation and agreement by the TelexFree Class Plaintiffs and the IPS Defendants.

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

56. All persons and entities making claims under this Settlement Agreement shall be deemed to and voluntarily submit to the jurisdiction of the MDL 2566 Court, for purposes of this Agreement only.

57. 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. The IPS Defendants will not object to complying with the provisions set forth in this Agreement on the basis of jurisdiction.

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

59. This Agreement shall be binding upon, and inure to the benefit of, the successors and assigns of the TelexFree Class Plaintiffs and the IPS Defendants. Without limiting the generality of the foregoing, upon final approval of this Agreement each and every covenant and agreement made herein by the TelexFree Class Plaintiffs or Settlement Class Counsel shall be binding upon all Settlement Class Members, Releasers and Releasees. The Releasees (other than the IPS 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.

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

61. Neither the TelexFree Class Plaintiffs nor the IPS 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.

62. 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.

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

Dated: August 25th, 2023

[SIGNATURE PAGE FOLLOWS]


THE REPRESENTATIVE PARTIES AGREE TO THE ABOVE TERMS AND CONDITIONS

IPS DEFENDANTS

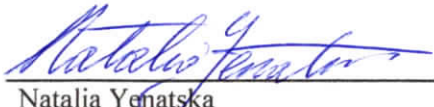

International Payout Systems, Inc.

TELEXFREE CLASS PLAINTIFFS

By their attorneys,


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