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*Proposed Counsel for the Debtors
 and Debtors in Possession*

**UNITED STATES BANKRUPTCY COURT
 FOR THE DISTRICT OF NEVADA**

In re:

Case No.: BK-S-14-14-12524-ABL
 Chapter 11

TELEXFREE, LLC,

☐ Affects this Debtor

Jointly Administered with:

☒ Affects all Debtors

14-12525 TelexFree, Inc.
 14-12526 TelexFree Financial, Inc

☐ Affects TELEXFREE, INC.

Date: May 28, 2014

☐ Affects TELEXFREE FINANCIAL, INC

Time: 11:00 a.m.

**STATEMENT UNDER FEDERAL RULE OF BANKRUPTCY PROCEDURE 2016 AND
SECTION 329 OF THE BANKRUPTCY CODE**

Gregory E. Garman, Esq., a shareholder of Gordon Silver, hereby states:

1. Gordon Silver ("GS"), pursuant to Rule 2016 of the Federal Rules of Bankruptcy Procedure (the "**Bankruptcy Rules**") and section 329 of title 11 of the United States Code, 11 U.S.C. §§ 101, et seq. (the "**Bankruptcy Code**"), is proposed counsel for the above-captioned debtors and debtors-in-possession (the "**Debtors**").

2. The Debtors have agreed to pay GS for the legal services rendered or to be rendered by its various attorneys and paralegals in connection with these Chapter 11 Cases on



the Debtors' behalf. The services to be rendered include all of those services set forth in the application filed by the Debtors contemporaneously herewith requesting the retention and employment of GS as counsel for the Debtors in these Chapter 11 Cases (the "**Application**").¹

3. The Debtors have also agreed to reimburse GS for its actual and necessary expenses incurred in connection with these Chapter 11 Cases.

4. Gordon Silver was first retained by the Debtors in April 2014. During the approximate twelve-month period prior to the Petition Date, Gordon Silver collected from the Debtors the following payments:

Payment Date	Amount
04/11/2014	\$750,000.00 (Advance Payment)
04/13/2014	\$55,235.50 (Application of Advance Payment to Invoice)

5. Of the amount received prepetition, GS applied \$55,235.50 to services rendered and expenses incurred prior to the Petition Date, leaving a balance of \$694,764.50 (the "**Advance Payment Balance**") remaining as of the Petition Date.

6. GS will seek approval of payment of compensation upon GS's filing of appropriate applications for allowance of interim or final compensation pursuant to sections 330 and 331 of the Bankruptcy Code.

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¹ Capitalized terms used herein but otherwise undefined shall have the meaning ascribed to such terms in the Application.

7. GS further has not shared, nor agreed to share (a) any compensation it has received or may receive with another party or person, other than with the partners, counsel, and associates of GS, or (b) any compensation another person or party has received or may receive.

Dated: April 24, 2014

/s/ Gregory E. Garman
Gregory E. Garman, Esq.