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*Proposed Counsel for the Debtors  
 and Debtors in Possession*

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

In re:

TELEXFREE, LLC,

☐ Affects this Debtor

☒ Affects all Debtors

☐ Affects TELEXFREE, INC.

☐ Affects TELEXFREE FINANCIAL, INC

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

**Jointly Administered with:**

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

Date: May 2, 2014  
 Time: 9:30 a.m.

**DECLARATION OF STUART A. MACMILLAN IN SUPPORT OF  
 (A) RESPONSE AND OBJECTION BY THE DEBTORS TO MOTION OF  
 THE UNITED STATES TRUSTEE FOR ORDER DIRECTING THE  
 APPOINTMENT OF A CHAPTER 11 TRUSTEE PURSUANT TO §1104(a) AND (B)  
 RESPONSE AND OBJECTION BY THE DEBTORS TO U.S. SECURITIES AND  
 EXCHANGE COMMISSION'S MOTION FOR CHANGE OF VENUE**

I, Stuart A. MacMillan, hereby declare as follows:

1. I am over the age of 18 and am mentally competent. I have personal knowledge of the facts in this matter and if called upon to testify, could and would do so. I make this declaration in support of (A) *Response and Objection by the Debtors to Motion of the United States Trustee for Order Directing the Appointment of a Chapter 11 Trustee Pursuant to*

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 BOS 47407323v6



1 §1104(a) (the “**Trustee Response**”) and (B) *Response and Objection of the Debtors to U.S.*  
 2 *Securities and Exchange Commission’s Motion for Change of Venue* (the “**Venue Response**”).<sup>1</sup>

3 2. I am a consultant with Impact This Day, Inc. (“**ITD**”). I began consulting with  
 4 TelexFree, LLC, a Nevada limited liability company (“**TelexFree Nevada**”), TelexFree, Inc., a  
 5 Massachusetts corporation (“**TelexFree Massachusetts**”), and TelexFree Financial, Inc., a  
 6 Florida corporation (“**TelexFree Florida**” and together with TelexFree Nevada and TelexFree  
 7 Massachusetts, “**TelexFree**,” the “**Company**” or the “**Debtors**”) in early March 2014. The  
 8 scope of my services included development and implementation of a revised compensation plan,  
 9 development of new products and services, implementation of accounting systems, obtaining  
 10 regulatory approvals, development of telecommunications analytics and protocols,  
 11 reorganization and assessment of existing talent, searching for new talent and other management  
 12 matters. I did not have a pre-existing relationship with the Company, Mr. Wanzeler or Mr.  
 13 Merrill prior to this initial engagement by TelexFree. I became the Interim Chief Executive  
 14 Officer of each of the Debtors immediately prior to the filing of these cases on April 13, 2014 in  
 15 accordance with the terms of the engagement letter between ITD and the Debtors a copy of  
 16 which is attached hereto as **Exhibit A**. On April 13, 2014 and prior to the filing of these cases, I  
 17 was elected to serve as an independent director of TelexFree Massachusetts and TelexFree  
 18 Financial and an independent member of the Board of Managers of TelexFree Nevada. I  
 19 continue to serve as Interim Chief Executive Officer and as the independent member of the  
 20 Board of Directors or Managers of each of the Debtors.

21 3. I am familiar with the Debtors’ day-to-day operations and business. I am directly  
 22 involved in supervising outside counsel, managing the Debtors’ chapter 11 cases, managing the  
 23 Debtors’ business operations and monitoring and controlling legal costs.

24 4. Except as otherwise noted, all facts in this Declaration are based on my personal  
 25 knowledge of the matters set forth herein, information gathered from my review of relevant

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26  
 27 <sup>1</sup> Capitalized terms not otherwise defined herein shall have those meanings ascribed to them in the  
 28 Trustee Response or the Venue Response as applicable.

1 documents and information supplied to me by existing employees of the Debtors and the  
2 Debtors' advisors.

3 **Background**

4 5. I have over twenty-five years of management experience, the last fifteen of which  
5 have been in the direct selling industry. I have extensive experience in the telecommunications  
6 industry. I began my career at Motorola, Inc., where I rose to the level of Regional Manager  
7 prior to being recruited to join Cantel Inc., now Rogers Wireless, which is the largest wireless  
8 telecommunications organization in Canada. I reorganized and helped build ACC TelEnterprises  
9 as Executive Vice President of Sales, Marketing and Customer Care and supervised in excess of  
10 350 employees. Following AT&T's acquisition of ACC TelEnterprises, I joined Telelobe Inc.,  
11 where I was involved in the acquisition of Excel Telecommunications ("**Excel**"), a billion dollar  
12 company traded on the New York Stock Exchange. It was through the acquisition of Excel that I  
13 was initially introduced to a direct selling strategy as Excel utilized a network marketing  
14 distribution strategy to operate its business.

15 6. As president of Excel Communications in Canada, I came to understand the  
16 benefits of direct selling and the efficiencies a company could achieve through direct selling. As  
17 president, I oversaw substantial international growth. Following my tenure at Excel I was asked  
18 to lead Arbonne International, Inc. ("**Arbonne**"), an \$800 million company which successfully  
19 utilized a direct selling strategy, into its first international market. After a successful foray into  
20 the international market, I was asked to lead Arbonne's United States sales group when Arbonne  
21 experienced a downturn in business in 2008. Arbonne filed for chapter 11 relief in 2009 and I  
22 was responsible for overseeing the sales force through the chapter 11 proceedings. Arbonne  
23 emerged from chapter 11 and is now a healthy business with yearly gross revenues in excess of  
24 \$300 million. I hold a bachelor of arts from McGill University and a Diploma des Etudes  
25 Collegiale from Marianopolis College.

26 7. My experience with the direct selling model has led me to believe that it can be a  
27 powerful sales tool if structured and managed correctly. It effectively utilizes the individual  
28

1 brand of people and pays them to refer and sell products and/or services, thereby eliminating the  
2 need for costly advertising spend or middlemen in the distribution chain. Many iconic  
3 companies in the United States and around the world utilize this strategy. For example,  
4 companies such as Mary Kay, Avon, Amway, Tupperware, and Shaklee all successfully utilize a  
5 direct selling model.

6 **Debtors Management**

7 8. It is my understanding that Mr. Merrill and Mr. Wanzeler own 50% of the issued  
8 and outstanding shares of TelexFree Massachusetts and hold 50% of the membership interests in  
9 TelexFree Nevada. It is my understanding that TelexFree Financial is a wholly-owned  
10 subsidiary of TelexFree Nevada. It is my understanding that Mr. Merrill and Mr. Wanzeler were  
11 the directors and/or managers of the Debtors and held various management positions with the  
12 Debtors prior to the events described below.

13 9. On April 13, 2014, prior to the filing of these chapter 11 cases, the Debtors held a  
14 joint special meeting of the Boards of Directors of TelexFree Massachusetts and TelexFree  
15 Financial and the Board of Managers of TelexFree Nevada. At the joint special meeting, I was  
16 elected to serve as an independent director of TelexFree Massachusetts and TelexFree Financial  
17 and an independent member of the Board of Managers of TelexFree Nevada. At the joint special  
18 meeting, I also was appointed Interim Chief Executive Officer of each of the Debtors. Further,  
19 the Debtors at the special meeting employed the accounting firm of Joe H. Craft, CPA, and  
20 appointed Mr. Craft as the Interim Chief Financial Officer of the Debtors, and retained William  
21 H. Runge III from Alvarez & Marsal (“A&M”) to act as Chief Restructuring Advisor. The  
22 resolutions adopted at the joint special meeting are attached hereto as **Exhibits B-1** through **B-3**.

23 10. Additionally at the joint special meeting, each of the Debtors authorized Mr. Craft  
24 and me, acting alone or together, to take any and all acts or deeds that are deemed necessary,  
25 proper and desirable in connection with these chapter 11 cases. The Debtors further revoked any  
26 and all prior authority related to signature authority over any and all accounts of the Debtors and  
27 authorized Mr. Craft and me as the sole individuals with signature authority over the Debtors’  
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1 accounts. As discussed below, Mr. Craft has since resigned.

2 11. On April 17, 2014, after the filing of the Complaint (as defined below), I  
3 requested that each of Mr. Craft, Mr. Wanzeler and Mr. Merrill resign from all positions with the  
4 Company effective immediately. Effective April 17, 2014, Mr. Craft resigned from all positions  
5 he held with the Debtors. Effective April 17, 2014, Mr. Merrill also resigned as a director and  
6 manager of the Debtors and resigned from any and all positions he held with any of the Debtors.  
7 Mr. Wanzeler did not resign and, as a result, I terminated Mr. Wanzeler as an officer and agent  
8 of the Debtors on April 17, 2014. Mr. Wanzeler remains a director or manager, as applicable of  
9 the Debtors. Mr. Merrill, Mr. Wanzeler and Mr. Craft no longer have access to the Debtors'  
10 facilities and their access to the Company's email has been terminated. I am the only person  
11 authorized to act as a signatory on any bank account that the Debtors have or may have.

#### 12 **Cash and Cash Management**

13 12. It is my understanding that prior to the Petition Date the Debtors struggled to  
14 maintain a consistent cash management system. It is also my understanding that on or about  
15 March 14, 2014, Wells Fargo Bank, N.A. ("**Wells Fargo**") notified the Debtors that Wells Fargo  
16 was closing their depository account and that the Debtors needed to remove their cash on  
17 deposit. Mr. Wanzeler also notified me that he was holding a \$10 million cashier's check made  
18 payable to TelexFree Dominicana, a related company that he and Mr. Merrill owned. Mr.  
19 Wanzeler further informed me that TelexFree Nevada had opened an investment account with  
20 Wells Fargo in the name of Mr. Wanzeler's wife in which TelexFree funds had been deposited.  
21 Recognizing the need to marshal and protect the Debtors' cash, Mr. Runge and I requested that  
22 Mr. Merrill obtain the money from Wells Fargo in the form of cashier's checks, Mr. Wanzeler  
23 close the investment account opened in his wife's name, and Mr. Merrill and Mr. Wanzeler turn  
24 each of those checks over to Mr. Craft. Our intention was to aggregate the cash resources into a  
25 safety deposit box until it could be deposited into a post-petition escrow account that the Debtors  
26 intended to set up with a national banking institution.

27 13. Mr. Merrill did as we requested and obtained the cash from Wells Fargo in the  
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1 form of cashier's checks on or around April 11, 2014. It is my understanding that since Mr.  
 2 Merrill picked up the cashier's checks on a Friday, he held them in his own safety deposit box  
 3 until turning them over to Mr. Craft on Monday, April 14, 2014. Mr. Wanzeler also delivered  
 4 cashier's checks to Mr. Craft. As a result, Mr. Craft on April 14, 2014 was holding ten cashier's  
 5 checks representing approximately \$38 million in the aggregate. On April 14, 2014, Mr. Runge  
 6 instructed Mr. Craft to deposit the checks into a safety deposit box with a local bank. On the  
 7 afternoon of April 15, 2014, Mr. Craft and certain personnel from A&M were working at the  
 8 Debtors' office. It is my understanding that Mr. Craft made arrangements with Tim Meighan of  
 9 A&M to accompany Mr. Craft when he went to a bank to deposit the checks in a safety deposit  
 10 box. Mr. Craft placed the checks in his briefcase for delivery to the bank. It is also my  
 11 understanding that Mr. Craft and Mr. Meighan were about to leave to take the checks to the bank  
 12 for deposit into the safety deposit box when federal agents executed a search warrant on the  
 13 Debtors' headquarters, entered the Debtors' premises and seized the checks. As clearly indicated  
 14 by the email exchanges attached hereto as Exhibit C, Mr. Craft was acting at the direction of Mr.  
 15 Runge and myself in protecting the Debtors' cash resources. I do not believe that Mr. Craft was  
 16 attempting to divert any of the Debtors' cash or other resources. Instead, he was acting at the  
 17 direction of Mr. Runge and me to secure the cashier's checks in a safe and reliable location for  
 18 the benefit of the Debtors' constituencies.

19 14. As described in the *Emergency Motion of the Debtors for Entry of an Interim*  
 20 *Order (A) Authorizing the Maintenance of Accounts and Continued Use of Existing Business*  
 21 *Forms and Checks, (B) Waiving Certain Investment and Deposit Guidelines, and (C) Granting*  
 22 *Administrative Expense Claims to Postpetition Intercompany Claims* [Docket No. 18] (the  
 23 "**Bank Accounts Motion**"), the Debtors can account for approximately \$101.5 million of cash  
 24 restricted only by the TRO referenced in paragraph 24 below as of the Petition Date which was  
 25 either in the Debtors' accounts or in the form of cashier's checks (including the cash represented  
 26 by the cashier's checks that are now in the possession of the federal government as a result of the  
 27 seizure.) Prior to the Petition Date, and as described in the Bank Accounts Motion, the Debtors  
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1 maintained several brokerage accounts and also had cash deposits with certain credit card  
2 processors. The Debtors also funded approximately \$6.5 million in the aggregate in retainers to  
3 professionals prior to the Petition Date. I understand that any post-petition application of those  
4 retainers would be subject to this Court's approval. I believe that if the Debtors are authorized to  
5 manage their cash, the Debtors under my control and with the assistance of A&M will be able to  
6 effectively and efficiently manage the existing cash, the existing bank accounts and open any  
7 new accounts as may be required to effect the chapter 11 cases.

#### 8 **Compensation Plan Agreements**

9 15. In order to participate in the original compensation plan and the revised  
10 compensation plan, individuals were required to execute an agreement with the Debtors (the  
11 "**Compensation Plan Agreements**"). The Compensation Plan Agreements provide that Nevada  
12 law governs any disputes arising from the Compensation Plan Agreements. It is my expectation  
13 that a substantial number of the claims asserted against the Debtors in these cases will be  
14 disputed claims arising in connection with the Compensation Plan Agreements and the Debtors'  
15 proposed rejection thereof. The laws of the State of Nevada will be critical to the resolution of  
16 those claims.

#### 17 **Compensation Plans Discontinued**

18 16. Contrary to the position taken by the United States Trustee in the Trustee Motion  
19 and the Securities Exchange Commission in the motion for a temporary restraining order in the  
20 Massachusetts District Court action, the Debtors are not offering promotional compensation  
21 packages. The Debtors discontinued their original compensation plan on March 9, 2014, over a  
22 month before the commencement of these chapter 11 cases, and their revised compensation plan  
23 in the days before their Chapter 11 petitions were filed.

24 17. As described in the *Omnibus Declaration of William H. Runge, in Support of the*  
25 *Debtors' Chapter 11 Petitions and Requests for First Day Relief* [Docket No. 13] (the "**First**  
26 **Day Declaration**"), the Debtors recognized prior to the Petition Date that their existing multi-  
27 level marketing programs were problematic. Therefore, on the Petition Date, the Debtors sought  
28



1 to reject all of the prepetition contracts related to their multi-level marketing programs. [Docket  
2 No. 8].

3 **Revised Business Plan**

4 18. Since the Petition Date, I have worked with A&M and a direct selling consultant  
5 who had previously worked with A&M to evaluate and develop a going-forward business plan  
6 that capitalizes on the Debtors' voice over internet protocol telephone services. I believe that  
7 through a revamped model the Debtors will be able to leverage their uniquely situated product to  
8 provide valuable and dependable services to their customers while ensuring that their operations  
9 are profitable. I have reached out to various experts in both the direct selling industry and the  
10 telecom industry to support me in the maximization of the potential in the Debtors' business.

11 19. I have worked with the above-referenced direct selling consultant to evaluate the  
12 Debtors' existing customer base. Based on this preliminary analysis, I believe the Debtors offer  
13 a competitive product that is priced advantageously as compared to their competitors. In fact,  
14 based on my preliminary review of the Debtors business, I believe that the Debtors will be able  
15 to maintain in excess of 140,000 customers world-wide, which would result in yearly revenues in  
16 excess of \$50 million without regard to any revenues from multi-level marketing or  
17 technological innovations.

18 20. I also believe that the Debtors' multi-level marketing model can be revamped to  
19 be acceptable to regulatory authorities and profitable. These promoters that are part of the  
20 Debtors' network remain a strong and valuable asset of the Debtors. As indicated above, I  
21 believe that a direct selling model can be very successful and offers substantial revenue  
22 opportunity for the Debtors.

23 21. The Debtors also have certain technological advantages that I believe can enhance  
24 the Debtors business plan. As a result of the existing customer base, the competitive advantages  
25 and the direct selling model, I believe that the Debtors' going forward business can be a  
26 significant and valuable asset for the Debtors' estates.

27 22. The biggest challenge facing the Debtors' ability to develop a going-forward  
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1 business plan and capture that potential value for the benefit of the Debtors' estates is the  
2 inability of the Debtors to access their cash, servers and data as a result of the actions of the  
3 Debtors' various regulators and authorities. Assuming that this situation can be corrected, the  
4 Debtors should be able to move quickly to implement a business plan that, if successful, would  
5 enhance the value available to the Debtors' estates.

6 **On-Going Business**

7 23. Prior to the Petition Date, and as described in the First Day Declaration, the  
8 Debtors maintained limited operations in Massachusetts. The Debtors' business, however, is  
9 operated and maintained by professionals throughout the country. In fact, it is my understanding  
10 that prior to the Petition Date, the Debtors investigated relocating the business, and the current  
11 plan is to reopen the Debtors' operations in either Florida and/or Nevada. I reside and maintain  
12 an office in Florida. The Debtors also maintain third-party calling centers in Florida and  
13 California. Many of the Debtors' information technology professionals operate out of California  
14 and Oregon. The Debtors have key consultants in Dallas, Texas and Grand Rapids, Michigan.  
15 Finally, due to the resignation of Mr. Craft, A&M, led by Mr. Runge, has been providing critical  
16 financial services from New York, New York and Atlanta, Georgia.

17 24. On April 15, 2014, federal agents executed the search warrant on the Debtors'  
18 premises as described above in paragraph 13. The agents removed the Debtors' servers during  
19 the seizure. The following day, on April 16, 2014, the SEC filed a complaint ("**Complaint**")  
20 against the Debtors and other individuals and entities in the United States District Court for the  
21 District of Massachusetts. On the same day that the Complaint was filed, the District Court  
22 entered a temporary restraining order against the Debtors and other defendants. As a result of  
23 the TRO, the Debtors have laid off their remaining employees. Despite the seizure of the  
24 Debtors' servers and the financial impact of the TRO, the Debtors and their IT consultants have  
25 been able to provide limited VoIP telephone service by utilizing the "cloud" and certain servers  
26 located outside Massachusetts. Thus the Debtors' telecommunications service, website and Back  
27 Office are operational on a more limited basis than before the seizure as the Debtors' proceed to  
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1 reorganize their business during the Chapter 11 Cases.

2 25. At the direction of Mr. Runge and me, A&M and the Debtors' technology  
3 consultants have been analyzing the Debtors' back-up database to ascertain the geographic  
4 location of the Debtors' customers and promoters at the time of the filing of the Chapter 11  
5 Cases. This analysis reveals that approximately three-quarters of customers and promoters are  
6 located outside the United States. Less than 5% of the customers and promoters live in  
7 Massachusetts. In fact, approximately 90% of the creditors reside outside of Massachusetts and  
8 Nevada. While there are fewer customers and promoters in Nevada than Massachusetts, Nevada  
9 and the other Western states comprise about 20% of the Debtors' U.S. customers and promoters.  
10 California is third to Massachusetts and Florida in the number of domestic customers and  
11 promoters.

12 I declare under penalty of perjury of the laws of the United States that these facts are true  
13 to the best of my knowledge and belief.

14 DATED this 29th\_ day of April, 2014.

15 \_\_\_\_\_  
16 /s/ Stuart A. MacMillan  
17 Stuart A. MacMillan  
18 Interim CEO of the Debtors  
19  
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21  
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EXHIBIT A

April 13, 2014

Stuart MacMillan  
Chairman and Managing Partner  
Impact This Day, Inc.  
126 3rd Avenue North, Suite 206  
Safety Harbor, FL 34695

**Re: TelexFREE – Interim Chief Executive Officer Role**

Dear Mr. MacMillan:

The purpose of this letter is to confirm the understanding and agreement (the “Agreement”) between Impact This Day Inc. (“ITD”) and TelexFREE, LLC, TelexFree, Inc., and TelexFree Financial Inc. and its subsidiaries and their respective assigns and successors (jointly and severally, the “Company”) to provide Stuart MacMillan, a Consultant with Impact This Day, Inc., to act as the Company’s Interim Chief Executive Officer (the “Interim CEO”). Upon execution of this letter by each of the parties below and receipt of the retainer described below, this letter will constitute an agreement between the Company and ITD.

1. Description of Services

The Interim CEO shall serve as the Company’s Chief Executive Officer on an interim basis, reporting to the Company’s Board of Directors whether acting as a whole or through a special committee or independent director(s) (the “Board”) and shall have authority to make decisions regarding management and operations of the Company and the Company’s restructuring process and execute binding agreements on behalf of the Company consistent with the authority granted by the Board. The Interim CEO’s duties and responsibilities may be further defined from time to time by the Board. In performing his duties, the Interim CEO shall do and perform all services, acts, or things necessary or advisable to manage and conduct the business of the Company which are normally associated with the position of Chief Executive Officer. The Interim CEO will render such business and professional services in the performance of his duties, consistent with the Interim CEO’s position within the Company, as will reasonably be assigned to him by the Board. In addition, Mr. MacMillan will be appointed as an independent member of the Board of Directors of the Company.

2. Information Provided by the Company and Forward Looking Statements

The Company shall use all reasonable efforts to: (i) provide the Interim CEO with access to other management and representatives of the Company; (ii) furnish all data, material, and other information concerning the business, assets, liabilities, operations, cash flows, properties,



financial condition and prospects of the Company; and (iii) provide the Interim CEO with access to copies of all notices, complaints, lawsuits against the Company or any of its owners or employees which are related to the Company's business; any threatened or filed legal action, investigations, complaints from the Company's outside consultants and/or third parties, and all complaints, lawsuits, investigations, notices, subpoenas or correspondence from State or Federal agencies or authority that are in the possession, custody or control of the Company. Throughout the Term of the Agreement, the Interim CEO shall be promptly notified if, as and when any of the foregoing is known by the Company and shall be entitled to all documents related thereto upon his request.

The Interim CEO shall rely, without further independent verification, on the accuracy and completeness of all publicly available information and information that is furnished by or on behalf of the Company and otherwise reviewed by the Interim CEO in connection with the services performed for the Company. The Company acknowledges and agrees that the Interim CEO is not responsible for the accuracy or completeness of such information and shall not be responsible for any inaccuracies or omissions therein. The Interim CEO is under no obligation to update data submitted to him or to review any other areas unless specifically requested to do so by the Board in writing.

ITD and the Interim CEO understand that the services to be rendered by the Interim CEO may include the preparation of projections and other forward-looking statements, and numerous factors can affect the actual results of the Company's operations, which may materially and adversely differ from those projections. In addition, the Interim CEO will be relying on information provided by the Company in the preparation of those projections and other forward-looking statements.

### 3. Compensation

- (a) For the services of the Interim CEO, the Company agrees to pay the Interim CEO a monthly, non-refundable fee of \$50,000. Payment of such fees are due and payable on the first business day of each month commencing on the date this Agreement is signed which shall be paid to the Interim CEO on a pro rata basis for the month of April, 2014.
- (b) In addition, the Interim CEO will be reimbursed for his reasonable out-of-pocket expenses incurred in connection with this assignment, such as travel, lodging, meals, telephone and internet, duplicating, messenger, secretarial and personal legal fees. All fees and expenses will be billed and payable on a monthly basis or, at the Interim CEO's discretion, more frequently.

- (c) The Company shall promptly remit to the Interim CEO a retainer in the amount of \$180,000 which shall be credited against any amounts due and owing the Interim CEO by the Company at the termination of this engagement and any remaining amount returned to Company upon the satisfaction of all of its obligations hereunder.

4. Term

- (a) This Agreement will apply from the commencement of the services referred to in Section 1 and may be terminated with immediate effect by either party without cause by written notice to the other party.
- (b) The Interim CEO normally does not withdraw from an engagement unless the Company misrepresents or fails to disclose material facts, fails to pay fees or expenses, interferes with the Interim CEO's duties, responsibilities and decisions, or makes it unethical or unreasonably difficult for the Interim CEO to continue performance of the engagement, or other just cause exists ("Good Reason"). Notwithstanding the foregoing, the Interim CEO may resign at any time as set forth above.
- (c) On termination of the Agreement, any fees and expenses due to the Interim CEO shall be remitted promptly (including fees and expenses that accrued prior to but are invoiced subsequent to such termination) and paid within 5 days of receipt of the foregoing subject to any required Bankruptcy Court approval.
- (d) In the event the Interim CEO is terminated without Cause on less than 30 days notice or resigns with Good Reason, he shall also receive an amount equivalent to 1 month's pay in lieu of notice. "Cause" shall mean gross negligence, willful default or fraud by the Interim CEO; "Good Reason" shall include but not be limited to the Company's misrepresentation of or failure to disclose material facts, failure to pay fees or expenses when due (or circumstances indicating to the Interim CEO that fees or expenses will not be paid when due), circumstances such that it is unethical or unreasonably difficult for the Interim CEO to continue performance of the engagement, the refusal by the Company or its employees to implement actions directed by the Interim CEO in that capacity; or other just cause .
- (e) The provisions of this Agreement that give the parties rights or obligations beyond its termination shall survive and continue to bind the parties.



5. Relationship of the Parties

The parties intend that an independent contractor relationship will be created by this engagement letter. The Interim CEO is not to be considered an employee of the Company and shall not be entitled to any of the benefits that the Company provides for the Company employees. The Company acknowledges and agrees that the Interim CEO's engagement shall not constitute an audit, review or compilation, or any other type of financial statement reporting engagement that is subject to the rules of the AICPA, SEC or other state or national professional or regulatory body.

6. No Third Party Beneficiary

The Company acknowledges that all advice (written or oral) provided by the Interim CEO to the Company in connection with this engagement is intended solely for the benefit and use of the Company (limited to its Board and management) in considering the matters to which this engagement relates. The Company agrees that no such advice shall be used for any other purpose or reproduced, disseminated, quoted or referred to at any time in any manner or for any purpose other than accomplishing the tasks referred to herein without the Interim CEO's prior approval (which shall not be unreasonably withheld), except as required by law.

7. Conflicts

ITD is not currently aware of any relationship that would create a conflict of interest with the Company. Because ITD is a consulting firm that serves clients in numerous cases, both in and out of court, it is possible that ITD may have rendered or will render services to or have business associations with other entities or people which had or have or may have relationships with the Company, including creditors of the Company. ITD will not be prevented or restricted by virtue of providing the services under this Agreement from providing services to other entities or individuals, including entities or individuals whose interest may be in competition or conflict with the Company's, provided ITD makes appropriate arrangements to ensure that the confidentiality of information is maintained.

8. Confidentiality

The Interim CEO shall keep as confidential all non-public information received from the Company in conjunction with this engagement, except: (i) as requested by the Company or its legal counsel; (ii) as required by legal proceedings or (iii) as reasonably required in the performance of this engagement. All obligations as to non-disclosure shall cease as to any part of such information to the extent that such information is or becomes public other than as a result of a breach of this provision.

9. Indemnification and Limitations on Liability

The attached indemnification and limitation on liability agreement is incorporated herein by reference and shall be executed upon the acceptance of this Agreement. Termination of this engagement shall not affect these indemnification and limitation on liability provisions, which shall remain in full force and effect.

10. Miscellaneous

This Agreement (together with the attached indemnity provisions), including, without limitation, the construction and interpretation of thereof and all claims, controversies and disputes arising under or relating thereto, shall be governed and construed in accordance with the laws of the State of Florida, without regard to principles of conflict of law that would defer to the laws of another jurisdiction. The Company and ITD agree to waive trial by jury in any action, proceeding or counterclaim brought by or on behalf of the parties hereto with respect to any matter relating to or arising out of the engagement or the performance or non-performance of the Interim CEO hereunder. The Company and ITD agree, to the extent permitted by applicable law, that any state or federal court located in the State of Florida shall have exclusive jurisdiction over any litigation arising out of this Agreement; to submit to the personal jurisdiction of the state and federal courts of the State of Florida; and to waive any and all personal rights under the law of any jurisdiction to object on any basis (including, without limitation, inconvenience of forum) to jurisdiction or venue within the State of Florida for any litigation arising in connection with this Agreement.

This Agreement shall be binding upon ITD and the Company, their respective heirs, successors, and assignees, and any heir, successor, or assignee of a substantial portion of the Company's respective businesses and/or assets, including any Chapter 11 Trustee. This Agreement incorporates the entire understanding of the parties with respect to the subject matter hereof and may not be amended or modified except in writing executed by the Company and ITD.

(Remainder of page left intentional blank)



9. Indemnification and Limitations on Liability

The attached indemnification and limitation on liability agreement is incorporated herein by reference and shall be executed upon the acceptance of this Agreement. Termination of this engagement shall not affect these indemnification and limitation on liability provisions, which shall remain in full force and effect.

10. Miscellaneous

This Agreement (together with the attached indemnity provisions), including, without limitation, the construction and interpretation of thereof and all claims, controversies and disputes arising under or relating thereto, shall be governed and construed in accordance with the laws of the State of Florida, without regard to principles of conflict of law that would defer to the laws of another jurisdiction. The Company and ITD agree to waive trial by jury in any action, proceeding or counterclaim brought by or on behalf of the parties hereto with respect to any matter relating to or arising out of the engagement or the performance or non-performance of the Interim CEO hereunder. The Company and ITD agree, to the extent permitted by applicable law, that any state or federal court located in the State of Florida shall have exclusive jurisdiction over any litigation arising out of this Agreement; to submit to the personal jurisdiction of the state and federal courts of the State of Florida; and to waive any and all personal rights under the law of any jurisdiction to object on any basis (including, without limitation, inconvenience of forum) to jurisdiction or venue within the State of Florida for any litigation arising in connection with this Agreement.


This Agreement shall be binding upon ITD and the Company, their respective heirs, successors, and assignees, and any heir, successor, or assignee of a substantial portion of the Company's respective businesses and/or assets, including any Chapter 11 Trustee. This Agreement incorporates the entire understanding of the parties with respect to the subject matter hereof and may not be amended or modified except in writing executed by the Company and ITD.

(Remainder of page left intentional blank)

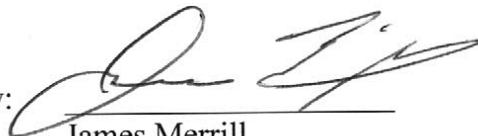
If the foregoing is acceptable to you, kindly sign the enclosed copy to acknowledge your agreement with its terms.

Very truly yours,

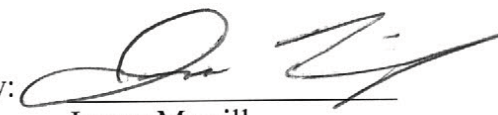
TelexFREE, LLC

By:   
James Merrill  
Title: President

TelexFREE, Inc.

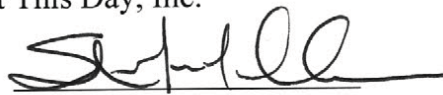
By:   
James Merrill  
Title: President

TelexFREE Financial, Inc.

By:   
James Merrill  
Title: President

Accepted and agreed:

Impact This Day, Inc.

By:   
Stuart MacMillan



### **INDEMNIFICATION AND LIMITATION ON LIABILITY AGREEMENT**

This indemnification and limitation on liability agreement is made part of an agreement, dated April 11, 2014 (which together with any renewals, modifications or extensions thereof, is herein referred to as the "Agreement") by and between Impact This Day, Inc. (the "ITD") and TelexFREE, LLC (the "Company") to appoint Stuart MacMillan, a Consultant with ITD, as the Company's Interim Chief Executive Officer (the "Interim CEO").

A. The Company agrees to indemnify, defend and hold harmless the Interim CEO against any and all losses, claims, damages, liabilities, penalties, obligations and expenses, including the costs for counsel or others in investigating, preparing or defending any action or claim, whether or not in connection with litigation in which the Interim CEO is a party, or enforcing the Agreement (including these indemnity provisions), as and when incurred, caused by, relating to, based upon or arising out of (directly or indirectly) the Interim CEO's acceptance of or the performance or nonperformance of their obligations under the Agreement; provided, however, such indemnity shall not apply to any such loss, claim, damage, liability or expense to the extent it is found in a final judgment by a court of competent jurisdiction (not subject to further appeal) to have resulted primarily and directly from the Interim CEO's gross negligence or willful misconduct. The Company also agrees that (a) the Interim CEO shall not have any liability (whether direct or indirect, in contract or tort or otherwise) to the Company for or in connection with the engagement of the Interim CEO, except to the extent that any such liability for losses, claims, damages, liabilities or expenses are found in a final judgment by a court of competent jurisdiction (not subject to further appeal) to have resulted primarily and directly from the Interim CEO's gross negligence or willful misconduct and (b) in no event will the Interim CEO have any liability to the Company for special, consequential, incidental or exemplary damages or loss (nor any lost profits, savings or business opportunity). The Company further agrees that it will not, without the prior consent of the Interim CEO, settle or compromise or consent to the entry of any judgment in any pending or threatened claim, action, suit or proceeding in respect of which the Interim CEO seeks indemnification hereunder (whether or not the Interim CEO is an actual party to such claim, action, suit or proceedings) unless such settlement, compromise or consent includes an unconditional release of the Interim CEO from all liabilities arising out of such claim, action, suit or proceeding.

B. These indemnification provisions shall be in addition to any liability which the Company may otherwise have to the Interim CEO. In the event that, at any time whether before or after termination of the engagement or the Agreement, as a result of or in connection with the Agreement or the Interim CEO's role under the Agreement, the Interim CEO is required to be available for examination, deposition or other written, recorded or oral presentation, or the Interim CEO is required to produce or otherwise review, compile, submit, duplicate, search for,



organize or report on any material within the Interim CEO's possession or control pursuant to a subpoena or other legal (including administrative) process, the Company will reimburse the Interim CEO for its out of pocket expenses, including the reasonable fees and expenses of its counsel, and will compensate the Interim CEO for the time expended by its personnel based on such personnel's then current hourly rate.

C. If any action, proceeding or investigation is commenced to which the Interim CEO proposes to demand indemnification hereunder, the Interim CEO will notify the Company with reasonable promptness; provided, however, that any failure by the Interim CEO to notify the Company will not relieve the Company from its obligations hereunder, except to the extent that such failure shall have actually prejudiced the defense of such action. The Company shall promptly pay expenses reasonably incurred by the Interim CEO in defending, participating in, or settling any action, proceeding or investigation in which the Interim CEO is a party or is threatened to be made a party or otherwise is participating in by reason of the engagement under the Agreement, upon submission of invoices therefor, whether in advance of the final disposition of such action, proceeding, or investigation or otherwise. The Interim CEO hereby undertakes, and the Company hereby accepts its undertaking, to repay any and all such amounts so advanced if it shall ultimately be determined by the court that the Interim CEO is not entitled to be indemnified therefor. If any such action, proceeding or investigation in which the Interim CEO is a party is also against the Company, the Company may, in lieu of advancing the expenses of separate counsel for the Interim CEO, provide the Interim CEO with legal representation by the same counsel who represents the Company, provided such counsel is reasonably satisfactory to the Interim CEO, at no cost to the Interim CEO; provided, however, that if such Company counsel, the Interim CEO or separate counsel selected by the Interim CEO shall determine that due to the existence of actual or potential conflicts of interest between the Interim CEO and the Company such counsel is unable to represent both the Interim CEO and the Company, then the Interim CEO shall be entitled to use separate counsel of its own choice, and the Company shall promptly advance its reasonable expenses of such separate counsel upon submission of invoices therefor. Nothing herein shall prevent the Interim CEO from using separate counsel of its own choice at its own expense. The Company will be liable for any settlement of any claim against the Interim CEO made with the Company's written consent, which consent shall not be unreasonably withheld.

D. In order to provide for just and equitable contribution if a claim for indemnification pursuant to these indemnification provisions is made but it is found in a final judgment by a court of competent jurisdiction (not subject to further appeal) that such indemnification may not be enforced in such case, even though the express provisions hereof provide for indemnification, then the relative fault of the Company, on the one hand, and the Interim CEO, on the other hand,



as determined by said court, in connection with the statements, acts or omissions which resulted in the losses, claims, damages, liabilities and costs giving rise to the indemnification claim and other relevant equitable considerations shall be considered; and further provided that in no event will the Interim CEO's aggregate contribution for all losses, claims, damages, liabilities and expenses with respect to which contribution is available hereunder exceed the amount of fees actually received by the Interim CEO pursuant to the Agreement. No person found liable for a fraudulent misrepresentation shall be entitled to contribution hereunder from any person who is not also found liable for such fraudulent misrepresentation.

E. In the event the Company and the Interim CEO seek judicial approval for the assumption of the Agreement or authorization to enter into a new engagement agreement pursuant to either of which the Interim CEO would continue to be engaged by the Company, the Company shall promptly pay expenses reasonably incurred by the Interim CEO, including attorneys' fees and expenses, in connection with any motion, action or claim made either in support of or in opposition to any such retention or authorization, whether in advance of or following any judicial disposition of such motion, action or claim, promptly upon submission of invoices therefor and regardless of whether such retention or authorization is approved by any court. The Company will also promptly pay the Interim CEO for any expenses reasonably incurred by them, including attorneys' fees and expenses, in seeking payment of all amounts owed it under the Agreement (or any new engagement agreement) whether through submission of a fee application or in any other manner, without offset, recoupment or counterclaim, whether as a secured claim, an administrative expense claim, an unsecured claim, a prepetition claim or a postpetition claim.

F. Neither termination of the Agreement nor termination of the Interim CEO's engagement nor the filing of a petition under Chapter 7 or 11 of the United States Bankruptcy Code (nor the conversion of an existing case to one under a different chapter) shall affect these indemnification provisions, which shall hereafter remain operative and in full force and effect.


G. The rights provided herein shall not be deemed exclusive of any other rights to which the Interim CEO may be entitled under the certificate of incorporation or bylaws of the Company, any other agreements, any vote of stockholders or disinterested directors of the Company, any applicable law or otherwise.

TelexFREE, LLC

By: 


James Merrill  
Title: President

Impact This Day, Inc.

By: 


Stuart MacMillan  
Title: ~~President and CEO~~  
Managing Partner.

TelexFree, Inc.

By: 

James Merrill  
Title: President

TelexFree Financial, Inc.

By: 

James Merrill  
Title: President

EXHIBIT B-1

**MINUTES OF A SPECIAL MEETING  
OF  
THE BOARD OF DIRECTORS  
OF  
TELEXFREE, INC.  
(a Massachusetts corporation)**

April 13, 2014

On April 13, 2014 at 8:11 pm a special meeting of the Board of Directors (the "Board") of Telexfree, Inc. (the "Corporation") was held telephonically. All of the parties present were able to be heard. All the directors of the Corporation, James Merrill and Carlos Wanzeler, were present. Also present were: (1) from Greenberg Traurig LLP Nancy Mitchell, Jody Davis, Maria DiConza, Jonathan Bell, Matt Hinker, Avi Fox, Zack Polidoro, and Michael Cohen; (2) from Gordon Silver Greg Garman and Teresa Pilatowicz; (3) from Alvarez & Marsal Lawrence Hirsh, Bill Runge, Tim Meighan, and Aileen Daversa; (4) from Joe H. Craft, CPA Joe H. Craft; and (5) from Impact This Day, Inc. Stuart A. MacMillan.

The meeting was called to order by Carlos Wanzeler, President and a director, and on the agenda was the approval of the filing of a voluntary petition for relief under the provisions of Chapter 11 of the Bankruptcy Code, 11 U.S.C. §§ 101, *et seq.* (the "Bankruptcy Code").

The Board unanimously waived any notice requirements for a meeting.

The Board considered the Corporation's liabilities, the strategic alternatives available to it, and the impact of each of the foregoing on the Corporation's businesses.

The Board had the opportunity to consult with the management and the advisors of the Corporation about the strategic alternatives available to the Corporation.

Thereupon, upon motion duly made and seconded, the Board unanimously approved the following resolutions:

RESOLVED, that in the judgment of the Board of the Corporation, it is desirable and in the best interests of the Corporation, its creditors and other parties in interest, that the Corporation file or cause to be filed a voluntary petition for relief, along with certain affiliated entities, under the provisions of Chapter 11 of the Bankruptcy Code ("Chapter 11") in the United States Bankruptcy Court for the District of Nevada; and

RESOLVED, that Stuart A. MacMillan and Joe H. Craft (collectively, the "Authorized Persons"), acting alone or together be, and they hereby are, authorized and empowered to execute and file on behalf of the Corporation all petitions, schedules, lists, motions, applications, pleadings and other papers or documents as necessary to commence the Chapter 11 proceeding, including but not limited to motions to obtain the use of cash collateral and provide adequate protection therefor and to obtain any debtor in possession financing, and to take any and all further acts and deeds that they deem necessary, proper and desirable in connection with the Chapter 11 case, with a view to the successful prosecution of such case; and



RESOLVED, that the Authorized Persons be, and they hereby are, authorized and directed to employ the law firm of Greenberg Traurig, LLP as general bankruptcy counsel to represent and assist the Corporation in carrying out its duties under the Bankruptcy Code, and to take any and all actions to advance the Corporation's rights and obligations, including filing any pleadings; and in connection therewith, the Authorized Persons are hereby authorized and directed to execute appropriate retention agreements, pay appropriate retainers prior to and immediately upon filing of the Chapter 11 case and cause to be filed an appropriate application for authority to retain the services of Greenberg Traurig, LLP; and

RESOLVED, that the Authorized Persons be, and they hereby are, authorized and directed to employ the law firm of Gordon Silver, as special Nevada bankruptcy counsel to represent and assist the Corporation in carrying out its duties under the Bankruptcy Code, and to take any and all actions to advance the Corporation's rights and obligations, including filing any pleadings; and in connection therewith, the Authorized Persons are hereby authorized and directed to execute appropriate retention agreements, pay appropriate retainers prior to and immediately upon filing of the Chapter 11 case and cause to be filed an appropriate application for authority to retain the services of Gordon Silver; and

RESOLVED, that the Authorized Persons be, and they hereby are, authorized and directed to employ the restructuring firm of Alvarez & Marsal, as its restructuring financial consultant to assist the Corporation in managing its chapter 11 case and restructuring its operations under the Bankruptcy Code, and to take any and all actions to advance the Corporation's rights and obligations, including filing any pleadings; and in connection therewith, the Authorized Persons are hereby authorized and directed to execute appropriate retention agreements, pay appropriate retainers prior to and immediately upon filing of the Chapter 11 case and cause to be filed an appropriate application for authority to retain the services of Alvarez & Marsal; and

RESOLVED, that the Authorized Persons be, and they hereby are, authorized and directed to employ the accounting firm of Joe H. Craft, CPA to provide Joe H. Craft to serve as Chief Financial Officer of the Corporation while the Chapter 11 case is pending and to assist the Corporation in carrying out its duties under the Bankruptcy Code, and to take any and all actions to advance the Corporation's rights and obligations, including filing any pleadings; and in connection therewith, the Authorized Persons are hereby authorized and directed to execute appropriate retention agreements, pay appropriate retainers prior to and immediately upon filing of the Chapter 11 case and cause to be filed an appropriate application for authority to retain the services of the accounting firm of Joe H. Craft, CPA; and

RESOLVED, that the Authorized Persons be, and they hereby are, authorized and directed to employ the consulting firm of Impact This Day, Inc. to provide Stuart A. MacMillan to serve as Interim Chief Executive Officer of the Corporation while the Chapter 11 case is pending and to assist the Corporation in carrying out its duties under the Bankruptcy Code, and to take any and all actions to advance the Corporation's rights and obligations, including filing any pleadings; and in connection therewith, the Authorized Persons are hereby authorized and directed to execute appropriate retention agreements, pay appropriate retainers prior to and immediately upon filing of the Chapter 11 case and cause to be filed an appropriate application for authority to retain the services of Impact This Day, Inc.; and

RESOLVED, that the Authorized Persons be, and they hereby are, authorized and directed to employ an escrow agent acceptable to the Corporation's Interim Chief Executive Officer (the "Escrow Agent"), if appropriate, to hold certain of the Corporation's cash during the pendency of the chapter 11 cases and to execute any documents or instruments which in their judgment are necessary or appropriate to effect and manage the escrow arrangement; and

RESOLVED, that the Authorized Persons be, and they hereby are, authorized and directed to employ Kurtzman Carson Consultants LLC as claims agent to represent and assist the Corporation in carrying out its duties under the Bankruptcy Code, and to take any and all actions to advance the Corporation's rights and obligations; and in connection therewith, the Authorized Persons are hereby authorized and directed to execute appropriate retention agreements, pay appropriate retainers prior to and immediately upon filing of the Chapter 11 case and cause to be filed an appropriate application for authority to retain the services of Kurtzman Carson Consultants LLC; and

RESOLVED, that the Authorized Persons be, and they hereby are, authorized and directed to employ J. Frank Associates, LLC d/b/a Joele Frank, Wilkinson Brimmer Katcher ("Joele Frank") as public and investor relations representative to represent and assist the Corporation in its public relations activities, and to take any and all actions to advance the Corporation's rights and obligations; and in connection therewith, the Authorized Persons are hereby authorized and directed to execute appropriate retention agreements, pay appropriate retainers prior to and immediately upon filing of the Chapter 11 case and cause to be filed an appropriate application for authority to retain the services of Joele Frank; and

RESOLVED, that the payment of retainer fees to the aforementioned professional service providers prior to the date of this meeting is hereby ratified, approved and confirmed; and

RESOLVED, that the execution by the Authorized Persons of engagement letters between the Corporation and the foregoing professional service providers, in substantially the form attached circulated at this meeting, is hereby ratified, approved and confirmed; and the Authorized Persons shall execute and deliver such documents on behalf of the Corporation, with such additions, deletions, or changes therein as the Authorized Persons deem necessary, desirable, convenient or appropriate and consistent with the best interests of the Corporation; and

RESOLVED, that the Corporation's Board of Directors is hereby increased in size to three persons.

RESOLVED, that Stuart A. MacMillan be, and he hereby is, elected to serve as an independent Director of the Corporation, to serve until his successor is duly elected and qualified; and

RESOLVED, that Joe H. Craft be, and he hereby is, elected to serve as Chief Financial Officer of the Corporation, to serve until his successor is duly elected and qualified; and

RESOLVED, that Stuart A. MacMillan be, and he hereby is, elected to serve as Interim Chief Executive Officer of the Corporation, to serve until his successor is duly elected and qualified; and

RESOLVED, that all prior authorizations regarding signature authority over accounts of the Corporation with banks and other depository institutions, brokerage firms, securities firms or other entities holding funds belonging to the Company (each a "Depository" and collectively the "Depositories") are hereby revoked; and

RESOLVED, that each of the Chief Executive Officer and Chief Financial Officer, including persons holding such positions on an interim basis, acting singly, shall be, and each of them hereby is, authorized acting for and on behalf of the Corporation:

(a) to sign checks, withdrawals and payments from the funds of the Corporation on deposit with the Depositories to the extent that he or she may deem necessary or advisable in the best interests of the Corporation;

(b) to open, keep and close accounts and safe deposit boxes with any Depository to the extent that he or she may deem necessary or desirable in the best interests of the Corporation;

(c) to cause to be deposited in accounts with any Depository from time to time such funds of the Corporation to the extent that he or she may deem necessary or desirable in the best interests of the Corporation;

(d) to designate from time to time officers and agents of the Corporation authorized to sign or countersign checks, drafts or other orders for the payment of money issued in the name of the Corporation against any such account;

(e) to make such general and special rules and regulations with respect to such accounts (including without limitation authorization for use of facsimile signatures) as he or she may deem necessary or advisable; and


(f) to take possession of, and deposit with the appropriate Depository, all cash, cashier's checks, and other similar instruments of the Corporation; and

RESOLVED, that, if any Depository shall require that the Board of the Corporation adopt a prescribed form of resolution or resolutions relating to the foregoing actions, such resolution or resolutions is hereby adopted by the Board of Directors, and the Secretary or any Assistant Secretary of the Corporation is authorized to certify the adoption of any such resolution as though it were presented to the Board of Directors at the time of adopting this resolution, and to insert all such resolutions in the minute book of the Corporation immediately following this resolution; and

RESOLVED, that any and all actions previously or hereafter taken or to be taken by the Authorized Persons of the Corporation, or any of them, with respect to and in contemplation of, the actions authorized by any of the foregoing resolutions, are hereby authorized, approved, ratified and confirmed, and that any and all documents, instruments and agreements executed by any of the Authorized Persons in connection therewith be, and they hereby are, ratified, approved and confirmed.

The meeting was adjourned at approximately 8:31 pm. EST.

IN WITNESS WHEREOF, the undersigned duly appointed Secretary of Telexfree, Inc. (the "Corporation") does hereby certify that the aforesaid minutes and the resolutions contained therein are the true and correct minutes and resolutions duly adopted by the Board of Directors of Corporation at a special meeting thereof duly noticed and called, and that a signed copy of the aforesaid minutes has been filed in the minute book of Corporation.

  
James Merrill  
Secretary to the Corporation

*[Signature Page to Minutes of a Special Meeting of the Board of Directors of Telexfree, Inc. - April 13, 2014]*

EXHIBIT B-2

**MINUTES OF A SPECIAL MEETING  
OF  
THE BOARD OF MANAGERS  
OF  
TELEXFREE LLC  
(a Nevada limited liability company)**

April 13, 2014

On April 13, 2014 at 8:11 pm a special meeting of the Board of Managers (the "Board") of Telexfree LLC (the "Company") was held telephonically. All of the parties present were able to be heard. James M. Merrill and Carlos N. Wanzeler, being all the managers of the Company, were present. Also present were: (1) from Greenberg Traurig LLP Nancy Mitchell, Jody Davis, Maria DiConza, Jonathan Bell, Matt Hinker, Avi Fox, Zack Polidoro, and Michael Cohen; (2) from Gordon Silver Greg Garman and Teresa Pilatowicz; (3) from Alvarez & Marsal Lawrence Hirsh, Bill Runge, Tim Meighan, and Aileen Daversa; (4) from Joe H. Craft, CPA Joe H. Craft; and (5) from Impact This Day, Inc. Stuart A. MacMillan.

The meeting was called to order by Carlos Wanzeler, Manager, and on the agenda was the approval of the filing of a voluntary petition for relief under the provisions of Chapter 11 of the Bankruptcy Code, 11 U.S.C. §§ 101, *et seq.* (the "Bankruptcy Code").

The Board unanimously waived any notice requirements for a meeting.

The Board considered the Company's liabilities, the strategic alternatives available to it, and the impact of each of the foregoing on the Company's businesses.

The Board had the opportunity to consult with the management and the advisors of the Company about the strategic alternatives available to the Company.

Thereupon, upon motion duly made and seconded, the Board unanimously approved the following resolutions:

RESOLVED, that in the judgment of the Board of the Company, it is desirable and in the best interests of the Company, its creditors and other parties in interest, that the Company file or cause to be filed a voluntary petition for relief, along with certain affiliated entities, under the provisions of Chapter 11 of the Bankruptcy Code ("Chapter 11") in the United States Bankruptcy Court for the District of Nevada; and

RESOLVED, that in the judgment of the Board of the Company, it is desirable and in the best interests of the Company, its creditors and other parties in interest, that the Company's subsidiary, Telexfree Finance, Inc, a Florida corporation, shall file or cause to be filed a voluntary petition for relief, along with the Company, under the provisions of Chapter 11 in the United States Bankruptcy Court for the District of Nevada; and



RESOLVED, that Stuart A. MacMillan and Joe H. Craft (collectively, the “Authorized Persons”), acting alone or together be, and they hereby are, authorized and empowered to execute and file on behalf of the Company all petitions, schedules, lists, motions, applications, pleadings and other papers or documents as necessary to commence the Chapter 11 proceeding, including but not limited to motions to obtain the use of cash collateral and provide adequate protection therefor and to obtain any debtor in possession financing, and to take any and all further acts and deeds that they deem necessary, proper and desirable in connection with the Chapter 11 case, with a view to the successful prosecution of such case; and

RESOLVED, that the Authorized Persons be, and they hereby are, authorized and directed to employ the law firm of Greenberg Traurig, LLP as general bankruptcy counsel to represent and assist the Company in carrying out its duties under the Bankruptcy Code, and to take any and all actions to advance the Company’s rights and obligations, including filing any pleadings; and in connection therewith, the Authorized Persons are hereby authorized and directed to execute appropriate retention agreements, pay appropriate retainers prior to and immediately upon filing of the Chapter 11 case and cause to be filed an appropriate application for authority to retain the services of Greenberg Traurig, LLP; and

RESOLVED, that the Authorized Persons be, and they hereby are, authorized and directed to employ the law firm of Gordon Silver, as special Nevada bankruptcy counsel to represent and assist the Company in carrying out its duties under the Bankruptcy Code, and to take any and all actions to advance the Company’s rights and obligations, including filing any pleadings; and in connection therewith, the Authorized Persons are hereby authorized and directed to execute appropriate retention agreements, pay appropriate retainers prior to and immediately upon filing of the Chapter 11 case and cause to be filed an appropriate application for authority to retain the services of Gordon Silver; and

RESOLVED, that the Authorized Persons be, and they hereby are, authorized and directed to employ the restructuring firm of Alvarez & Marsal, as its restructuring financial consultant to assist the Company in managing its chapter 11 case and restructuring its operations under the Bankruptcy Code, and to take any and all actions to advance the Company’s rights and obligations, including filing any pleadings; and in connection therewith, the Authorized Persons are hereby authorized and directed to execute appropriate retention agreements, pay appropriate retainers prior to and immediately upon filing of the Chapter 11 case and cause to be filed an appropriate application for authority to retain the services of Alvarez & Marsal; and

RESOLVED, that the Authorized Persons be, and they hereby are, authorized and directed to employ the accounting firm of Joe H. Craft, CPA to provide Joe H. Craft to serve as Chief Financial Officer of the Company while the Chapter 11 case is pending and to assist the Company in carrying out its duties under the Bankruptcy Code, and to take any and all actions to advance the Company’s rights and obligations, including filing any pleadings; and in connection therewith, the Authorized Persons are hereby authorized and directed to execute appropriate retention agreements, pay appropriate retainers prior to and immediately upon filing of the Chapter 11 case and cause to be filed an appropriate application for authority to retain the services of the accounting firm of Joe H. Craft, CPA; and



RESOLVED, that the Authorized Persons be, and they hereby are, authorized and directed to employ the consulting firm of Impact This Day, Inc. to provide Stuart A. MacMillan to serve as Interim Chief Executive Officer of the Company while the Chapter 11 case is pending and to assist the Company in carrying out its duties under the Bankruptcy Code, and to take any and all actions to advance the Company's rights and obligations, including filing any pleadings; and in connection therewith, the Authorized Persons are hereby authorized and directed to execute appropriate retention agreements, pay appropriate retainers prior to and immediately upon filing of the Chapter 11 case and cause to be filed an appropriate application for authority to retain the services of Impact This Day, Inc.; and

RESOLVED, that the Authorized Persons be, and they hereby are, authorized and directed to employ an escrow agent acceptable to the Company's Interim Chief Executive Officer (the "Escrow Agent"), if appropriate, to hold certain of the Company's cash during the pendency of the chapter 11 cases and to execute any documents or instruments which in their judgment are necessary or appropriate to effect and manage the escrow arrangement; and

RESOLVED, that the Authorized Persons be, and they hereby are, authorized and directed to employ Kurtzman Carson Consultants LLC as claims agent to represent and assist the Company in carrying out its duties under the Bankruptcy Code, and to take any and all actions to advance the Company's rights and obligations; and in connection therewith, the Authorized Persons are hereby authorized and directed to execute appropriate retention agreements, pay appropriate retainers prior to and immediately upon filing of the Chapter 11 case and cause to be filed an appropriate application for authority to retain the services of Kurtzman Carson Consultants LLC; and

RESOLVED, that the Authorized Persons be, and they hereby are, authorized and directed to employ J. Frank Associates, LLC d/b/a Joele Frank, Wilkinson Brimmer Katcher ("Joele Frank") as public and investor relations representative to represent and assist the Company in its public relations activities, and to take any and all actions to advance the Company's rights and obligations; and in connection therewith, the Authorized Persons are hereby authorized and directed to execute appropriate retention agreements, pay appropriate retainers prior to and immediately upon filing of the Chapter 11 case and cause to be filed an appropriate application for authority to retain the services of Joele Frank; and

RESOLVED, that the payment of retainer fees to the aforementioned professional service providers prior to the date of this meeting is hereby ratified, approved and confirmed; and

RESOLVED, that the execution by the Authorized Persons of engagement letters between the Company and the foregoing professional service providers, in substantially the form circulated at this board meeting, is hereby ratified, approved and confirmed; and the Authorized Persons shall execute and deliver such documents on behalf of the Company, with such additions, deletions, or changes therein as the Authorized Persons deem necessary, desirable, convenient or appropriate and consistent with the best interests of the Company; and

RESOLVED, that Stuart A. MacMillan be, and he hereby is, elected to serve as an independent Manager of the Company, to serve until his successor is duly elected and qualified; and

RESOLVED, that Joe H. Craft be, and he hereby is, elected to serve as Chief Financial Officer of the Company, to serve until his successor is duly elected and qualified; and

RESOLVED, that Stuart A. MacMillan be, and he hereby is, elected to serve as Interim Chief Executive Officer of the Company, to serve until his successor is duly elected and qualified; and

RESOLVED, that all prior authorizations regarding signature authority over accounts of the Company with banks and other depository institutions, brokerage firms, securities firms or other entities holding funds belonging to the Company (each a "Depository" and collectively the "Depositories") are hereby revoked; and

RESOLVED, that each of the Chief Executive Officer and Chief Financial Officer, including persons holding such positions on an interim basis, acting singly, shall be, and each of them hereby is, authorized acting for and on behalf of the Company:

- (a) to sign checks, withdrawals and payments from the funds of the Company on deposit with the Depositories to the extent that he or she may deem necessary or advisable in the best interests of the Company;

- (b) to open, keep and close accounts and safe deposit boxes with any Depository to the extent that he or she may deem necessary or desirable in the best interests of the Company;

- (c) to cause to be deposited in accounts with any Depository from time to time such funds of the Company to the extent that he or she may deem necessary or desirable in the best interests of the Company;

- (d) to designate from time to time officers and agents of the Company authorized to sign or countersign checks, drafts or other orders for the payment of money issued in the name of the Company against any such account;

- (e) to make such general and special rules and regulations with respect to such accounts (including without limitation authorization for use of facsimile signatures) as he or she may deem necessary or advisable; and

- (f) to take possession of, and deposit with the appropriate Depository, all cash, cashier's checks, and other similar instruments of the Company; and

RESOLVED, that, if any Depository shall require that the Board of the Company adopt a prescribed form of resolution or resolutions relating to the foregoing actions, such resolution or resolutions is hereby adopted by the Board of Directors, and the Secretary or any Assistant Secretary of the Company is authorized to certify the adoption of any such resolution as though it were presented to the Board of Directors at the time of adopting this resolution, and to insert all such resolutions in the minute book of the Company immediately following this resolution; and

RESOLVED, that any and all actions previously or hereafter taken or to be taken by the Authorized Persons of the Company, or any of them, with respect to and in contemplation of, the

actions authorized by any of the foregoing resolutions, are hereby authorized, approved, ratified and confirmed, and that any and all documents, instruments and agreements executed by any of the Authorized Persons in connection therewith be, and they hereby are, ratified, approved and confirmed.

The meeting was adjourned at approximately 8:31 pm EST.

IN WITNESS WHEREOF, a undersigned duly appointed Manager of Telexfree LLC (the "Company") does hereby certify that the aforesaid minutes and the resolutions contained therein are the true and correct minutes and resolutions duly adopted by the Board of Directors of Company at a special meeting thereof duly noticed and called, and that a signed copy of the aforesaid minutes has been filed in the minute book of Company.

A handwritten signature in black ink, appearing to read 'James Merrill', is written over a horizontal line.

James Merrill  
Manager

EXHIBIT B-3

**MINUTES OF A SPECIAL MEETING  
OF  
THE BOARD OF DIRECTORS  
OF  
TELEXFREE FINANCIAL, INC  
(a Florida corporation)**

April 13, 2014

On April 13, 2014 at 8:11 pm a special meeting of the Board of Directors (the "Board") of Telexfree Financial, Inc (the "Corporation") was held telephonically. All of the parties present were able to be heard. James Merrill and Carlos Wanzeler, being all the directors of the Corporation, were present. Also present were: (1) from Greenberg Traurig LLP Nancy Mitchell, Jody Davis, Maria DiConza, Jonathan Bell, Matt Hinker, Avi Fox, Zack Polidoro, and Michael Cohen; (2) from Gordon Silver Greg Garman and Teresa Pilatowicz; (3) from Alvarez & Marsal Lawrence Hirsh, Bill Runge, Tim Meighan, and Aileen Daversa; (4) from Joe H. Craft, CPA Joe H. Craft; and (5) from Impact This Day, Inc. Stuart A. MacMillan.

The meeting was called to order by James Merrill, President and a director, and on the agenda was the approval of the filing of a voluntary petition for relief under the provisions of Chapter 11 of the Bankruptcy Code, 11 U.S.C. §§ 101, *et seq.* (the "Bankruptcy Code").

The Board unanimously waived any notice requirements for a meeting.

The Board considered the Corporation's liabilities, the strategic alternatives available to it, and the impact of each of the foregoing on the Corporation's businesses.

The Board had the opportunity to consult with the management and the advisors of the Corporation about the strategic alternatives available to the Corporation.

Thereupon, upon motion duly made and seconded, the Board unanimously approved the following resolutions:

RESOLVED, that in the judgment of the Board of the Corporation, it is desirable and in the best interests of the Corporation, its creditors and other parties in interest, that the Corporation file or cause to be filed a voluntary petition for relief, along with certain affiliated entities, under the provisions of Chapter 11 of the Bankruptcy Code ("Chapter 11") in the United States Bankruptcy Court for the District of Nevada; and

RESOLVED, that Stuart A. MacMillan and Joe H. Craft (collectively, the "Authorized Persons"), acting alone or together be, and they hereby are, authorized and empowered to execute and file on behalf of the Corporation all petitions, schedules, lists, motions, applications, pleadings and other papers or documents as necessary to commence the Chapter 11 proceeding, including but not limited to motions to obtain the use of cash collateral and provide adequate protection therefor and to obtain any debtor in possession financing, and to take any and all

further acts and deeds that they deem necessary, proper and desirable in connection with the Chapter 11 case, with a view to the successful prosecution of such case; and

RESOLVED, that the Authorized Persons be, and they hereby are, authorized and directed to employ the law firm of Greenberg Traurig, LLP as general bankruptcy counsel to represent and assist the Corporation in carrying out its duties under the Bankruptcy Code, and to take any and all actions to advance the Corporation's rights and obligations, including filing any pleadings; and in connection therewith, the Authorized Persons are hereby authorized and directed to execute appropriate retention agreements, pay appropriate retainers prior to and immediately upon filing of the Chapter 11 case and cause to be filed an appropriate application for authority to retain the services of Greenberg Traurig, LLP; and

RESOLVED, that the Authorized Persons be, and they hereby are, authorized and directed to employ the law firm of Gordon Silver, as special Nevada bankruptcy counsel to represent and assist the Corporation in carrying out its duties under the Bankruptcy Code, and to take any and all actions to advance the Corporation's rights and obligations, including filing any pleadings; and in connection therewith, the Authorized Persons are hereby authorized and directed to execute appropriate retention agreements, pay appropriate retainers prior to and immediately upon filing of the Chapter 11 case and cause to be filed an appropriate application for authority to retain the services of Gordon Silver; and

RESOLVED, that the Authorized Persons be, and they hereby are, authorized and directed to employ the restructuring firm of Alvarez & Marsal, as its restructuring financial consultant to assist the Corporation in managing its chapter 11 case and restructuring its operations under the Bankruptcy Code, and to take any and all actions to advance the Corporation's rights and obligations, including filing any pleadings; and in connection therewith, the Authorized Persons are hereby authorized and directed to execute appropriate retention agreements, pay appropriate retainers prior to and immediately upon filing of the Chapter 11 case and cause to be filed an appropriate application for authority to retain the services of Alvarez & Marsal; and

RESOLVED, that the Authorized Persons be, and they hereby are, authorized and directed to employ the accounting firm of Joe H. Craft, CPA to provide Joe H. Craft to serve as Chief Financial Officer of the Corporation while the Chapter 11 case is pending and to assist the Corporation in carrying out its duties under the Bankruptcy Code, and to take any and all actions to advance the Corporation's rights and obligations, including filing any pleadings; and in connection therewith, the Authorized Persons are hereby authorized and directed to execute appropriate retention agreements, pay appropriate retainers prior to and immediately upon filing of the Chapter 11 case and cause to be filed an appropriate application for authority to retain the services of the accounting firm of Joe H. Craft, CPA; and

RESOLVED, that the Authorized Persons be, and they hereby are, authorized and directed to employ the consulting firm of Impact This Day, Inc. to provide Stuart A. MacMillan to serve as Interim Chief Executive Officer of the Corporation while the Chapter 11 case is pending and to assist the Corporation in carrying out its duties under the Bankruptcy Code, and to take any and all actions to advance the Corporation's rights and obligations, including filing any pleadings; and in connection therewith, the Authorized Persons are hereby authorized and



directed to execute appropriate retention agreements, pay appropriate retainers prior to and immediately upon filing of the Chapter 11 case and cause to be filed an appropriate application for authority to retain the services of Impact This Day, Inc.; and

RESOLVED, that the Authorized Persons be, and they hereby are, authorized and directed to employ an escrow agent acceptable to the Corporation's Interim Chief Executive Officer (the "Escrow Agent"), if appropriate, to hold certain of the Corporation's cash during the pendency of the chapter 11 cases and to execute any documents or instruments which in their judgment are necessary or appropriate to effect and manage the escrow arrangement; and

RESOLVED, that the Authorized Persons be, and they hereby are, authorized and directed to employ Kurtzman Carson Consultants LLC as claims agent to represent and assist the Corporation in carrying out its duties under the Bankruptcy Code, and to take any and all actions to advance the Corporation's rights and obligations; and in connection therewith, the Authorized Persons are hereby authorized and directed to execute appropriate retention agreements, pay appropriate retainers prior to and immediately upon filing of the Chapter 11 case and cause to be filed an appropriate application for authority to retain the services of Kurtzman Carson Consultants LLC; and

RESOLVED, that the Authorized Persons be, and they hereby are, authorized and directed to employ J. Frank Associates, LLC d/b/a Joele Frank, Wilkinson Brimmer Katcher ("Joele Frank") as public and investor relations representative to represent and assist the Corporation in its public relations activities, and to take any and all actions to advance the Corporation's rights and obligations; and in connection therewith, the Authorized Persons are hereby authorized and directed to execute appropriate retention agreements, pay appropriate retainers prior to and immediately upon filing of the Chapter 11 case and cause to be filed an appropriate application for authority to retain the services of Joele Frank; and

RESOLVED, that the payment of retainer fees to the aforementioned professional service providers prior to the date of this meeting is hereby ratified, approved and confirmed; and

RESOLVED, that the execution by the Authorized Persons of engagement letters between the Corporation and the foregoing professional service providers, in substantially the form circulated at this meeting, is hereby ratified, approved and confirmed; and the Authorized Persons shall execute and deliver such documents on behalf of the Corporation, with such additions, deletions, or changes therein as the Authorized Persons deem necessary, desirable, convenient or appropriate and consistent with the best interests of the Corporation; and

RESOLVED, that the Corporation's Board of Directors is hereby increased to three persons; and

RESOLVED, that Stuart A. MacMillan be, and he hereby is, elected to serve as an independent Director of the Corporation, to serve until his successor is duly elected and qualified; and

RESOLVED, that Joe H. Craft be, and he hereby is, elected to serve as Chief Financial Officer of the Corporation, to serve until his successor is duly elected and qualified; and



RESOLVED, that Stuart A. MacMillan be, and he hereby is, elected to serve as Interim Chief Executive Officer of the Corporation, to serve until his successor is duly elected and qualified; and

RESOLVED, that all prior authorizations regarding signature authority over accounts of the Corporation with banks and other depository institutions, brokerage firms, securities firms or other entities holding funds belonging to the Company (each a "Depository" and collectively the "Depositories") are hereby revoked; and

RESOLVED, that each of the Chief Executive Officer and Chief Financial Officer, including persons holding such positions on an interim basis, acting singly, shall be, and each of them hereby is, authorized acting for and on behalf of the Corporation:

- (a) to sign checks, withdrawals and payments from the funds of the Corporation on deposit with the Depositories to the extent that he or she may deem necessary or advisable in the best interests of the Corporation;
- (b) to open, keep and close accounts and safe deposit boxes with any Depository to the extent that he or she may deem necessary or desirable in the best interests of the Corporation;
- (c) to cause to be deposited in accounts with any Depository from time to time such funds of the Corporation to the extent that he or she may deem necessary or desirable in the best interests of the Corporation;
- (d) to designate from time to time officers and agents of the Corporation authorized to sign or countersign checks, drafts or other orders for the payment of money issued in the name of the Corporation against any such account;
- (e) to make such general and special rules and regulations with respect to such accounts (including without limitation authorization for use of facsimile signatures) as he or she may deem necessary or advisable; and
- (f) to take possession of, and deposit with the appropriate Depository, all cash, cashier's checks, and other similar instruments of the Corporation; and

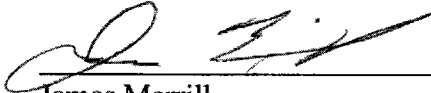
RESOLVED, that, if any Depository shall require that the Board of the Corporation adopt a prescribed form of resolution or resolutions relating to the foregoing actions, such resolution or resolutions is hereby adopted by the Board of Directors, and the Secretary or any Assistant Secretary of the Corporation is authorized to certify the adoption of any such resolution as though it were presented to the Board of Directors at the time of adopting this resolution, and to insert all such resolutions in the minute book of the Corporation immediately following this resolution; and

RESOLVED, that any and all actions previously or hereafter taken or to be taken by the Authorized Persons of the Corporation, or any of them, with respect to and in contemplation of, the actions authorized by any of the foregoing resolutions, are hereby authorized, approved, ratified and confirmed, and that any and all documents, instruments and agreements executed by

any of the Authorized Persons in connection therewith be, and they hereby are, ratified, approved and confirmed.

The meeting was adjourned at approximately 8:31 pm. EST.

IN WITNESS WHEREOF, the undersigned duly appointed Secretary of Telexfree Finance, Inc. (the "Corporation") does hereby certify that the aforesaid minutes and the resolutions contained therein are the true and correct minutes and resolutions duly adopted by the Board of Directors of Corporation at a special meeting thereof duly noticed and called, and that a signed copy of the aforesaid minutes has been filed in the minute book of Corporation.

  
\_\_\_\_\_  
James Merrill  
Secretary to the Corporation

*[Signature Page to Minutes of a Special Meeting of the Board of Directors of Telexfree Financial, Inc  
April 13, 2014]*

EXHIBIT C

**Meighan, Tim**

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**From:** Jim Merrill <jmerrill@telexfree.com>  
**Sent:** Saturday, April 12, 2014 8:00 PM  
**To:** Meighan, Tim  
**Cc:** Daversa, Aileen; 'Joe H Craft'; Runge, Bill  
**Subject:** RE: Cashier's Check

Tim it is in My safe deposit box and not available till Monday Morning and I am flying to Salt lake City Monday at 6:30AM

James Merrill  
President TelexFREE  
225 Cedar Hill Street  
Marlborough, MA 01752

---

**From:** Meighan, Tim [<mailto:tmeighan@alvarezandmarsal.com>]  
**Sent:** Saturday, April 12, 2014 6:24 PM  
**To:** [jmerrill@telexfree.com](mailto:jmerrill@telexfree.com)  
**Cc:** Daversa, Aileen; Joe H Craft ([joe@joecraftcpa.com](mailto:joe@joecraftcpa.com)); Runge, Bill  
**Subject:** Cashier's Check

Hi Jim – we are in the process of building our opening cash balance for the budget we will need to put together for the filing. Would you kindly send us a picture of the cashier's check in the amount of ~ \$26 million?

Please let me know if you have any questions.

Thank you – Tim

**Tim Meighan**  
Director  
Turnaround & Restructuring  
600 Madison Avenue, 7th Floor  
New York, NY 10022  
Mobile - 646-354-8625  
Fax - 877-804-9602  
[tmeighan@alvarezandmarsal.com](mailto:tmeighan@alvarezandmarsal.com)

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**Meighan, Tim**

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**From:** Carlos Wanzeler <wanzeler@me.com>  
**Sent:** Sunday, April 13, 2014 1:06 PM  
**To:** Meighan, Tim  
**Cc:** Daversa, Aileen; Joe H Craft (joe@joecraftcpa.com); Runge, Bill; Andreia Moreira Bianchi Pinto; berthiaumem@gtlaw.com  
**Subject:** Re: Cashier's Check

Hi Tim,

I am sorry for the delay. I will be in the office today, and I'll give it to you by hand. There's a possibility my email is being hacked right now, this is very important information which can't get out.

Andreia already has a copy for the 10m, she can give it to you right now.

Sent from my iPhone

On Apr 13, 2014, at 11:06 AM, "Meighan, Tim" <[tmeighan@alvarezandmarsal.com](mailto:tmeighan@alvarezandmarsal.com)> wrote:

Morning Carlos, sorry to be a pest on this request but is it possible that you could send us a photo of the two cashier's checks I mentioned below. We spoke with Jim this morning as well so he may reach out to you on this topic. Thanks in advance.

Tim

**Tim Meighan**  
Director  
Turnaround & Restructuring  
600 Madison Avenue, 7th Floor  
New York, NY 10022  
Mobile - 646-354-8625  
Fax - 877-804-9602  
[tmeighan@alvarezandmarsal.com](mailto:tmeighan@alvarezandmarsal.com)

---

**From:** Meighan, Tim  
**Sent:** Saturday, April 12, 2014 6:20 PM  
**To:** 'wanzeler@me.com'  
**Cc:** Daversa, Aileen; Joe H Craft (joe@joecraftcpa.com); Runge, Bill  
**Subject:** Cashier's Check

Hi Carlos – we are in the process of building our opening cash balance for the budget we will need to put together for the filing. Would you kindly send us a picture of the following cashier's checks:

- \$10 million; and the
- \$2 million in your wife's name.

Please let me know if you have any questions.

Thank you – Tim

**Tim Meighan**

Director  
Turnaround & Restructuring  
600 Madison Avenue, 7th Floor  
New York, NY 10022  
Mobile - 646-354-8625  
Fax - 877-804-9602  
[tmeighan@alvarezandmarsal.com](mailto:tmeighan@alvarezandmarsal.com)

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**Meighan, Tim**

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**From:** Meighan, Tim  
**Sent:** Monday, April 14, 2014 12:49 AM  
**To:** Carlos Wanzeler  
**Cc:** Daversa, Aileen; Joe H Craft (joe@joecraftcpa.com); Runge, Bill; Andreia Moreira Bianchi Pinto; berthiaumem@gtlaw.com; Meighan, Tim  
**Subject:** RE: Cashier's Check  
**Attachments:** Check 1.jpg; Check 2.jpg

Hi Carlos, I believe you spoke with Jim earlier regarding the attached two checks. Tomorrow we will need check # 1 to be exchanged and made payable to TelexFREE, LLC. For check # 2 made to your wife, Jim mentioned that you were going to exchange and also have made payable to TelexFREE, LLC – which is just fine. I believe Joe Craft is expecting receipt of these checks tomorrow and will deposit in a safe box.

Thank you – Tim

**Tim Meighan**  
Director  
Turnaround & Restructuring  
600 Madison Avenue, 7th Floor  
New York, NY 10022  
Mobile - 646-354-8625  
Fax - 877-804-9602  
[tmeighan@alvarezandmarsal.com](mailto:tmeighan@alvarezandmarsal.com)

---

**From:** Carlos Wanzeler [<mailto:wanzeler@me.com>]  
**Sent:** Sunday, April 13, 2014 2:17 PM  
**To:** Meighan, Tim  
**Cc:** Daversa, Aileen; Joe H Craft ([joe@joecraftcpa.com](mailto:joe@joecraftcpa.com)); Runge, Bill; Andreia Moreira Bianchi Pinto; [berthiaumem@gtlaw.com](mailto:berthiaumem@gtlaw.com)  
**Subject:** Re: Cashier's Check

Andreia have it.

Thank you.

---

**From:** Carlos Wanzeler <[wanzeler@me.com](mailto:wanzeler@me.com)>  
**Date:** domingo, 13 de abril de 2014 13:06  
**To:** "Meighan, Tim" <[tmeighan@alvarezandmarsal.com](mailto:tmeighan@alvarezandmarsal.com)>  
**Cc:** "Daversa, Aileen" <[adaversa@alvarezandmarsal.com](mailto:adaversa@alvarezandmarsal.com)>, "Joe H Craft ([joe@joecraftcpa.com](mailto:joe@joecraftcpa.com))" <[joe@joecraftcpa.com](mailto:joe@joecraftcpa.com)>, "Runge, Bill" <[BRunge@alvarezandmarsal.com](mailto:BRunge@alvarezandmarsal.com)>, Andreia Moreira Bianchi Pinto <[andreia@diskavontade.com](mailto:andreia@diskavontade.com)>, "[berthiaumem@gtlaw.com](mailto:berthiaumem@gtlaw.com)" <[berthiaumem@gtlaw.com](mailto:berthiaumem@gtlaw.com)>  
**Subject:** Re: Cashier's Check

Hi Tim,

I am sorry for the delay. I will be in the office today, and I'll give it to you by hand. There's a possibility my email is being hacked right now, this is very important information which can't get out.

Andreia already has a copy for the 10m, she can give it to you right now.

Sent from my iPhone

On Apr 13, 2014, at 11:06 AM, "Meighan, Tim" <[tmeighan@alvarezandmarsal.com](mailto:tmeighan@alvarezandmarsal.com)> wrote:

Morning Carlos, sorry to be a pest on this request but is it possible that you could send us a photo of the two cashier's checks I mentioned below. We spoke with Jim this morning as well so he may reach out to you on this topic. Thanks in advance.

Tim

**Tim Meighan**  
Director  
Turnaround & Restructuring  
600 Madison Avenue, 7th Floor  
New York, NY 10022  
Mobile - 646-354-8625  
Fax - 877-804-9602  
[tmeighan@alvarezandmarsal.com](mailto:tmeighan@alvarezandmarsal.com)

---

**From:** Meighan, Tim  
**Sent:** Saturday, April 12, 2014 6:20 PM  
**To:** 'wanzeler@me.com'  
**Cc:** Daversa, Aileen; Joe H Craft ([joe@joecraftcpa.com](mailto:joe@joecraftcpa.com)); Runge, Bill  
**Subject:** Cashier's Check

Hi Carlos – we are in the process of building our opening cash balance for the budget we will need to put together for the filing. Would you kindly send us a picture of the following cashier's checks:

- \$10 million; and the
- \$2 million in your wife's name.

Please let me know if you have any questions.

Thank you – Tim

**Tim Meighan**  
Director  
Turnaround & Restructuring  
600 Madison Avenue, 7th Floor  
New York, NY 10022  
Mobile - 646-354-8625  
Fax - 877-804-9602  
[tmeighan@alvarezandmarsal.com](mailto:tmeighan@alvarezandmarsal.com)

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**Meighan, Tim**

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**From:** Meighan, Tim  
**Sent:** Tuesday, April 15, 2014 12:29 AM  
**To:** 'Joe H Craft'  
**Subject:** RE: Revised Accounts Motion

Hi Joe, sorry for only getting back now. It has been a long day (just like every other day since getting here). We need to put the checks in a safety deposit box. We also need to either call Wells and see what we can do about endorsing the checks to LLC's name. I imagine this may require Carlos to head to Conn for a reissue. This has to be done before the hearing on Thursday in Las Vegas. We mention this in the cash mgmt. motion so we need honor what we say. Let's chat tomorrow.

**Tim Meighan**  
Director  
Turnaround & Restructuring  
600 Madison Avenue, 7th Floor  
New York, NY 10022  
Mobile - 646-354-8625  
Fax - 877-804-9602  
[tmeighan@alvarezandmarsal.com](mailto:tmeighan@alvarezandmarsal.com)

---

**From:** Joe H Craft [mailto:joe@joecraftcpa.com]  
**Sent:** Monday, April 14, 2014 4:04 PM  
**To:** Meighan, Tim; hinkerm@gtlaw.com; Daversa, Aileen; Runge, Bill; Hirsh, Lawrence  
**Cc:** MitchellN@gtlaw.com; DiConzaM@gtlaw.com; davisjo@GTLAW.com; andreia@diskavontade.com  
**Subject:** RE: Revised Accounts Motion

Only 3 comments –

- 1) MFS is not Middlesex Savings Bank. MFS is a mutual fund company that is sold out of a branch of Middlesex bank, much like some banks sell Putnam funds or American Funds
- 2) The checks are not in the safe deposit box yet. Tim is getting instructions for me on what to do with Carlos's checks.
- 3) Are you certain that we have processed transactions through Vantage. Tim, please ask Andreia. I thought she said we had not yet.

Have a wonderful day!

**Joe H. Craft, CPA/PFS, CFP**  
Craft Financial Solutions, LLC  
ACE, LLP  
*Peace of Mind for Your Bottom Line*

825 E. Main Street, Suite B  
PO Box 749  
Boonville, IN 47601-1885  
812-641-0477 ext 107  
812-641-0478 Fax

**Meighan, Tim**

---

**From:** Meighan, Tim  
**Sent:** Tuesday, April 15, 2014 9:54 AM  
**To:** Runge, Bill  
**Cc:** Daversa, Aileen  
**Subject:** Re: how's it going this morning?

We are in the process of getting set up - upstairs. We had a working breakfast with Andy and answered as much as we could for him. Jumping on call then I need to get in touch with joe. I believe he is "out of pocket" for tax stuff. Need to work with him on cashiers check

Sent from my iPhone

On Apr 15, 2014, at 9:51 AM, "Runge, Bill" <[BRunge@alvarezandmarsal.com](mailto:BRunge@alvarezandmarsal.com)> wrote:

William H Runge III  
Managing Director  
Alvarez & Marsal North America, LLC  
3424 Peachtree Road  
Suite 1500  
Atlanta, GA 30326

Direct 404-260-4044  
Cell 404-307-3170  
Fax 877-732-9420

[brunge@alvarezandmarsal.com](mailto:brunge@alvarezandmarsal.com)

**Meighan, Tim**

---

**From:** Meighan, Tim  
**Sent:** Tuesday, April 15, 2014 12:08 PM  
**To:** Daversa, Aileen

Can you ask Joe to come down. I want to get going on the cashiers checks.

**Tim Meighan**  
Director  
Turnaround & Restructuring  
600 Madison Avenue, 7th Floor  
New York, NY 10022  
Mobile - 646-354-8625  
Fax - 877-804-9602  
[tmeighan@alvarezandmarsal.com](mailto:tmeighan@alvarezandmarsal.com)

## Meighan, Tim

---

**From:** Meighan, Tim  
**Sent:** Tuesday, April 15, 2014 12:24 PM  
**To:** 'Joe H Craft'  
**Subject:** RE: checks

Ok, just let me know when done. I am in conference room

**Tim Meighan**  
Director  
Turnaround & Restructuring  
600 Madison Avenue, 7th Floor  
New York, NY 10022  
Mobile - 646-354-8625  
Fax - 877-804-9602  
[tmeighan@alvarezandmarsal.com](mailto:tmeighan@alvarezandmarsal.com)

---

**From:** Joe H Craft [<mailto:joe@joecraftcpa.com>]  
**Sent:** Tuesday, April 15, 2014 12:21 PM  
**To:** Meighan, Tim  
**Subject:** RE: checks

On a conference call

Have a wonderful day!

**Joe H. Craft, CPA/PFS, CFP**  
Craft Financial Solutions, LLC  
ACE, LLP  
*Peace of Mind for Your Bottom Line*

825 E. Main Street, Suite B  
PO Box 749  
Boonville, IN 47601-1885  
812-641-0477 ext 107  
812-641-0478 Fax



---

**From:** Meighan, Tim [<mailto:tmeighan@alvarezandmarsal.com>]  
**Sent:** 04/15/2014 11:06 AM



**To:** Joe H Craft ([joe@joecraftcpa.com](mailto:joe@joecraftcpa.com))  
**Subject:** checks

Joe, are you coming down let's talk checks and then go open a box together.

**Tim Meighan**  
Director  
Turnaround & Restructuring  
600 Madison Avenue, 7th Floor  
New York, NY 10022  
Mobile - 646-354-8625  
Fax - 877-804-9602  
[tmeighan@alvarezandmarsal.com](mailto:tmeighan@alvarezandmarsal.com)

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**Meighan, Tim**

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**From:** Meighan, Tim  
**Sent:** Tuesday, April 15, 2014 1:36 PM  
**To:** Runge, Bill

You around in a few minutes. Finally got joe to focus on checks with me and we are going to bank to put checks in security box until we have authority to deposit after hearing. Want to run the carlos check issues by you (2MM and the 10MM)

CASHIER'S CHECK

6647301103

April 03, 2014

PAY TO THE ORDER OF \*\*\*TELEXFREE DOMINICANA SRL\*\*\*

\*\*\*Ten million three hundred ninety-eight thousand dollars and no cents\*\*\* \*\*\$10,398,000.00\*\*

WELLS FARGO BANK, N.A.  
3000 FEDERAL HWY  
LANTHOSSE POINT, FL 33064  
FOR COUNTRIES CALL (408) 394-3122

AUTHORIZED SIGNATURE

VOID IF OVER US \$ 10,000,000.00

AUTHORIZED SIGNATURE



PRINTED ON LITHOGRAPH PAPER TO LIGHT TO NEW FOR ADDITIONAL SECURITY FEATURES. BACK

1124

**Abstract**

**KATHA H BARBOSA WANTLER**

1997, 1998, 1999, 2000, 2001, 2002, 2003, 2004, 2005, 2006, 2007, 2008, 2009, 2010, 2011, 2012, 2013, 2014, 2015, 2016, 2017, 2018, 2019, 2020, 2021, 2022, 2023, 2024, 2025, 2026, 2027, 2028, 2029, 2030, 2031, 2032, 2033, 2034, 2035, 2036, 2037, 2038, 2039, 2040, 2041, 2042, 2043, 2044, 2045, 2046, 2047, 2048, 2049, 2050, 2051, 2052, 2053, 2054, 2055, 2056, 2057, 2058, 2059, 2060, 2061, 2062, 2063, 2064, 2065, 2066, 2067, 2068, 2069, 2070, 2071, 2072, 2073, 2074, 2075, 2076, 2077, 2078, 2079, 2080, 2081, 2082, 2083, 2084, 2085, 2086, 2087, 2088, 2089, 2090, 2091, 2092, 2093, 2094, 2095, 2096, 2097, 2098, 2099, 2100, 2101, 2102, 2103, 2104, 2105, 2106, 2107, 2108, 2109, 2110, 2111, 2112, 2113, 2114, 2115, 2116, 2117, 2118, 2119, 2120, 2121, 2122, 2123, 2124, 2125, 2126, 2127, 2128, 2129, 2130, 2131, 2132, 2133, 2134, 2135, 2136, 2137, 2138, 2139, 2140, 2141, 2142, 2143, 2144, 2145, 2146, 2147, 2148, 2149, 2150, 2151, 2152, 2153, 2154, 2155, 2156, 2157, 2158, 2159, 2160, 2161, 2162, 2163, 2164, 2165, 2166, 2167, 2168, 2169, 2170, 2171, 2172, 2173, 2174, 2175, 2176, 2177, 2178, 2179, 2180, 2181, 2182, 2183, 2184, 2185, 2186, 2187, 2188, 2189, 2190, 2191, 2192, 2193, 2194, 2195, 2196, 2197, 2198, 2199, 2200, 2201, 2202, 2203, 2204, 2205, 2206, 2207, 2208, 2209, 2210, 2211, 2212, 2213, 2214, 2215, 2216, 2217, 2218, 2219, 2220, 2221, 2222, 2223, 2224, 2225, 2226, 2227, 2228, 2229, 2230, 2231, 2232, 2233, 2234, 2235, 2236, 2237, 2238, 2239, 2240, 2241, 2242, 2243, 2244, 2245, 2246, 2247, 2248, 2249, 2250, 2251, 2252, 2253, 2254, 2255, 2256, 2257, 2258, 2259, 2260, 2261, 2262, 2263, 2264, 2265, 2266, 2267, 2268, 2269, 2270, 2271, 2272, 2273, 2274, 2275, 2276, 2277, 2278, 2279, 2280, 2281, 2282, 2283, 2284, 2285, 2286, 2287, 2288, 2289, 2290, 2291, 2292, 2293, 2294, 2295, 2296, 2297, 2298, 2299, 2300, 2301, 2302, 2303, 2304, 2305, 2306, 2307, 2308, 2309, 2310, 2311, 2312, 2313, 2314, 2315, 2316, 2317, 2318, 2319, 2320, 2321, 2322, 2323, 2324, 2325, 2326, 2327, 2328, 2329, 2330, 2331, 2332, 2333, 2334, 2335, 2336, 2337, 2338, 2339, 2340, 2341, 2342, 2343, 2344, 2345, 2346, 2347, 2348, 2349, 2350, 2351, 2352, 2353, 2354, 2355, 2356, 2357, 2358, 2359, 2360, 2361, 2362, 2363, 2364, 2365, 2366, 2367, 2368, 2369, 2370, 2371, 2372, 2373, 2374, 2375, 2376, 2377, 2378, 2379, 2380, 2381, 2382, 2383, 2384, 2385, 2386, 2387, 2388, 2389, 2390, 2391, 2392, 2393, 2394, 2395, 2396, 2397, 2398, 2399, 2400, 2401, 2402, 2403, 2404, 2405, 2406, 2407, 2408, 2409, 2410, 2411, 2412, 2413, 2414, 2415, 2416, 2417, 2418, 2419, 2420, 2421, 2422, 2423, 2424, 2425, 2426, 2427, 2428, 2429, 2430, 2431, 2432, 2433, 2434, 2435, 2436, 2437, 2438, 2439, 2440, 2441, 2442, 2443, 2444, 2445, 2446, 2447, 2448, 2449, 2450, 2451, 2452, 2453, 2454, 2455, 2456, 2457, 2458, 2459, 2460, 2461, 2462, 2463, 2464, 2465, 2466, 2467, 2468, 2469, 2470, 2471, 2472, 2473, 2474, 2475, 2476, 2477, 2478, 2479, 2480, 2481, 2482, 2483, 2484, 2485, 2486, 2487, 2488, 2489, 2490, 2491, 2492, 2493, 2494, 2495, 2496, 2497, 2498, 2499, 2500, 2501, 2502, 2503, 2504, 2505, 2506, 2507, 2508, 2509, 2510, 2511, 2512, 2513, 2514, 2515, 2516, 2517, 2518, 2519, 2520, 2521, 2522, 2523, 2524, 2525, 2526, 2527, 2528, 2529, 2530, 2531, 2532, 2533, 2534, 2535, 2536, 2537, 2538, 2539, 2540, 2541, 2542, 2543, 2544, 2545, 2546, 2547, 2548, 2549, 2550, 2551, 2552, 2553, 2554, 2555, 2556, 2557, 2558, 2559, 2560, 2561, 2562, 2563, 2564, 2565, 2566, 2567, 2568, 2569, 2570, 2571, 2572, 2573, 2574, 2575, 2576, 2577, 2578, 2579, 2580, 2581, 2582, 2583, 2584, 2585, 2586, 2587, 2588, 2589, 2590, 2591, 2592, 2593, 2594, 2595, 2596, 2597, 2598, 2599, 2600, 2601, 2602, 2603, 2604, 2605, 2606, 2607, 2608, 2609, 2610, 2611, 2612, 2613, 2614, 2615, 2616, 2617, 2618, 2619, 2620, 2621, 2622, 2623, 2624, 2625, 2626, 2627, 2628, 2629, 2630, 2631, 2632, 2633, 2634, 2635, 2636, 2637, 2638, 2639, 2640, 2641, 2642, 2643, 2644, 2645, 2646, 2647, 2648, 2649, 2650, 2651, 2652, 2653, 2654, 2655, 2656, 2657, 2658, 2659, 2660, 2661, 2662, 2663, 2664, 2665, 2666, 2667, 2668, 2669, 2670, 2671, 2672, 2673, 2674, 2675, 2676, 2677, 2678, 26

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