

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF MASSACHUSETTS**

In re:)	Chapter 11
)	
)	Case No. 14-40987
TELEXFREE LLC., et al., ¹)	
)	Jointly Administered
Debtors.)	
)	
)	

**VERIFIED STATEMENT OF
PLAINTIFFS' COUNSEL
PURSUANT TO BANKRUPTCY RULE 2019**

Pursuant to Rule 2019 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”), the parties noted on Exhibit A hereto, which comprise the Interim Lead Class Counsel and the Plaintiffs’ Interim Executive Committee (together, “Plaintiffs’ Counsel”) appointed in the multi-district litigation proceedings before the United States District Court for the District of Massachusetts captioned In re TelexFree Securities Litigation, Case No. 13-md-0256 (TSH) (the “MDL Proceeding”), hereby submit this verified statement (this “Statement”) and in support thereof state as follows:

1. On December 23, 2014, the Honorable Timothy S. Hillman of the United States District Court for the District of Massachusetts entered an order (the “Order”) appointing Interim Lead Class Counsel and the Plaintiffs’ Interim Executive Committee and directing Plaintiffs’ Counsel to be responsible for, among other things, coordinating and organizing plaintiffs in that action. A copy of the Order is attached hereto as Exhibit B.

2. It is anticipated that Plaintiffs’ Counsel will be compensated for their service as Interim Lead Class Counsel and the Plaintiffs’ Interim Executive Committee through a common

¹ The Debtors in these cases (collectively, the “Chapter 11 Cases”) are TelexFree, LLC, TelexFree, Inc., and TelexFree Financial, Inc.



fund to be established in the MDL Proceeding and funded by a percentage of any recoveries realized therein, which common fund will be overseen by Judge Hillman. Plaintiffs' Counsel neither asserts nor waives any right to seek compensation in the Chapter 11 Cases on account of such services.

3. Other than as disclosed herein, Plaintiffs' Counsel do not represent or purport to represent any other entities with respect to the Debtors' Chapter 11 Cases. In addition, each member of Plaintiffs' Counsel does not purport to act, represent, or speak on behalf of any other entities in connection with the Debtors' Chapter 11 Cases.

4. Plaintiffs' Counsel reserves the right to amend or supplement this Statement as necessary, in accordance with Bankruptcy Rule 2019.

Dated: January 13, 2015
Boston, Massachusetts

BROWN RUDNICK LLP

By: /s/ William R. Baldiga
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On behalf of Plaintiffs' Counsel

EXHIBIT A

Interim Lead Class Counsel:

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Telephone: (781) 350-0000
E-mail: rbonsignore@class-actions.us

Plaintiffs' Interim Executive Committee:

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EXHIBIT B

**UNITED STATES DISTRICT COURT
DISTRICT OF MASSACHUSETTS**

_____)	
IN RE: TELEXFREE SECURITIES)	
LITIGATION)	
)	
)	
This Document Relates To:)	MDL No. 4:14-md-2566-TSH
)	
)	
All Cases)	
)	
_____)	

MDL Case Management Order No. 3
December 23, 2014

Hillman, D.J.

1. Plaintiffs' Unopposed Motion For Appointment Of Interim Lead Class Counsel And Steering Committee (Docket No. 20) is allowed as provided in this Order. The court appoints the law firm of Bonsignore, PLLC as Interim Lead Class Counsel.

2. The Court designates Ronald Dardeno of the Law Office of Frank L. Dardeno, LLP, William Baldiga of Brown Rudnick, D. Michael Noonan of Shaheen and Gordon, R. Alexander Saveri of Saveri & Saveri, and William L Coulthard of Kemp, Jones and Coulthard, LLP as members of Plaintiffs' Interim Executive Committee.

3. Plaintiffs' Interim Lead Class Counsel, after appropriate consultation and with the advice and consent of the Executive Committee, shall be responsible for coordinating and organizing Plaintiffs in the conduct of this litigation as to all claims and, in particular, shall have the following responsibilities:

- a. To brief and argue motions and file opposing briefs in proceedings initiated by other parties;
- b. To initiate and conduct discovery proceedings;
- c. To act as spokesperson at pretrial conferences;
- d. To negotiate with defense counsel with respect to settlement and other matters;
- e. To call meetings of Plaintiffs' counsel when appropriate;
- f. To make all work assignments to Plaintiffs' counsel to facilitate the orderly and efficient prosecution of this litigation and to avoid duplicative or unproductive effort;
- g. To assure that all Plaintiffs' counsel are kept informed of the progress of this litigation as necessary;
- h. To conduct trial and post-trial proceedings;
- i. To consult with and employ experts;
- j. To coordinate the filing of any joint fee petition by Plaintiffs' counsel;
- k. To perform such other duties and undertake such other responsibilities as it deems necessary or desirable; and
- l. To coordinate and communicate with Defendants' counsel with respect to matters addressed in this paragraph.

3. The Executive Committee shall be consulted in an appropriate and efficient manner by Interim Lead Class Counsel on substantive issues to assist in the responsible and efficient prosecution of the litigation. Interim Lead Class Counsel

7. No communications between Interim Lead Class Counsel, members of the Executive Committee, and other counsel representing plaintiffs in any cases consolidated or coordinated with this litigation, shall act as a waiver of any privilege or protection to which they are otherwise entitled.

/s/ Timothy S. Hillman

Timothy S. Hillman

United States District Judge

CERTIFICATE OF SERVICE

The undersigned certifies that on January 13, 2015, the foregoing document was filed electronically, and therefore was sent by email to those receiving CM/ECF notices from the Court's electronic filing system. I further certify that I have caused to be mailed a copy by prepaid first class U.S. mail to the following parties on this 13th day of January, 2015.

Charles R. Bennett, Jr., Esq.
Murphy & King, Professional Corporation
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Boston, MA 02108

Richard King, Asst. United States Trustee
Office of the United States Trustee
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Worcester, MA 01608

/s/ Carol S. Ennis
Carol S. Ennis, Paralegal