| Case 14-40987 | Doc 688 | Filed 01/26'16 | Enternal 01/00/10 | Docket #06 | 88 Date Filed: 1/26/ | 1/26/2016 |
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UNITED STATES BANKRUPTCY COURT DISTRICT OF MASSACHUSETTS CENTRAL DIVISION

| In Re: |) |
|----------------------------|---|
| |) |
| TELEXFREE, LLC , |) |
| TELEXFREE, INC., |) |
| TELEXFREE FINANCIAL, INC., |) |
| |) |
| Debtors. |) |

Chapter 11

Case No. 14-40987-MSH Case No. 14-40988-MSH Case No. 14-40989-MSH

Jointly Administered

ORDER ON MOTION BY CHAPTER 11 TRUSTEE FOR ENTRY OF ORDER FIXING BAR DATE FOR FILING PROOFS OF CLAIM, APPROVING FORM AND MANNER OF PROVIDING NOTICE, DIRECTING THAT CLAIMS BE FILED ELECTRONICALLY, AND APPROVING CONTENT OF ELECTRONIC PROOFS OF CLAIM

A hearing having been held on the 24th day of November, 2015 on the Motion by

Stephen B. Darr, the duly appointed Chapter 11 trustee (the "<u>Trustee</u>") of the bankruptcy estates of TelexFree, LLC, TelexFree, Inc., and TelexFree Financial, Inc. (collectively, the "<u>Debtors</u>" or "<u>TelexFree</u>") for Entry of an Order Fixing Bar Date for Filing Proofs of Claim, Approving form and Manner of Providing Notice, Directing that Claims be Filed Electronically, and Approving Content of Electronic Proofs of Claim (the "<u>Motion</u>"), and the hearing on the Motion having been continued to January 26, 2016, due and proper notice of the Motion having been provided, all parties-in-interest having been heard and due cause appearing therefor**g**, it is hereby

ORDERED that:

1. The Motion is approved.

I. Bar Date

2. Except as otherwise provided herein, all persons and entities (including, without limitation, individuals, partnerships corporations, joint ventures, trusts, and governmental units),



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and Participants (collectively, "<u>Claimants</u>") that assert a claim, as defined in § 101(5) of the Bankruptcy Code (each a "<u>Claim</u>"), against the Debtors which arose on or prior to the filing of the Chapter 11 petitions on April 13, 2014 (the "<u>Petition Date</u>") shall file a proof of such Claim in accordance with the procedures set forth below. Participants means persons or entities who purchased a membership plan in, or a voice over internet package ("<u>VoIP</u>") from, the Debtors.

3. The deadline for all Claimants to file claims (the "<u>Bar Date</u>") shall be not less than ninety (90) days after the portal ("<u>Portal</u>") hosting the electronic proofs of claim ("<u>ePOC's</u>") is operational and the notice of the Bar Date (the "<u>Bar Date Notice</u>") has been served as set forth herein.

II. Form and Manner of Notice

- 4. The Bar Date Notice, in the form attached hereto, is hereby approved.
- 5. The Trustee shall serve the Bar Date Notice as follows:
 - (a) by electronic mail to Participants based upon available electronic mail addresses of Participants,
 - (b) by regular mail, or international equivalent, to Claimants who are not Participants and are listed on Schedules D, E, F, and G of the Debtors' schedules of liabilities, and to those Participants who filed a proof of claim with the Court or with Kurtzman Carson Consultants ("<u>KCC</u>"), or a victim notification form with the Federal Bureau of Investigation ("<u>FBI</u>"), on or before September 30, 2015 that did not provide an electronic mail address,
 - (c) by public notice on the Portal, and the KCC website; and
 - (d) to the extent permitted, by the multi-level marketing websites
 behindmlm.com, theponzibook.blogspot.com, and Ponzitracker.com.

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6. The notices referenced in 5(a) through 5(c) above shall be provided, in their entirety, in Spanish and Portuguese, in addition to English. The notices referenced in 5(d) may be abbreviated and in English only, at the discretion of the Trustee.

7. For purposes of identifying and segregating Participants from participants in Ympactus Comercial Ltda. for noticing purposes, the Trustee may rely upon the currency and country code data fields in the Debtors' books and records, as set forth in the Motion.

8. The foregoing provides due and adequate notice to Claimants of the Bar Date and the claims procedures approved herein.

III. ePOC's

9. All Claimants other than Participants shall be required to submit an ePOC containing substantially the same information as official proof of claim form B10 (the "<u>Standard ePOC</u>") on or before the Bar Date unless they fall within one of the exceptions enumerated below:

(a) Any person or entity whose claim is listed on the Debtors' schedules of liabilities provided that (i) the claim is not scheduled as "disputed," "contingent" or "unliquidated"; and (ii) the holder of such claim does not disagree with the amount, nature, and priority of such claim as set forth in the schedules;

(b) Any person or entity whose claim arises from the rejection of an unexpired lease or executory contract, in which case the holder of the claim shall file a proof of claim by the later of (a) the Bar Date, and (b) thirty days after the entry of an order authorizing the rejection of the unexpired lease or executory contract;

(c) Any person or entity whose claim is newly listed as contingent, unliquidated or disputed in any amendment to the schedule of liabilities filed after the date of the order approving this motion, in which case the holder of the claim shall file a proof of claim by the later of (a) the Bar Date, and (b) thirty days following the filing of the amended schedules.

(d) Any holder of a claim that heretofore has been allowed by order of this Court;

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(e) Any person or entity whose claim has been paid in full by the Debtors or the Trustee;

(f) Any holder of a claim for which specific deadlines have previously been fixed by this Court and remain in effect;

(g) Any holder of a claim allowable under § 503(b) and § 507(a) of the Bankruptcy Code as an expense of administration, except that claims under §503(b)(9) shall be filed by the deadline established by the Massachusetts Local Bankruptcy Rules.

10. Participants shall in all instances be required to submit an ePOC in a form to be devised by the Trustee and having content substantially as set forth in the Motion (the "<u>Participant ePOC</u>" and, together with the Standard ePOC, the "<u>ePOC's</u>") on or before the Bar Date.

11. The content of the ePOC's is approved and the Trustee is authorized to establish a Portal for the electronic submission of ePOC's and to design and implement ePOC's substantially consistent with the content set forth in the Motion.

12. Participants are directed to provide all information requested in the Participant ePOC, and the failure to provide data requested in the Participant ePOC may constitute grounds for disallowance of the claim.

13. Participants need file only a single Participant ePOC, which shall constitute a proof of claim against each of the Debtors.

14. Claimants other than Participants must file a Standard ePOC as to each Debtor against which they assert a claim.

15. Submission of an ePOC through the Portal shall be the sole and exclusive method of filing claims in these cases. Any claims previously filed or hereinafter filed that do not comply with the ePOC process set forth herein shall be disallowed without further order of the Court, including any proofs of claim previously filed with KCC or the Court and any victim notification

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forms submitted to the FBI or to the Massachusetts Secretary of State. <u>Participants and other</u> <u>claimants are instructed not to file any proofs of claim with the Bankruptcy Court or with</u> <u>KCC.</u>

 The Trustee expressly reserves all rights, claims, and defenses with respect to any ePOC's filed.

17. Any claim against the Debtors for which a proof of claim is required, but is not timely filed under the terms of this Order, shall be forever disallowed and barred as a claim against the Debtors whether for purposes of voting, sharing in any distribution, or in any other way participating as a party in interest in this proceeding.

18. The Trustee is authorized and empowered to take such steps and perform such acts as may be necessary to implement and effectuate the terms of this Order.

19. Entry of this Order is without prejudice to the right of the Trustee to seek a further order of this Court fixing a date by which holders of Claims not subject to the Bar Date established herein must file proofs of claim or be barred from doing so.

20. Entry of this Order is without prejudice to the Trustee's rights to request substantive consolidation of the Debtors' estates.

Hon. Melvin S. Hoffman Chief United States Bankruptcy Judge

Dated: (Junion 26, 2016