

**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

**MOTION TO LIMIT SERVICE ON MOTION BY CHAPTER 11 TRUSTEE FOR
AUTHORITY TO SELL REAL PROPERTY BY PRIVATE SALE, FREE AND CLEAR
OF LIENS, CLAIMS, INTERESTS, AND ENCUMBRANCES
(N. FLAGLER DRIVE)**

Stephen B. Darr, the duly appointed Chapter 11 Trustee (the “Trustee”) of the bankruptcy estates (“Estates”) of TelexFree, LLC, TelexFree, Inc., and TelexFree Financial, Inc. (collectively, the “Debtors”), respectfully moves that this Court enter an order limiting the scope of service in connection with a proposed sale of a residential condominium unit. In support thereof, the Trustee asserts as follows:

Background

1. On April 13, 2014 (the “Petition Date”), each of the Debtors filed voluntary petitions for relief under Chapter 11 of the Bankruptcy Code with the United States Bankruptcy Court for the District of Nevada.

2. The Debtors initially operated as debtors-in-possession pursuant to Sections 1107 and 1108 of the Bankruptcy Code.



3. On the Petition Date, the Debtors filed a motion for joint administration of the cases, with TelexFree, LLC as the lead case. By order dated April 24, 2014, the order for joint administration was approved.

4. On or about April 22, 2014, the Office of the United States Trustee filed a motion for the appointment of a Chapter 11 Trustee.

5. On April 23, 2014, the Securities and Exchange Commission filed a motion to transfer venue of the cases to the United States Bankruptcy Court for the District of Massachusetts. By order dated May 6, 2014, the motion to change venue was approved. The cases were transferred to this Court on May 9, 2014.

6. On May 30, 2014, this Court approved the motion to appoint a Chapter 11 trustee, and the Trustee was appointed on June 6, 2014.

7. Contemporaneously herewith, the Trustee has filed a motion for authority to sell by private sale the Estate's right, title, and interest in a residential condominium located in West Palm Beach, Florida for the sum of \$133,000. The Estates acquired an interest in the condominium pursuant to an earlier settlement with Sanderley Rodrigues, a high level promoter.

Relief Sought

8. Bankruptcy Rule 2002(a)(2) provides that the Clerk of this Court, or such person as this Court may direct, shall give 21 days' notice to all creditors of a proposed sale of property of the Estate other than in the ordinary course of business, unless the court for cause shown shortens the time or directs another method of giving notice. Bankruptcy Rule 2002(i) permits this Court to approve alternative forms of notice, and Bankruptcy Rule 9007 also grants this Court general authority to regulate notices.

9. The Trustee requests that the Court authorize notice of the proposed sale to the United States Trustee, the thirty largest unsecured creditors as listed on the Debtors' schedules,

parties having filed notices of appearance, and governmental authorities. The Trustee will also upload the sale pleadings onto the website maintained by Kurtzman Carson Consultants (“KCC”), the Trustee’s claims agent.

10. TelexFree had upwards of 1,000,000 Participants. The Trustee requests that the Court dispense with the costs and delays associated with providing direct service of the sale pleadings to the entire Participant list. The Trustee submits that notice as proposed herein will provide adequate notification to all persons or entities reasonably likely to respond given the relief requested, and the constructive notice on the KCC website will provide relevant information to those not on the service list that seek to keep apprised of case activity.

11. The Trustee will serve this motion and any notice of hearing on the same parties for which notice is proposed to be provided. The Trustee respectfully requests that such notice be deemed sufficient and that no further notice be required.

Wherefore, the Trustee prays that this Court:

1. Approve the form of notice for the proposed sale as outlined herein; and
2. Grant the Trustee such other and further relief as this Court deems necessary and proper.

STEPHEN B. DARR,
CHAPTER 11 TRUSTEE,
By his attorneys,

/s/ Andrew G. Lizotte
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November 7, 2017
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