

UNITED STATES BANKRUPTCY COURT  
DISTRICT OF MASSACHUSETTS

IN RE:	)	
	)	
TELEXFREE, LLC	)	Chapter 11
TELEXFREE, INC	)	Case No 14-40987 MSH
TELEXFREE FINANCIAL INC.	)	14-40988 MSH
	)	14-40989 MSH

(Jointly Administered)

**RESPONSE TO OBJECTION BY TRUSTEE TO DISPUTED PARTICIPANT CLAIMS  
AND EXPEDITED MOTION TO CONTINUE  
(SECOND AND THIRD OMNIBUS OBJECTIONS TO CLAIMS)**

Now comes Jordan Shapiro, as counsel for twenty one (21) participants and says:

1. That his office has been diligently filing responses to Objections by the Trustee to proofs of claim for claimants he represents from all over the world; this office represents approximately 206 claimants and most claims have been resolved with the Trustee.
2. Many of his clients have moved since he was originally retained and it is very difficult and time-consuming to relocate them and communicate with them after relocating.
3. These twenty one Disputed Participants are similarly all over the world, and many speak little English and need more time than USA residents to respond to paperwork from the undersigned counsel.
4. Attorney Shapiro (hereafter "Counsel") forwarded Affidavits which the Trustee has attached as Exhibit B to its Objection (69 pages).



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5. While Counsel received the Disallowances on these Disputed Participants in October, 2019 and began regular communications with the Trustee.

6/ Counsel and the Trustee agreed to continue the hearing scheduled November 26, 2019 on this matter to January 22, 2019 in order to allow Counsel to produce evidence and facts in order to respond to their objections, realizing that mails take a long time to foreign countries and that many of the clients need translators.

7. Counsel forwarded to the Trustee all responses that had been received from his clients on January 15, 2020.

8. Counsel expects other responses to continue coming in for an additional short period of time, estimated to be two or three weeks.

9. Two new responses arrived today. [See both responses attached Exhibit 1.]

10. Counsel had no idea as how the Trustee would respond to the Disputed Participant's affidavits; the Trustee's response was reviewed today.

11., Counsel needs additional time to:

(a) provide further information tracing funds paid to Telex by Disputed Participants-- the general response by the Trustee is that these Disputed Participants don't show up in "books and records" under the names of these Disputed Participants. Disputed Participants know that they paid money to Telex and say so in their affidavits. A question of fact exists regarding the receipt by Telex.

(b) Counsel says these Disputed Participants are often far down in the pyramid, having made payments to an agent who was an agent for another agent who was agent for another agent.

Counsel needs additional time, now that he has seen the Trustee's responses, to trace the

Disputed Participants payments up the pyramid to persons whose names and funds are recognized by the Trustee.

(c) confer with a client (Hackett, a net winner) whose fund payments were originally not accepted by the Trustee. He will testify that the Trustee had great difficulty in tracing his funds until the client produced his checks and payment proof. Therefore, the records of Telex are not perfect and Counsel intends to prove through this client, who was a higher level seller for Telex on the pyramic, that he has personal knowledge of payments being made by these Disputed Participants, and that *he personally received many of the same and turned the funds over to Telex* (as alleged in some of the documents at Exhibit B). With some additional time, Counsel will provide an affidavit from him to support payments by several of these Disputed Participants.

12. Counsel requested a further continuance today from the Trustee who refused the same, despite the Trustee only providing details of the bases for objections only today. Counsel does note that the Trustee's objections in the past preceded his receipt of the twenty-one Affidavits attached as Exhibit B.

13. Obviously, Counsel has had no time to discuss these objections, nor even mail these objections to his clients (most of whom have no email); and clearly he has had no time to respond to the allegations set out by the Trustee in these Objections.

WHEREFORE, the Disputed Participants move that the hearing for tomorrow be continued for another 30 days (Counsel is out of the country from 2/9-2/24/20) for additional time to provide further evidence, to prepare for trial, to discuss resolution with the Trustee, and/or to schedule the cases of these Disputed Participants' cases for hearing, due to the disputed facts in the submissions by the parties.

Respectfully submitted,

Disputed Participants

By their Attorney,

/s/ Jordan L. Shapiro

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Date: January 21, 2020

CERTIFICATE OF SERVICE

I certify that I served a copy of the within Response to all interested parties through the Court's electronic system.

Signed under the penalties of perjury January 21, 2020

/s/ Jordan L. Shapiro

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# Exhibit 1

AFFIDAVIT

1. I RAHID SALEH of 1066 Cambridge St (Address) am an investor in Telex-Free.  
Cambridge MA 02139
2. I first became interested in becoming an investor after talking to DANIELLA (Name) of WORTH END (Address).
3. S/he convinced me to invest \$ \_\_\_\_\_ which I paid to her/him on or about \_\_\_\_\_ (date) in cash/check (Circle what method of payment you used).
4. The money came from my bank account located at 3198 and 4180 (name of bank), being account number ending in Cambridge MA (Last 4 numbers).
5. I attach a copy of the record of the withdrawal of those funds and/or all other records I have that have anything to do with Telex.
6. I paid these sums and next I received the following attached from Telex. (Attach to affidavit whatever proof of funds paid you have or other related documents to show monies were paid to Telex).
7. Then I invested another \$ \_\_\_\_\_ which I paid to TELEXFree (Name) on or about 2013 / 2014 (Date).
8. I received payments from TELEX in the amounts of \$ \_\_\_\_\_ on \_\_\_\_\_ (dates), which I deposited to my account at the 3198 or 4180 (Name of Bank) on peoples united Bank (dates). I attach records.

9. Here is what else I did (Personal Statement- attach additional pages if needed):

This image shows a single sheet of white paper with horizontal ruling lines. The lines are evenly spaced and run across the width of the page. There are no margins, text, or other markings on the paper.

10. Therefore, I am a "net loser" in the sum of \$ 27,580.00 and pray that my proof of claim in that amount be allowed.

Signed under the penalties of perjury 01/19/2020 (date)

/s/ RACHID SALEH (Name)

## AFFIDAVIT

1. I Said Mukon of \_\_\_\_\_ (Address) am an investor in Telex-Free.

2. I first became interested in becoming an investor after talking to Zaid Thwail (Name) of \_\_\_\_\_ (Address).

3. S/he convinced me to invest \$ \_\_\_\_\_ which I paid to her/him on or about \_\_\_\_\_ (date) in cash/check (Circle what method of payment you used).

4. The money came from my bank account located at \_\_\_\_\_ (name of bank), being account number ending in \_\_\_\_\_ (Last 4 numbers).

5. I attach a copy of the record of the withdrawal of those funds and/or all other records I have that have anything to do with Telex.

6. I paid these sums and next I received the following attached from Telex. (Attach to affidavit whatever proof of funds paid you have or other related documents to show monies were paid to Telex).

7. Then I invested another \$ \_\_\_\_\_ which I paid to \_\_\_\_\_ (Name) on or about \_\_\_\_\_ (Date).

8. I received payments from TELEX in the amounts of \$ \_\_\_\_\_ (date), which I deposited into my account at \_\_\_\_\_ (Name of Bank) on \_\_\_\_\_ (date) and attach records.

10. Therefore, I am a "net loser" in the sum of \$ 48,000.00 and pray that my  
proof of claim in that amount be allowed.

Signed under the penalties of perjury 1/20/2020 (date)

 (Name)  
Salf Hultsen