

UNITED STATES BANKRUPTCY COURT DISTRICT OF MASSACHUSETTS

Chapter 11 Cases: 14-40987 MSH -14-40988 MSH - 14-40989 MSH

Adversary Proceeding N.16.4032 – N.16.4006

Honorable Melvin S. Hoffman, United States Bankruptcy Judge:

Motion by Fabio Wanzeler For Reconsideration

Reconsideration Motion

Fabio Wanzeler respectfully files his Motion for Reconsideration, As further set forth herein, the grounds asserted in this Motion justify relief from the Court.

Fabio Wanzeler has requested relief to resolve the issues involving false allegations, false accusations filed by The Trustee and his professionals on the previous cases against him in this court.

The Trustee and his professionals should not continue using judicial techniques with judicial key words to strike Fabio Wanzeler's motions. (See court dockets for examples.)

The Trustee and his professionals are well aware that the Judge approved their compensation in the conference call that took place on September 01, 2020.

And for the reason set forth in the conference call, The Trustee and his professionals' compensation approval was based on the settlement they had with the IRS case which they settled for the benefit of the Telexfree States.

The Trustee and his professionals are well aware that in the conference call that took place on September 01, 2020, the Judge ordered Fabio Wanzeler to file a separate Motion to resolve the allegations, accusations, and issues against him.

Fabio Wanzeler respectfully requests this Court "Our Honorable Judge" to carefully review the statements filed by the Trustee and his Professionals against Fabio Wanzeler taking note that the statements are not only demeaning, but also are false and was not part of the official settlement agreement (Case 407). They are negatively impacting Fabio Wanzeler's reputation and right's and it is on these grounds that Fabio Wanzeler has requested and is requesting these false statements be stricken. The Judge should reconsider this motion for reconsideration for the reasons set forth above with detail as follows.

On the very same day, 12-21-2020, that the Judge denied Fabio Wanzeler's Motion Notice based on the Trustee's corresponding response motion, the Blogger "Behindmlm" posted on his blog a notice stating that The **"Court confirms Fabio Wanzeler a TelexFree Ponzi scammer"**

<https://behindmlm.com/companies/telexfree/court-confirms-fabio-wanzeler-a-telexfree-ponzi-scammer/>

This is the second time that the blogger has stated that the Trustee and his professionals are the ones that applied allegations, accusations in court cases against Fabio Wanzeler, (and against every Telexfree Net Winner).



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WHEREAS; Such allegations, accusations are objected to on the grounds that they are false.

SETTLEMENT HISTORY

The Official Settlement agreement

**Case 4:14-cr-40028- Document 407, Filed 10-26-2018 on the District Court,
District of Massachusetts**

The Settlement Between The United States of America, (“United States”), and claimant Fabio Wanzeler (the “Claimant”) and his wife, and Stephen Darr, Bankruptcy Trustee for the Estates of TelexFree, LLC, TelexFree, Inc., and TelexFree Financial, Inc. pending in the United States Bankruptcy Court for the District of Massachusetts (the “Bankruptcy Court”) in jointly administered cases Case No. 14-40987 et al. (the “Chapter 11 Trustee” and, collectively, the “Parties”),..

The terms of the settlement agreement are very clear and can be viewed in detail on page 4.

Fabio Wanzeler has notified the Court that **The Trustee and his professionals have failed to comply with the Settlement terms**, and further, instead of complying with the terms of the official settlement agreement “ Document 407” they continue with allegations, and accusations against Fabio Wanzeler in court cases.

The Trustee and his professionals not only added an addendum with 26 pages as part of the settlement, including false allegations and accusations against Fabio Wanzeler without his knowledge, Court Docket #1137, 1039, they also continued with the allegations and accusations against Fabio Wanzeler in other court cases during the year 2020.

It is important to note that Fabio Wanzeler Complied with the official Settlement in Full. The case is settled. Yet the Trustee and his professionals continues with allegations, accusations.

HISTORY of OBJECTION MOTION

Fabio Wanzeler has filed a Notice of Objection to the 26 addendum pages that has false allegations, accusations as can be seen in Case # 1202.

1. In Response to the Motion Case Docket #1202, The Trustee and his professionals filed the court dockets 1203 (The) RESPONSE BY TRUSTEE TO "MOTION & NOTICE OF OBJECTION" FILED BY FABIO WANZELER"

The Response shows that the Trustee and his professionals were aware that Fabio Wanzeler had complied with the terms of the Official Settlement as can be seen in number 6 of his response to the case docket 1203. This can be viewed in the Response stating the following:

6. Notwithstanding the filing of the Motion, it appears that Mr. Wanzeler intends to comply with the Agreement. On February 8, 2019, the Chapter 11 Trustee received the settlement funds and was informed that the deed transferring the San Mellina property from the Wanzeler's to the Chapter 11 Trustee had been recorded. Pending an inspection by the Chapter 11 Trustee of the property being transferred, it appears that Mr. Wanzeler has complied with his obligations under the Agreement.

A hearing date (03-05-2019) was set to review/resolve the issues on the (MATTER: #1202), the Motion by Fabio Wanzeler, and the Notice of Objection to The Trustee's Motion to Approve Stipulation of Settlement (Re: [1039] Motion filed by Trustee Stephen Darr for Order to Approve Stipulation of Settlement Among United States of America, Chapter 11, the Trustee and Fabio Wanzeler and Claudia Wanzeler and [1137] Endorsed Order dated 12/17/2018) (Pro Se) #1205 Response of Chapter 11 Trustee, (A. Lizotte).

The Decision at the hearing was set forth more fully as follows: "**Hearing held. For the reasons set forth on the record, the Motion to Approve Stipulation of Settlement is hereby removed from the public docket.**" (The addendum pages with false allegations, accusations against Fabio Wanzeler were to be removed from the public records).

2. Yet after the Judge's order, The Trustee and his professionals continued with allegations and accusations against Fabio Wanzeler in Cases Dockets 3337, 3456, 3460, and 3461 making the settlement become unfair.
3. Fabio Wanzeler became aware of about the false allegations and accusations, and he filed his Motion Notice (Case Docket 3441) objecting to Case Docket 3337.

The court denied the motion notice stating,

To the extent that, through his July 15, 2020 "Motion/Notice" (ECF No. 3441) Fabio Wanzeler objects to the disclosure statement (ECF No. 3214), amended disclosure statement (ECF No. 3337), or to confirmation of the amended plan (ECF No. 3339), his objections are overruled as untimely. See Court's May 8, 2020 Notice, ECF No. 3219 (setting disclosure statement objection deadline of May 26, 2020); Court's May 28, 2020 Order, ECF No. 3343 (setting amended plan objection deadline of June 30, 2020). To the extent that Mr. Wanzeler is seeking other relief, his motion is denied as it generally does not request relief of a kind that the Court has the authority to provide and, to the extent that any relief requested is within the Court's authority to provide, good cause has not been shown for granting such relief.

4. Afterwards The Trustee and his professionals continued making allegations and accusations against Fabio Wanzeler as can be viewed in the case dockets # 3456, 3460, 3461.

Soon after Fabio Wanzeler took notice of the false allegations and accusations, he filed his Motion Notice case docket # 3506 objecting to the allegations and accusations against him again.

THE ALLEGATIONS AND ACCUSATIONS

The allegations and accusations can be viewed in case docket 3456 in the section 29.97

97. With respect to each of the above settlements, M&K worked collaboratively with the governmental agencies to agree on terms of settlement and to prepare and file the pleadings necessary to effectuate the

settlements in the Court as well as the District Court. In the case of the agreement with Fabio Wanzeler, Mr. Wanzeler failed to vacate his residence as agreed and filed an objection to his own settlement. M&K, in consultation with the Trustee and the DOJ, prepared and filed a response to Mr. Wanzeler's opposition, and attended the hearing resulting in approval of the settlement. M&K thereafter negotiated Mr. Wanzeler's vacating of the premises to facilitate its marketing and sale.

The other allegations, accusations can be viewed in case docket 3460 in section 19.50 – A.B.

50. Litigation against Wanzeler and Affiliates

A. The Chapter 11 Trustee used the reconstructed TelexFree electronic records, along with the various algorithms he had developed, to investigate suspicious transactions involving Wanzeler, his family, and individuals closely associated with him. Upon completion of his investigation, the Chapter 11 Trustee concluded that there were numerous fraudulent transactions Case 14-40987 Doc 3460 Filed 07/24/20 Entered 07/24/20 14:28:49 Desc Main Document Page 19 of 101 20 in accounts associated with Wanzeler and related parties. Accordingly, the Chapter 11 Trustee filed a Complaint asserting that Wanzeler and others engaged in fraudulent transactions primarily concerning the issuance of manual credits to his family and friends which were then converted to cash, either by being redeemed through TelexFree, sold to other Participants or used in Triangular Transactions.

B. Certain of the Defendants, primarily Wanzeler and Wanzeler family members, have answered the Complaint and denied the allegations. The other Defendants named therein have been defaulted. Certain of the Defendants in this action were also defendants in actions brought by the SEC and entered into the settlements discussed above in Section 4.4.

5. The allegations and accusations can also be seen in case docket 3461.

The terms of the Official Settlement agreement was very clear as can be viewed in section 5.4 of the Settlement as stated **“Upon modification of the Restraining Order, the Chapter 11 Trustee shall file a**

motion in the Adversary Proceedings requesting that the Court approve a compromise of the claims asserted against Fabio Wanzeler in the Adversary Proceedings on the terms outlined in the Settlement Agreement. “(Outlined in page 4 of the official settlement agreement, case 407)”.

In response to Fabio Wanzeler's objection Motion Notice, The Trustee and his professionals filed the Response Motion called RESPONSE BY LIQUIDATING TRUSTEE TO 'MOTION AND NOTICE OF FABIO WANZELER' (Case Docket 3518) stating that Fabio Wanzeler respectfully files his response to the Motion and Notice of Fabio Wanzeler (the “Motion”, docket no. 3506). As further set forth herein, none of the grounds asserted in the Motion justify relief from the Court.”

6. Fabio Wanzeler replied in his Response Motion case docket #3522 after which

JUDGE ORDERED FABIO WANZELER TO FILE NEW MOTION

7. As stated “On the conference call that took place on the date 09-01-2020, the judge ordered Fabio Wanzeler to file a new Motion separate from the Trustee and Professionals' compensation order.
8. On the date 09-14-2020 Fabio Wanzeler filed his new Motion (case docket #3588) requesting relief, and afterwards the Trustee and his professionals filed a response (Docket #3596) to strike Fabio's Motion from going forward.
9. On the date 09-24-2020 Fabio Wanzeler Filed his response motion Case Docket 3602
10. On the date 12/21/2020 an order case docket 3668 was applied in court denying Fabio Wanzeler's Motion because of Trustee Response Motion case docket 3596.

The Trustee and his professionals has failed to comply with the terms of the Official Settlement agreement causing damages to Fabio Wanzeler.

Wherefore, The Trustee and his professionals have not complied with the terms and conditions that were agreed to in the official settlement agreement Case 4:14-cr-40028- Document 407, Filed 10-26-2018

Furthermore, The Trustee and his professionals have received significant financial benefits from this settlement (Document 407).

Fabio Wanzeler hereby resquests relief from this court from false allegations and accusations by The Trustee and his professionals on the grounds that terms of Settlement have been met by Fabio wanzeler.

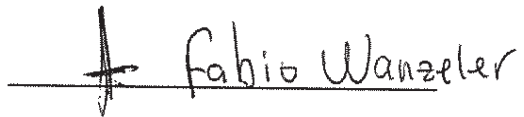
The Trustee and his professionals continuing to levy false allegations and accusations have caused direct and indirect damage to Fabio Wanzeler.

Fabio Wanzeler objections should not be overruled as untimely, to the extent that any relief requested is within the Court's authority providing good cause has been shown for granting such relief. The relief sought in the Motion should not be denied. Wherefore, Fabio Wanzeler requests that the Court not deny the motion for reconsideration and grant such other relief as is just and proper.

Respectfully Submitted,

Dated: December 31, 2020

Fabio Wanzeler



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