

UNITED STATES BANKRUPTCY COURT  
DISTRICT OF MASSACHUSETTS

In Re:	)	
	)	Chapter 11
TELEXFREE, LLC ,	)	Case No. 14-40987-MSH
TELEXFREE, INC.,	)	Case No. 14-40988-MSH
TELEXFREE FINANCIAL, INC.,	)	Case No. 14-40989-MSH
	)	
Debtors.	)	Jointly Administered
	)	

**IMPORTANT NOTICE REGARDING LIQUIDATING PLAN**

**WHY YOU ARE RECEIVING THIS NOTICE:**

You are receiving this Notice because:

- You have participated in TelexFree (a “Participant”) and you filed a Claim in TelexFree’s bankruptcy cases and your Claim has either been conditionally allowed (an “Allowed Participant Claim”) or is not yet resolved (a “Disputed Participant Claim”).

This Notice contains a summary of the treatment and payment of Allowed Participant Claims under the *TelexFree Liquidating Plan of Reorganization* (“Plan”) filed on May 28, 2020 by Stephen B. Darr, the Chapter 11 Trustee (“Trustee”) of TelexFree. To review the Plan, the Disclosure Statement, and the Order approving the Disclosure Statement for additional details about the terms and conditions of the Plan and the expected distributions, please go to [kccllc.net/TelexFree](http://kccllc.net/TelexFree) and click the link “**Disclosure Statement and Liquidating Plan of Reorganization**”.

**THE TREATMENT AND PAYMENT OF ALLOWED PARTICIPANT CLAIMS:**

The Plan divides Participants who have Allowed Participant Claims into two groups:

- (1) Participants who have Allowed Participant Claims of **\$4,250 or less** (the “Convenience Participant Claims”); and
- (2) Participants who have Allowed Participant Claim of **more than \$4,250** (“General Participant Claims”).

The Plan treatment for each group is set forth below.

**TREATMENT AND PAYMENT OF CONVENIENCE PARTICIPANT CLAIMS:**

If you have an Allowed Participant Claim for \$4,250 or less, the Plan gives you the right to:

- **Receive a one-time payment equal to 43% of your Allowed Participant Claim.** This payment is expected to be made as soon as practicable after the Bankruptcy Court approves the Plan **OR**
- **Elect to be treated and paid as a General Participant Claim.** If you have an Allowed Participant Claim of \$4,250 or less and you prefer to be treated and paid as a General



Participant Claim holder, you will need to elect that treatment on the voting ballot and then your Claim will be treated and paid as a General Participant Claim, described below.

**TREATMENT AND PAYMENT OF GENERAL PARTICIPANT CLAIMS:**

If you have an Allowed Participant Claim of more than \$4,250, the Plan gives you the right to:

- (1) **Receive an initial payment estimated to be approximately 39% of your Allowed Participant Claim**, paid as soon as practicable after the Bankruptcy Court approves the Plan; **AND**
- (2) **Receive additional payments that may become available in amounts yet undetermined** based upon Available Funds and the final amounts of the Allowed Participant Claims.

The amount and timing of any additional payments on your Allowed Participant Claim depends on the timing and amount of additional recoveries. For additional information about the potential for additional distributions, you should review Section 6.3 of the Disclosure Statement at the link referenced above.

<b>YOUR LEGAL RIGHTS AND OPTIONS</b>	
<b>HOW TO CHECK THE STATUS OF YOUR CLAIM</b>	If you do not know the status or the amount of your Participant Claim, you can go to the Claims Register at the website <a href="http://registry.telexfreeclaims.com">http://registry.telexfreeclaims.com</a> . You can use that link to find your Claim information by typing in your Claim number. If you cannot find your Claim, you can send an inquiry to <a href="mailto:ClaimResponse@TelexFreeClaims.com">ClaimResponse@TelexFreeClaims.com</a> .
<b>COMPLETE AND RETURN YOUR BALLOT BY JUNE 30, 2020 AT 5:00 P.M. EASTERN TIME</b>	It is important that you complete and return your ballot by the deadline so that your vote can be taken into account in obtaining Court approval of the Plan and so that you can receive your distribution. Your ballot can be accessed at <a href="https://vote.telexfreeclaims.com">https://vote.telexfreeclaims.com</a> . Your username and your passcode for each claim was provided via email. <b>YOU MUST COMPLETE THE BALLOT, INCLUDING INSTRUCTIONS FOR ELECTRONIC PAYMENT (AND IF YOU ARE NOT A RESIDENT OF THE UNITED STATES INFORMATION TO ENSURE COMPLIANCE WITH THE OFFICE OF FOREIGN ASSET CONTROL) IN ORDER TO RECEIVE YOUR PAYMENT. IF YOU DO NOT SUBMIT YOUR BALLOT, YOU WILL NOT RECEIVE A DISTRIBUTION.</b>
<b>ELECT TO BE TREATED AS A GENERAL PARTICIPANT CLAIM</b>	If you have a Convenience Participant Claim and would like your Claim to be treated and paid as a General Participant Claim, you will need to make the election referenced on the ballot.
<b>FILE OBJECTION TO THE PLAN BY JUNE 30, 2020 AT 4:30 P.M. EASTERN TIME</b>	You have right to object to the Plan and explain to the Court why you disagree with the Plan. Objections must be mailed to the Clerk, United States Bankruptcy Court, 5 Post Office Square, Boston, MA 02109 so that it is <b>received</b> by <b>June 30, 2020</b> and a copy must be sent to the undersigned counsel.

<b>ATTEND THE PLAN CONFIRMATION HEARING ON JULY 8, 2020 AT 2:00 P.M. EASTERN TIME</b>	<p>You <u>may</u>, but are not required to, attend the hearing on the Court's approval of the Plan. The hearing on the Plan will be held at the United States Bankruptcy Court, Courtroom 2, 5 Post Office Square, Boston, MA 02109 on <b>July 8, 2020 at 2:00 p.m. Eastern Time</b> You may be able to participate telephonically and that information will be posted on the Telexfree website prior to the scheduled hearing.</p> <p>If you do not speak English, you must supply your own interpreter.</p> <p><b>YOU ARE NOT REQUIRED TO ATTEND THE HEARING IN ORDER TO RECEIVE A DISTRIBUTION UNDER THE PLAN.</b></p>
<b>QUESTIONS</b>	<p>If you have any questions about the information contained in this Notice, you may contact <a href="mailto:ClaimResponse@TelexFreeClaims.com">ClaimResponse@TelexFreeClaims.com</a>.</p>

If the Plan is not approved, there will be additional costs incurred by the TelexFree bankruptcy estates that will likely reduce the amount paid to Participants and substantially delay payments to Participants. **Accordingly, the Trustee recommends that you vote to accept the Plan by timely submitting your ballot.**

Stephen B. Darr, Chapter 11 Trustee  
By his attorneys,

/s/ Andrew G. Lizotte  
Harold B. Murphy (BBO #362610)  
Andrew G. Lizotte (BBO #559609)  
Murphy & King, Professional Corporation  
One Beacon Street  
Boston, MA 02108

Dated: May 28, 2020