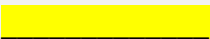




ATTACHMENT 3

If You Bought a TelexFree AdCentral or AdCentral Family Package, a \$22.5 Million Class Action Settlement May Affect Your Rights

A Federal Court authorized this Notice. This is not a solicitation from a lawyer. You are not being sued.

- A class action lawsuit brought on behalf of victims of the TelexFree pyramid scheme is currently pending.
- Plaintiffs allege that they were injured as a result of the Defendants’ assistance and participation in the TelexFree pyramid scheme. Defendants dispute Plaintiffs’ claims.
- A \$22.5 million settlement has now been reached in this litigation regarding claims against Fidelity Co-operative Bank (“Fidelity Bank”) and John Merrill (together, the “Fidelity Bank Defendants” or “Settling Defendants”).
- This is the fourth settlement reached in this litigation. Three settlements, pending final Court approval, were previously reached with nine Defendants and three related third-parties.
- Your legal rights will be affected whether you act or do not act. This Notice includes information on the Fidelity Bank Defendants settlement and the lawsuit. Please read the entire Notice carefully.
- The Court in charge of this case still has to decide whether to approve the settlement.
- **This Notice and additional information translated in a variety of other languages is available by visiting www.TelexFreeSettlement.com.**

YOUR LEGAL RIGHTS AND OPTIONS	
OBJECT BY 	Submit your objection explaining why you disagree with the settlement and/or the requested attorneys’ fees, litigation expenses, and incentive awards. <i>See Question 9 for more information.</i>
EXCLUDE YOURSELF BY 	This is the only option that allows you to individually sue the Settling Defendants about the claims asserted in this case. You will no longer be a member of the Settlement Class and you will not receive any funds from this settlement. <i>See Question 9 for more information.</i>
GO TO THE HEARING ON 	Ask to speak in Court about any aspect of the settlement and/or the requested attorneys’ fees, litigation expenses, and incentive awards. <i>See Questions 11–12 for more information.</i>
DO NOTHING	You will remain a member of the Settlement Class. You will give up any rights you currently have to separately sue the Settling Defendants for the conduct that is the subject of the lawsuits. <i>See Questions 9–10 for more information.</i>

WHAT THIS NOTICE CONTAINS

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BASIC INFORMATION

1. Why did I get this Notice?

Records indicate that you may have purchased one or more TelexFree AdCentral or AdCentral Family packages and suffered a net loss between January 1, 2012, and April 16, 2014.

A “net loss” is defined as having occurred when the Settlement Class Member invested more funds in TelexFree than he or she withdrew.

You have the right to know about the case and about your legal rights and options before the Court decides whether to approve the settlement.

This Notice explains the litigation, the settlement, and your legal rights.

The litigation is before Judge Timothy S. Hillman of the United States District Court for the District of Massachusetts and the case is called *In re: TelexFree Securities Litigation*, Case Number 4:14-md-2566-TSH. The people who sued are called Plaintiffs and the companies and people they sued are called Defendants.

2. Who are the Defendants?

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The Defendants fall into several categories.

TelexFree Entities: TelexElectric, LLLP, and Telex Mobile Holdings, Inc. TelexFree, Inc., TelexFree, LLC, and TelexFree Financial, Inc. are not currently named as Defendants in the litigation due to their Chapter 11 bankruptcy protections.

The other Defendants are people and entities alleged to have participated in, or aided or abetted, the pyramid scheme.

TelexFree Founders, Principals, Executive Office Members, and Associated Individuals: James M. Merrill, Carlos N. Wanzeler, Carlos Roberto Costa, Steven M. Labriola, Joseph H. Craft, Ana Paula Oliveira, Andreia B. Moreira, and Katia Wanzeler.

Other Co-Conspirators: Sanderley Rodrigues de Vasconcelos, Santiago de la Rosa, Randy N. Crosby, Scott Miller, Faith R. Sloan, and Daniil Shoyfer.

Attorney Defendants: Gerald P. Nehra, Esq., Gerald P. Nehra, Attorney at Law, PLLC, Law Offices of Nehra and Waak, Garvey Schubert Barer, P.C., Robert Weaver, Samuel C. Kauffman, Gary P. Tober, Sara P. Sandford, Jeffrey A. Babener, and Babener & Associates.

Other Professional Services Providers: The Sheffield Group, Inc.

Accountant Defendants: Joseph H. Craft, Craft Financial Solutions, LLC.

Bank Defendants: Fidelity Co-operative Bank, John F. Merrill, Synovus Bank, and PNC Bank, N.A.

Payment Processing Service Companies: International Payout Systems, Inc., ProPay, Inc., Base Commerce, LLC, John Hughes, Alexander Sidel, Jason Doolittle, John Kirchhefer, Brian Bonfiglio, Vantage Payments, LLC, Dustin Sparman, Allied Wallet, Ltd., Bank Card Consultants, Inc., and John Yurick.

Investment Services Providers: Wells Fargo Advisors, LLC, and Mauricio Cardenas.

3. What is this lawsuit about?

Plaintiffs allege that they were injured as a result of the Defendants' assistance and participation in the TelexFree Pyramid/Ponzi Scheme.

Plaintiffs allege that TelexFree, Inc., TelexFree, LLC, TelexFree Financial, Inc. and their related entities and individuals operated an illegal scheme whereby they sold memberships and ostensibly paid promoters for placing advertisements for a voice over internet protocol ("VOIP") product, but in reality paid them to recruit other investors whose new membership fees kept the scheme afloat. Plaintiffs further allege that TelexFree, Inc., TelexFree, LLC, TelexFree Financial, Inc. and their related entities and individuals carried out other related ongoing operations, including, but not limited to, money laundering and the transfer of funds and operations offshore and beyond the reach of the United States' justice system. Plaintiffs allege that TelexFree's business and operations constituted a hybrid illegal Pyramid/Ponzi Scheme. Plaintiffs seek compensation for the economic loss they suffered as a result of the Defendants' participation in, or aiding or abetting of, TelexFree's illegal Scheme. Plaintiffs also seek equitable relief.

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Defendants dispute Plaintiffs' claims. The Fidelity Bank Defendants further deny that they knew TelexFree was an illegal scheme when they provided banking services in to the company. The Court has not yet decided who is right.

4. What is the status of the litigation?

This settlement with the Fidelity Bank Defendants is the fourth settlement reached in the litigation.

Three settlements, pending final Court approval, were previously reached regarding claims against twelve parties, nine of which are Defendants and three of which are related third parties. The first settlement was with Defendants Base Commerce, LLC (formerly known as Phoenix Payments, LLC), John Hughes, Brian Bonfiglio, John Kirchhefer and Alex Sidel (collectively, the "Base Commerce Defendants"). The second settlement was with Defendant Synovus Bank. The third settlement was with Defendants Joseph Craft and Craft Financial Solutions, Inc. and related third parties BWFC Processing Center, LLC, ACE LLP and Audra Craft. For more information on these settlements, including the settlement agreements and related Court orders and filings, please visit www.TelexFreeSettlement.com.

The litigation will continue against the other named Defendants until all Defendants reach a settlement or the case is dismissed or goes to trial. The funds obtained may be used for the benefit of the class in the ongoing litigation.

5. What is a class action?

In a class action, one or more people, called class representatives, sue on behalf of people who have similar claims. All these people are members of the class, except for those who exclude themselves from the class.

Important information about the case will be posted on the website, www.TelexFreeSettlement.com, as it becomes available. Please check the website to be kept informed about any future developments.

THE SETTLEMENT CLASS

6. How do I know if I'm part of the Settlement Class?

The Settlement Class includes persons who purchased TelexFree AdCentral or AdCentral Family packages and suffered a Net Loss during the period from January 1, 2012, to April 16, 2014.

A "Net Loss" means that the Settlement Class Member invested more funds than they withdrew.

7. What does the settlement provide?

This settlement with the Fidelity Bank Defendants provides for a payment of \$22,500,000 in cash and continuing cooperation by the Fidelity Bank Defendants. In return for the payment and benefits, Settlement Class Members are required to give up their claims against Fidelity Bank, John Merrill and their past, present and future employees, officers, directors, corporators, spouses, heirs, trusts, trustees, executors, estates, administrators, beneficiaries, distributees, foundations, agents, fiduciaries, partners, partnerships, joint ventures, member firms, limited liability companies, corporations, parents, subsidiaries, divisions, affiliates, associated entities, principals, managing directors, members, managers, predecessors, predecessors-in-interest, successors, successors-in-

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interest, assigns, advisors, consultants, brokers, dealers, lenders, attorneys, representatives, accountants, insurers, coinsurers, reinsurers, associates and their related parties.

More details are in the Fidelity Bank Defendants Settlement Agreement, available at www.TelexFreeSettlement.com.

8. When can I get a payment?

No money will be distributed to any Settlement Class Member yet. The lawyers will continue to pursue the lawsuit against the other, non-settling Defendants to see if any future settlements or judgments can be obtained in the case and then the funds will be distributed in the best method available in order to reduce administrative expenses.

The plan of distribution for the settlement funds will depend on the total amount recovered from the Defendants, attorney fees and case costs. You will be notified when and how to submit a claim. The plan of distribution for the settlement funds must be approved by the Court before the funds can be distributed.

9. What are my rights in the Settlement Class?

Remain in the Settlement Class: If you wish to remain a member of the Settlement Class, you do not need to take any action at this time. If you remain in the Settlement Class and participate in the settlement, you retain your right to administratively contest the amount you are awarded after you are notified what that amount is.

Opt Out of the Settlement Class: If you wish to keep your rights to sue the Settling Defendants about the conduct alleged in this litigation, any act or omission of the Settling Defendants alleged in the Complaints as it relates to the TelexFree Scheme or any conduct alleged and causes of action asserted or that could have been alleged or asserted, in any class action or other complaints filed in this litigation, you must exclude yourself from the Settlement Class. You will not get any money from the settlement if you exclude yourself.

To exclude yourself from the Settlement Class, you must send a letter that includes the following:

- a) Your name, home address at the time of your transactions with TelexFree, your current home address if different, your phone number, your current email, your email address(es) at the time you conducted business with TelexFree, evidence of your transactions with TelexFree, your estimate of the date range of your transactions with TelexFree, and your estimated dollar transactions with TelexFree;
- b) the name and contact information for all legal counsel(s) that you have consulted with as it relates to TelexFree or that represent you;
- c) A statement saying that you wish to be excluded from the Settlement Class in *In re TelexFree Securities Litigation* – Case No. 4:14-md-2566-TSH, as to the Fidelity Bank Defendants for which you wish to retain your rights to sue; and
- d) Your signature and the date you sign.

You must mail your exclusion request, postmarked no later than , to:

TelexFree Securities Litigation
c/o A.B. Data, Ltd.
ATTN: EXCLUSIONS
P.O. Box 173001
Milwaukee, WI 53217

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Remain in the Settlement Class and object: You can ask the Court to deny approval of the settlement by filing an objection. You can't ask the Court to order a larger settlement; the Court can only approve or deny the settlement. If the Court denies approval of the settlement, no payments from that settlement will be sent out and the lawsuit will continue. If that is what you want to happen, you must object.

You may object to the proposed settlement in writing. You may also appear at the Fairness Hearing, either in person or through your own attorney. If you wish to speak at the Final Approval Hearing, you must send a letter so informing the Clerk of the Court, Lead Class Counsel, and Settling Defendants' Counsel. If you appear through your own attorney, you are responsible for paying that attorney. All written objections must be made under penalty of perjury and the supporting papers must include:

- a) A heading that clearly identifies the case name and number (*In re TelexFree Securities Litigation* – Case No. 4:14-md-2566-TSH);
- b) The objector's name, address, telephone number, and the contact information for any attorney retained in connection with the objection or otherwise in connection with the lawsuit;
- c) A detailed statement of the specific factual and legal basis for the objection to the proposed settlement the Fidelity Bank Defendants;
- d) A statement as to whether the objector intends to appear at the Final Approval Hearing, either in person or through counsel, and, if through counsel, identifying the counsel by name, address and telephone number;
- e) A list of any witnesses the objector may call at the Final Approval Hearing, together with a brief summary of each witness's expected testimony;
- f) A list of and copies of any exhibits which the objector may seek to use at the Final Approval Hearing;
- g) A list of any legal authority the objector may present at the Final Approval Hearing; and
- h) The objector's signature executed under penalty of perjury.

Objections must be submitted to the Court either by mailing them to the Clerk's Office, United States District Court for Massachusetts, Donohue Federal Building, 595 Main Street, Worcester, Massachusetts 01608 or by filing them in person at any location of the United States District Court for Massachusetts.

Objections must be filed or postmarked on or before .

10. What am I giving up to stay in the Settlement Class?

Unless you exclude yourself from the Settlement Class, you can't sue the Fidelity Bank Defendants or be part of any other lawsuit against the Fidelity Bank Defendants, or their disclosed parents, subsidiaries, affiliates, divisions, predecessors and successors, their respective past and present officers, directors and employees, insurers and reinsurers, about the legal issues in this case. It also means that all of the decisions made by the Court will bind you. The "Release of Claims" included in the Settlement Agreement covers all claims against the

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Settling Defendants relating to TelexFree and includes any causes of action asserted or that could have been asserted in the lawsuit.

The precise terms and conditions of the Settlement Agreements are available at www.TelexFreeSettlement.com.

THE SETTLEMENT APPROVAL HEARING

11. When and where will the Court decide whether to approve the settlement?

The Court will hold a Fairness Hearing in Courtroom 2 at [REDACTED], at the United States District Courthouse, Donohue Federal Building, 595 Main Street, Worcester, Massachusetts 01608. The hearing may be moved to a different date or time without additional notice, so it is a good idea to check the settlement website for information. At this hearing, the Court will consider whether the settlement is fair, reasonable, and adequate. If there are objections, the Court will consider them at that time. After the hearing, the Court will decide whether to approve the settlement. We do not know how long this decision will take.

12. Do I have to attend the hearing?

No. Class Counsel will answer any questions the Court may have. But you are welcome to come at your own expense. If you file or mail an objection, you don't have to come to Court to talk about it. As long as you filed or mailed your written objection on time, the Court will consider it. You may also pay another lawyer to attend, but it's not required.

THE LAWYERS REPRESENTING YOU

13. Do I have a lawyer in the case?

Yes. The Court has appointed the law firm of Bonsignore Trial Lawyers, PLLC to represent you as Interim Lead Counsel. The Court has also appointed the following attorneys to represent you as members of the Interim Executive Committee: R. Alexander Saveri of Saveri & Saveri, Inc.; D. Michael Noonan of Shaheen and Gordon; and Ronald Dardeno of the Law Offices of Frank L. Dardeno, LLP; (collectively "Class Counsel"). You do not have to pay Class Counsel. If you want to be represented by your own lawyer, and have that lawyer appear in court for you in this case, you may hire one at your own expense.

The contact information for Class Counsel is as follows:

Robert J. Bonsignore, Esq. Lisa Sleboda, Esq. Bonsignore Trial Lawyers, PLLC 23 Forest St. Medford, MA 02155 Telephone: 781-856-7650	R. Alexander Saveri, Esq. Saveri & Saveri, Inc. 706 Sansome Street San Francisco, CA 94111 Telephone: 415-217-6810
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D. Michael Noonan, Esq. Shaheen and Gordon 353 Central Ave., 2 nd Floor P.O. Box 977 Dover, NH 03821 Telephone: 603-749-5000	Ronald A. Dardeno, Esq. Law Offices of Frank N. Dardeno 424 Broadway Somerville, MA 02145 Telephone: 617-666-2600
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14. How will the lawyers be paid?

Class Counsel will submit an Application for Attorneys' Fees, Expenses, and Class Representative Incentive Awards to be heard at the same time as the Fairness Hearing on [REDACTED]. Class Counsel will ask the Court for attorneys' fees of one-third of the total settlement fund, or \$7,492,500.00, plus reimbursement of their costs as approved by the Court. In accordance with the provisions of the Settlement Agreement, Class Counsel will also request payment for the actual cost of class notice not to exceed \$500,000.00.

Class Counsel will also ask the Court to approve an incentive award of \$25,000 for the proposed class representative.

Class Counsel will file their Application for Attorneys' Fees, Expenses, and Class Representative Incentive Awards on or before [REDACTED]. On the same day, Class Counsel will post their Application for Attorneys' Fees, Expenses, and Class Representative Incentive Awards on the settlement website, **www.TelexFreeSettlement.com**. You may comment on or object to Class Counsel's Application for Attorneys' Fees, Expenses, and Class Representative Incentive Awards by following the procedure set forth in Question 9 above. Any comment or objection must be filed with the Court or postmarked by [REDACTED].

GETTING MORE INFORMATION

15. How do I get more information?

This notice summarizes the proposed settlement. For the precise terms and conditions of the settlement, please see the Settlement Agreement available at **www.TelexFreeSettlement.com**. You can also get more information by contacting Class Counsel at the addresses listed above under Question 13, by accessing the Court docket in this case through the Court's Public Access to Court Electronic Records (PACER) system at <https://ecf.mad.uscourts.gov/cgi-bin/login.pl>, or by visiting the office of the Clerk of the Court for the United States District Court for the District of Massachusetts, Donohue Federal Building, 595 Main Street, Worcester, Massachusetts 01608 between 8:30 a.m. and 5:00 p.m., Monday through Friday, excluding Court holidays.

PLEASE DO NOT TELEPHONE THE COURT OR THE CLERK'S OFFICE TO INQUIRE ABOUT THE SETTLEMENT OR THE CLAIM PROCESS.

Dated: [REDACTED]

BY ORDER OF THE COURT