

UNITED STATES BANKRUPTCY COURT
DISTRICT OF MASSACHUSETTS

In Re:

TELEXFREE, LLC,
TELEXFREE, INC.,
TELEXFREE FINANCIAL, INC.,

Reorganized Debtors.

Chapter 11

Case No. 14-40987-FJB

Case No. 14-40988-FJB

Case No. 14-40989-FJB

Substantively Consolidated

RESPONSE BY LIQUIDATING TRUSTEE TO
MOTION TO COMPEL DISCLOSURE OF PAYMENT RECIPIENT, INVESTIGATE
IDENTITY THEFT, AND REISSUE CLAIM PAYMENT [DOCKET NO. 3841]

Stephen B. Darr, the duly appointed Liquidating Trustee (the "Liquidating Trustee") of the reorganized bankruptcy estates of TelexFree, LLC, TelexFree, Inc., and TelexFree Financial, Inc. (collectively, the "Reorganized Debtors" or "TelexFree") respectfully files this response to the *Motion by Teresa Hernando* ("Claimant") to *Compel Disclosure of Payment Recipient, Investigate Identity Theft, and Reissue Claim Payment*.

The Liquidating Trustee reports the following:

1. The Claimant filed Claim No. 97977 on September 25, 2016, which was thereafter allowed in the amount of \$1,764.60.
2. The email address included in the proof of claim was:

teresamhernando@gmail.com.
3. The Liquidating Trustee provided claimants with alternatives methods for receiving payment on allowed claims and established a payment portal to select method of payment. After Claim No. 97977 was approved, the Trustee's claims agent, BMC Group, delivered to the email address included in the proof of claim (teresamhernando@gmail.com) a



combination username and password in order to select payment instructions. The party that completed the payment instructions would have been required to have access to the Claimant's email account in order to receive the username and password. The automated verification process also required multiple matched data points to access the payment portal.

4. Based upon the payment directives made by the Claimant, the Trustee issued a payment on July 31, 2020 in the amount of \$758.78 to a JP Morgan Chase account ending in 6850.

5. In August 2025, the Claimant communicated to the Trustee, alleging that payment had never been received on the claim.

6. The Claimant asserts that she never completed the payment portal.

7. The Court previously established July 12, 2021 as the deadline for claimants to access the payment portal and complete payment instructions. See docket entry 3686. Because the Claimant acknowledges that she did not complete the payment instructions, any right to a distribution has been forfeited.

8. JP Morgan has informed the Trustee's representatives that it will not disclose payment recipient data without an order of a Court.

9. The Trustee objects to the relief requested in the Motion insofar as it seeks reissuance of a distribution to the Claimant (effectively paying the claim twice), as: a) the Liquidating Trustee is not responsible for the safekeeping of the Claimant's email account and, more importantly; b) the Claimant acknowledges that she failed to timely take those steps required to obtain distribution on account of the claim.

Respectfully Submitted,

STEPHEN B. DARR,
LIQUIDATING TRUSTEE OF TELEXFREE INC.,
TELEXFREE LLC, AND TELEXFREE
FINANCIAL, INC.,
By his attorneys,

/s/ Andrew G. Lizotte

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