

FOR IMMEDIATE RELEASE

**TELEXFREE™ FILES VOLUNTARY CHAPTER 11 PETITIONS TO FACILITATE
FINANCIAL AND OPERATIONAL RESTRUCTURING**

**Worldwide Operations and Telecommunications Services
Continue Through Restructuring Process**

MARLBOROUGH, Mass., April 14, 2014 – TelexFREE LLC today announced that it and certain of its subsidiaries and affiliates filed voluntary petitions for relief under Chapter 11 of the U.S. Bankruptcy Code, in an effort to address certain operational challenges. The petitions were filed in the U.S. Bankruptcy Court for the District of Nevada. TelexFREE intends to use the Chapter 11 process to optimize its selling platform, address its liabilities and position itself to emerge as a stronger and more competitive company.

TelexFREE expects that it has cash on hand to support the business throughout its reorganization and to maintain services to its customers. In connection with the Chapter 11 filing, the Company announced that it has conducted a thorough review of its operations, including its multi-level marketing and pricing structure, and has determined that adjustments will be necessary to more effectively capitalize on the strong demand for its voice over internet calling product, rationalize its promotional expenses and ensure that its sales programs are compliant with applicable legal requirements.

The Company announced its intention to restructure its debt obligations, unveil and promote new products (including its TelexFree app and TelexMobile), and return to growing its customer base in an effort to realize the Company's full potential to generate significant value for its constituents.

Stuart MacMillan, interim Chief Executive Officer of TelexFREE, said, "We anticipate that our global operations will continue to provide our customers with the high-quality products and services they have come to expect. We are taking this major step because we continue to believe in our business, our products and the enthusiasm of our world-class team. We believe that this restructuring plan, which will include significant enhancements to our governance practices and internal controls, will help us to build a stronger and more sustainable financial and operational foundation for the future."

The Company has filed customary "First Day Motions" with the Bankruptcy Court which, if granted, together with the plan, will help ensure that the restructuring process proceeds in an orderly manner.

MacMillan continued, "As a result of the filing of the chapter 11 cases, TelexFREE anticipates that it will have the time to build a solid foundation based on a compensation plan that rewards sales associates and promoters for customer acquisition and the promotion of well-established and new products. Our collective success depends on our united commitment to offer our customers the finest communications products and services available anywhere in the world. I look forward to moving through the process quickly with the support of our independent sales associates during this transition and the ongoing dedication of our customers."

Additional information is available on the TelexFREE website at www.TelexFREE.com. Court filings and other documents related to the reorganization proceedings are available on <http://www.kccllc.net/TelexFree>.

Alvarez & Marsal North America, LLC is serving as restructuring advisor to the Company and Greenberg Traurig, LLP and Gordon Silver are serving as legal advisors to TelexFREE.



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About TelexFREE

TelexFREE is a private company headquartered in Marlborough, Mass., with offices in a number of regions around the world. For more information, please visit www.TelexFREE.com.

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