Docket #0621 Date Filed: 10/2/2023

UNITED STATES BANKRUPTCY COURT
DISTRICT OF MASSACHUSETTS

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|---|---|
| In re:<br><br>TELEXFREE, LLC,<br>TELEXFREE, INC.,<br>TELEXFREE FINANCIAL, INC.,<br><br>Reorganized Debtors. | Chapter 11 Cases<br>14–40987–EDK<br>14–40988–EDK<br>14–40989–EDK<br><br>Jointly Administered |
| STEPHEN DARR, CHAPTER 11 TRUSTEE OF THE ESTATES OF EACH OF THE DEBTORS,<br><br>Plaintiff,<br><br>v.<br><br>BENJAMIN ARGUETA, *et al.,* and a CLASS OF DOMESTIC NET WINNERS,<br><br>Defendants. | Adv. Pro. No.: 16–04006–EDK |
| STEPHEN DARR, CHAPTER 11 TRUSTEE OF THE ESTATES OF EACH OF THE DEBTORS,<br><br>Plaintiff,<br><br>v.<br><br>PAOLA ZOLLO ALECCI, *et al.*, and a CLASS OF INTERNATIONAL NET WINNERS,<br><br>Defendants. | Adv. Pro. No.: 16–04007–EDK |

**AFFIDAVIT OF MICHAEL J. DURAN IN SUPPORT OF OPPOSITION TO CROSS-MOTION**

14409872310030000000000001

I, Michael J. Duran, do hereby depose and state:

1. I am an attorney licensed to practice law in the Commonwealth of Massachusetts and admitted to the United States District Court for the District of Massachusetts.

2. I have been practicing law for 15 years.

3. I am a partner at the law firm Milligan Rona Duran & King LLC. My firm and I represent the Domestic Class Representative Frantz Balan and International Class Representatives Marco Puzzarini and Sandro Paulo Freitas (the "Class Defendants") in this action.

4. The following is true and accurate to the best of my knowledge, and if called upon to do so I could testify competently about the facts set forth in this affidavit.

5. On or about February 22, 2023, the Trustee took the deposition of Ella Maria Reid. A true and accurate copy of the deposition transcript is attached as Exhibit A.

6. On or about February 21, 2023, the Trustee took the deposition of Maritza Elizabeth Garcia. A true and accurate copy of the deposition transcript is attached as Exhibit B.

7. On or about March 16, 2023, the Class Defendants took the deposition of Benjamin Argueta. A true and accurate copy of the deposition transcript is attached as Exhibit C.

8. On or about February 22, 2023, the Trustee took the deposition of Selvi Vanessa Lewis Reynaga. A true and accurate copy of the deposition transcript is attached as Exhibit D.

9. The following excerpt shows how Selvi Vanessa Lewis Reynaga entered the name "Selvi Vanessa Lewis Reynaga" in some instances and in others entered the name ". ." for her user accounts:

| rep_login | rep_nome | rep_email | rep_end | rep_num | rep_bairro | rep_cidad |
|---|---|---|---|---|---|---|
| vanessalewis | Selvi Lewis Reynaga | sparkledewdrop@gmail.com | C. 4to Center | 1050 | Villa Nuevo Potosi | La Paz |
| vanessalewisc1 | . . | sparkledewdrop@gmail.com | . | . | . | . |
| vanessalewis1 | Selvi Lewis Reynaga | sparkledewdrop@gmail.com | C. 4to Center | 1050 | Villa Nuevo Potosi | La Paz |
| vanessalewis2 | Selvi Lewis Reynaga | sparkledewdrop@gmail.com | C. 4to Center | 1050 | Villa Nuevo Potosi | La Paz |
| vanessalewis3 | Selvi Lewis Reynaga | sparkledewdrop@gmail.com | C. 4to Center | 1050 | Villa Nuevo Potosi | La Paz |
| vanessalewis4 | Selvi Lewis Reynaga | sparkledewdrop@gmail.com | C. 4to Center | 1050 | Villa Nuevo Potosi | La Paz |
| vanessalewis5 | Selvi Lewis Reynaga | sparkledewdrop@gmail.com | C. 4to Center | 1050 | Villa Nueva Potosi | La Paz |
| vanessalewis5c1 | . . | sparkledewdrop@gmail.com | . | . | . | . |
| vanessalewis5c2 | . . | sparkledewdrop@gmail.com | . | . | . | . |
| vanessalewis5c3 | . . | sparkledewdrop@gmail.com | . | . | . | . |
| vanessalewis5c4 | . . | sparkledewdrop@gmail.com | . | . | . | . |
| vanessalewis5c5 | . . | sparkledewdrop@gmail.com | . | . | . | . |
| vanessalewis5c6 | . . | sparkledewdrop@gmail.com | . | . | . | . |
| vanessalewis5c7 | . . | sparkledewdrop@gmail.com | . | . | . | . |
| vanessalewis5c8 | . . | .sparkledewdrop@gmail.com | . | . | . | . |
| vanessalewis5c9 | . . | sparkledewdrop@gmail.com | . | . | . | . |
| vanessalewis5c0 | . . | sparkledewdrop@gmail.com | . | . | . | . |

10. On or about February 21, 2023, the Trustee took the deposition of Arismendy Disla. A true and accurate copy of the deposition transcript is attached as Exhibit E.

Signed under the pains and penalties of perjury, this 2nd day of October 2023.

/s/ Michael J. Duran
Michael J. Duran

**CERTIFICATE OF SERVICE**

I, Michael J. Duran, hereby certify that I have caused a copy of the Michael J. Duran to be served on counsel for the Trustee and all registered electronic filers appearing in this case using the Court's CM/ECF system.

Dated: October 2, 2023

/s/ Michael J. Duran
Michael J. Duran, Esq.

# Exhibit A.

**In the Matter of:**

*Telexfree, LLC, et al. vs*

*Franz Balan*

---

*Ella Maria Reid*

*February 22, 2023*

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UNITED STATES BANKRUPTCY COURT
DISTRICT OF MASSACHUSETTS

| | |
|---|---|
| In Re TELEXFREE, LLC, et al., Debtor, | |
| STEPHEN B. DARR, TRUSTEE OF THE ESTATES OF TELEXFREE LLC, et al., Plaintiff, | Case no. 14-40987-EDK<br>Chapter 11 |
| v. | Adv. Proc. No. 16-4006 |
| FRANZ BALAN, A REPRESENTATIVE OF A CLASS OF DEFENDANT NET WINNERS, Defendant. | |

DEPOSITION OF ELLA MARIA REID
Appearing remotely from
31 Oteen Park Place
Asheville, North Carolina
February 22, 2023
Commencing at 10:00 a.m.

Reported by: Genevieve Y.J. Van de Merghel
Notary Public and Stenographer
Appearing remotely from
Hampshire County, Massachusetts

O'Brien & Levine Court Reporting Solutions
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A P P E A R A N C E S

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# I N D E X


| WITNESS | EXAMINATION |
|---|---|
| ELLA MARIA REID | |
| BY MS. PAPAS | 4 |
| BY MR. RONA | 12 |


## E X H I B I T S


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(Exhibits provided to the court reporter to attach to the transcript.)

P R O C E E D I N G S

Counsel present agree to conducting today's deposition remotely via videoconference.

ELLA MARIA REID, having first been identified by the production of her North Carolina driver's license and duly sworn Pursuant to Executive Order 144, testified as follows:

EXAMINATION

BY MS. PAPAS:

Q. Thank you for joining us today. I am just going to go through a couple basic instructions with you. I am not sure if you have been deposed before, but I am going to ask you a series of questions, and if you don't understand, please tell me. If you do answer my question, I am going to assume that you did understand the question and that you answered truthfully. Are you okay with those instructions?

A. Yes.

Q. And I will also ask that you give verbal answers for the court reporter, so please say "yes" or "no" instead of nodding your head. Can you do that?

A. Yes, I can.

Q. Thank you. And I will also ask do you want an opportunity to review the written transcript of everything that we said today to review it to make sure it is accurate?

A. Yes, please.

Q. Okay. So we will -- once we get a copy of the transcript from the court reporter, we will send a copy to you, and then you will have 14 days once you receive it to review and sign under oath that it is accurate or to identify any errors and then return it to us. Can you do that?

A. Yes, I can.

Q. And then just a few more preliminaries. I just want to check, is anyone in the room with you today?

A. No.

Q. And did you talk to anyone about this deposition before appearing today?

A. No.

Q. Thank you. So my understanding is that you invested in the TelexFree program. Is that correct?

A. That is correct.

Q. And you submitted a claim for the amount you lost. Correct?

A. Yes, I did.

Q. Okay. And do you remember the amount of that claim?
A. Not off the top of my head. I could find it out. It's in emails and such. But no.
Q. Okay. Our records show that you submitted a claim for $8,058.50. Does that sound accurate?
A. Yes. That does, actually.
Q. When you submitted that claim, you declared the information was true and correct. Is that correct?
A. Yes.
Q. Thank you. And based on that claim information, I understand that you had many accounts with TelexFree. Do you remember approximately how many accounts you had?
A. No, I don't.
Q. In the ballpark, you know, of 10? More than 10? What would you say?
A. I think it was definitely more than 10.
Q. More than 10. Okay. Thank you. So with those accounts, you understood that you could earn credits for activities like posting ads. Is that true?
A. Yes.
Q. And once you earned those credits, you could use those credits to either get cash or buy additional

accounts. Is that true?
A. That is correct.
Q. Did you ever use those credits to buy an account?
A. I believe so.
Q. Did you ever use those credits to buy an account for anyone else?
A. I can't recall.
Q. Did anyone else use their credits to open an account for you?
A. Yes.
Q. Do you remember who that was?
A. My mother.
Q. What is your mother's name?
A. Faith Jael Gohar.
Q. Thank you. And when your mother opened those accounts for you, did you give her any payment for those accounts?
A. No.
Q. Did you consider those accounts a gift?
A. Yes.
Q. And did anyone else open accounts for you?
A. Not to my knowledge.
Q. And were you aware, just in general, other

members of the TelexFree program, if they opened accounts for others with their credits?

A. No, I wasn't.

Q. You weren't aware of that? Okay.

A. No.

Q. And do you know about how much the accounts were -- sorry. Let me rephrase that. Do you know how much each account cost that your mother opened up for you?

A. No.

Q. And was your mother heavily involved in the TelexFree program?

A. Yes. That's who introduced me to it.

Q. Do you know if she brought other people in besides you?

A. I think so, yeah.

Q. When she brought other people in, do you know if she opened accounts for them with her credits?

A. I don't know how she did her part of it. I just know what she did for me.

Q. Okay. About how long were you a member of the TelexFree program?

A. That was so long ago. I want to say a few months, maybe half a year. I am not sure.

Q. Do you know approximately when your first account was opened by your mother for you?
A. No, I don't. I mean, I would have to give an estimate. But accurately, no.
Q. Does something around May 2013 sound correct?
A. Yeah. Definitely under -- yeah, something like that.
Q. So you had an account from May of 2013, and then you continued with the program for approximately six months?
A. Mm-hmm. That sounds about right.
Q. Did you keep any records during that time of payments or money that you would have made related to the accounts in any way?
A. I think I was able to access it online at the time, but I didn't keep anything separately.
Q. By online, do you mean you had, like, an online wallet for TelexFree?
A. Yes. Like, I could go into the system and check what was, you know, the balance and stuff like that.
Q. Do you know if you have access to any of that anymore?
A. No.
Q. So besides your mother, were you personally

aware of anyone else who was a TelexFree member?
A. No, not personally.
Q. Okay. I should rephrase that. Did you have contact with anyone, either in person or electronically, with anyone besides your mother who was a TelexFree member?
A. No.
Q. Okay. Do you know what your mother's email address is?
A. Yeah. Let me look it up. It is faithjaelgohar@gmail.com. So it's Faith, F-A-I-T-H, J-A-E-L, G-O-H-A-R.
Q. Thank you. And I think I asked you this already, but I just want to confirm. Do you know how much either a membership plan or a phone plan costs with TelexFree?
A. I don't remember that.
Q. Do you think you were aware at one time of how much it cost?
A. Yes, absolutely. It's just been too long.
Q. Okay. And when your mother opened the account for you and you considered it a gift, did you declare it on any taxes or anywhere like that?
A. I don't recall. I don't know. I would have to

take a look back on my taxes.
Q. Okay. Now, are you aware if your mother filed a claim, a separate claim from your own?
A. I do not know.
Q. And when you filed that claim for Telex, did you declare the amount that each account cost that your mother opened for you as a loss?
A. I don't know if I did or not.
Q. I am just going to try and show one thing to you. It's just your claim statement.
A. Okay.
Q. Let me try and share the screen. Are you able to see the document that I am showing to you?
A. Yes.
Q. I am just going to scroll through. I actually want to get to the last accounts. But these are all the accounts that you declared on the claim statement.
A. Okay.
Q. And then I want to just look at the last three. So I see here that you declared for account labeled 82Ella that you lost $1,474.90. Is that accurate?
A. Yes.
Q. Okay. And there's one here, Ella1982, and you also lost $1,474.90. Is that accurate?

A. Yes.
Q. Okay. And there's Ella82, and you lost $1,075.10 is that accurate?
A. Yes.
Q. Sorry. What was that?
A. Yes.
Q. Okay. And are these the accounts that your mother opened for you initially when you joined TelexFree?
A. Yes, they are.
Q. Okay. And she opened those for you with her credits. Correct?
A. Yes. I mean, I am guessing that's how she opened them.

MS. PAPAS: Okay. I have no further questions. Let me stop sharing my screen.

(Exhibit 1, Claim Statement, marked for identification.)

EXAMINATION

BY MR. RONA:

Q. Good morning, Ms. Reid. My name is Ilyas Rona. I represent individuals against whom the trustee is bringing claims in connection with TelexFree. I just have a couple of questions for you to go back on some

of the topics that were covered.

First, do you go by any other names besides Ella Reid?

A. Not currently.

Q. Okay. Did you have a prior name or use a name in the past that was different?

A. Just my maiden name, but not in the last 10 years.

Q. What was your maiden name?

A. Presley. Ella Maria Presley.

Q. Did you get married -- do you remember what year you got married?

A. 2004.

Q. So when you were involved in TelexFree, your name was Ella Reid?

A. That's correct.

Q. Okay. Did you ever use any other names in connection with TelexFree?

A. No.

Q. Okay. Were you born in 1982?

A. Yes.

Q. Some of your accounts had in the login 82Ella or Ella82. Does that reflect your birth year?

A. Yes.

Q. Is your mom -- was she born around 1960?
A. Yes, I believe so.
Q. Where does your mom -- your mom is alive. Correct?
A. Yes.
Q. Where does she currently live?
A. In Germany.
Q. Okay. When she was involved in TelexFree, did she live in Germany?
A. Yes.
Q. Has she lived in Germany her whole life or has she moved around?
A. She has moved around.
Q. Do you know what brought her to Germany?
A. She was born in Germany.
Q. Okay. So at some point -- when you were -- did you grow up in the US?
A. Yes, and also in Germany.
Q. How many years did you live in Germany?
A. Eight years.
Q. Were you school age or were any of those eight years as an adult?
A. School age.
Q. Okay. Do you still have friends or contacts in

Germany?
A. Yes, I do.
Q. Did any -- did you have any contact with any of your friends or anybody in Germany aside from your mom in connection with TelexFree?
A. No.
Q. To your knowledge, was your mom recruiting or attempting to recruit other people in Germany?
A. Yeah, I think so. But I don't know who she did recruit or -- but she was talking about it.
Q. Okay. And what town or city does your mom -- did your mom live in in around 2013?
A. I think it was Bad Toelz.
Q. Is that B-A-D T-O-E-L-Z?
A. That's correct.
Q. Is that where you lived when you were in Germany?
A. No.
Q. Where did you live?
A. I lived in Miesbach.
Q. Could you spell that, please?
A. It's M-I-E-S-B-A-C-H.
Q. How many email addresses do you currently have or use?

A. For use?
Q. Yes.
A. I have a personal email and a work email.
Q. Okay. What is your personal email?
A. It's ellareid, R-E-I-D, 82@gmail.com.
Q. Have you had any other personal emails in your adult life that you have used?
A. Yes, but I don't recall what they were.
Q. Do you not -- are there email addresses or accounts that you formerly used that you don't use anymore?
A. Like I said, I've had different emails but that's my main one. So I don't -- I only use the one that I stated.
Q. Did you ever have an MSN email?
A. I don't think so, but it's possible.
Q. Okay. And did you ever have access to or make use of your mom's email account, the one that you identified previously?
A. Like, what do you mean?
Q. Well, for example, do you have the -- do you know the password so that you can log in to that email account?
A. No.

Q. Okay. Have you ever sent emails from that account?
A. No.
Q. When you were involved in TelexFree, did you, from time to time, have to enter an email address into the computer?
A. I don't remember.
Q. Do you know if some of your or any of your accounts list your mom's email address as the email address on the account?
A. That's possible, yes.
Q. Why is that possible?
A. Well, she has -- because she had signed me up for some of those accounts.
Q. Okay. So when she signed you up, where was she? Your mom, where was she?
A. Where was she?
Q. Yeah. Where was she physically located?
A. In Germany.
Q. And you were physically in North Carolina?
A. Mm-hmm.
Q. I apologize --
A. Yes.
Q. -- you have to say "yes" or "no." Okay. So

yes, you were. Okay.

So is it fair to say, based on your prior answers, that she was the one that sat at a computer and typed in the necessary information to create your account?

A. Yes.

Q. Okay. So if she typed your name a certain way, that was a choice that she made. Is that right?

A. Well, yes.

Q. And if she put her email address instead of yours, that would have been a choice that she made also?

A. Yes.

Q. Okay. And I believe you said earlier that you did not pay your mom to open up those accounts. Is that right?

A. Can you repeat the question?

Q. I believe earlier you testified that you did not pay your mom to open up those accounts. Is that correct?

A. Yes. They were a gift.

Q. At any point, did you pay your mom money in connection with TelexFree?

A. No.

Q. Okay. At any point, did you pay anybody else in connection with TelexFree?
A. No.
Q. At any point, did you ever collect money from somebody else in connection with TelexFree?
A. No.
Q. Did you ever directly deposit money into TelexFree, the corporate entity?
A. No. I don't -- well, I don't recall.
Q. Okay. Are you aware that there was a way that people could physically send money directly to the company?
A. Yes, of course.
Q. Did you ever withdraw money directly from TelexFree?
A. Not -- no, not in the six months that I was doing it.
Q. How much money did you lose in connection with TelexFree?
A. Like, money that was invested?
Q. Well, let's take -- let's talk about your -- the cash that you -- I presume you were working during the time that you were involved in TelexFree?
A. Yes.

Q. And what were you doing for work at that time?
A. I am an educator.
Q. So how much money that you earned as an educator did you lose in connection with TelexFree?
A. I don't know.
Q. Do you have memory of ever taking cash or writing a check or in any way sending US currency to somebody else in connection with TelexFree?
A. I mean, just through my mother, but I don't -- you know, it was a gift.
Q. Okay.
A. So --
Q. Is it your view that the money that you lost in connection with TelexFree was really the credits that you had earned inside the system?
A. Yes.
Q. Okay. So in your view, you did not actually suffer a cash loss. Is that correct? Apart from the TelexFree system, you did not part ways with cash that you never saw again. Is that correct?
A. Yes.
Q. Okay. Does your mom go by any other names?
A. She -- I don't know.
Q. Okay.

A. Yeah.
Q. Does she have any nicknames that she uses or that other people use for her?
A. I don't think -- I don't know.
Q. She doesn't go by Ruth, does she?
A. I don't think so.
Q. Okay. I am going to just ask you a couple of -- so I may have asked you this. Did you yourself recruit anybody into TelexFree?
A. I don't remember.
Q. Were you -- was your -- you were aware that there were different activities you could do in connection with TelexFree to try to earn either money or credits. Is that right?
A. Yes.
Q. So, for example, you could post ads. Do you remember that?
A. Mm-hmm. Yes.
Q. And you were aware that you could also recruit other people and get some form of commission or residual compensation from that?
A. That's -- yes, that sounds familiar.
Q. And then -- I am not sure. Do you remember any other ways you could get compensation in connection

with TelexFree?
A. No.
Q. Well, you could sell phone plans. Right? Like, phone lines? You could actually sell phone lines?
A. Yes, and, like, phone cards or something.
Q. Do you recall selling any phone cards in connection with TelexFree?
A. I don't recall.
Q. Was your primary focus, then, to place ads and earn credits that way?
A. Yes.
Q. Okay.
A. It was simple.
Q. I'm sorry?
A. Yes.
Q. Okay. So is it fair to then presume or conclude from that that recruiting other people was not a primary focus of your involvement in TelexFree?
A. As far as I recall, yes.
Q. Do you recall making any efforts to try to recruit people into TelexFree?
A. I don't recall.
Q. Okay. For a fact, you don't know that you recruited any individual person. Is that right?

A. Yeah, I don't recall.
Q. Just bear with me for a second here. Did you help your mother recruit any other people?
A. Did I help my mother? What does -- what would "help" be?
Q. Did you ever facilitate a conversation, host a meeting, recommend that someone reach out to her? Anything like that in order to help her recruit.
A. I don't remember doing that.
Q. Okay. And I take it, therefore, you didn't operate with your mother as some form of a team. Is that right?
A. I wouldn't say, like, actively, no.
Q. What would you -- I am not trying to put words in your mouth. How would you describe the relationship you had with your mom with respect to TelexFree?
A. We -- you know, she introduced me to TelexFree, showed me how to do the ads, and, you know, how to get credits that way.
Q. Okay.
A. So we just talked about that.
Q. But did you ever have conversations about strategy or how to increase your revenue or how to

increase the rate at which you could earn credits? Did you have any strategic discussions along those lines?

A. No.

Q. Did you send your mom emails in connection with TelexFree? This is going to be a multi-part question, so let me first ask it that way. Did you send your mom emails in connection with TelexFree?

A. It's possible. I don't recall.

Q. Okay.

A. I would have to look.

Q. What do you recall, at that time -- we are talking about, probably, 2013, 2014. What was your primary mode of communication with your mother, given that you were -- there was an ocean between the two of you?

A. Primary, probably over the phone or possibly some emails as well, you know. I am sure I emailed her, but I don't know about the whole -- like, in connection with TelexFree. But I know we did talk on the phone.

Q. Do you still have the emails -- any emails that you sent or received in connection with TelexFree, do you still have those in your gmail account that you

mentioned?
A. It's possible, if I didn't delete them.
Q. Have you ever gone back and looked? I apologize; what was that last part?
A. It's possible, if I didn't delete them. Yeah.
Q. Okay. Did you ever go back and check to see if you still had them in connection with submitting a claim?
A. I don't remember.
Q. On the subject of claim, do you remember actually, the process by which you submitted a proof of claim in this bankruptcy?
A. No, I don't remember.
Q. Do you remember sitting at a computer and being shown a number of accounts that may or may not have belonged to you?
A. Yes.
Q. Okay. And do you recall that you had to say that those were your accounts before you could see the dollar amount connected with them. Is that right?
A. I guess so, yeah.
Q. Do you recall making any changes to what the computer showed you after you entered in your information or in any way disagreeing with the

information that was shown to you?
A. I don't remember that, no.
Q. And I take it you didn't put the dollar amounts in. Those were shown to you. Is that right?
A. Yes.
Q. Okay. So the $8,000 figure that is the amount of your claim, that's an amount that was being presented to you; that's not an amount that you typed in yourself. Correct?
A. Yes, as far as -- yes, as I remember.
Q. I will just take a moment to check my notes, if you can just bear with me.
Did you receive an actual check or debit card from anyone in connection with your TelexFree claim?
A. I think I did, yes.
Q. Do you remember if it was one or two payments?
A. I don't remember how many payments it was.
Q. Okay. Did you deposit those funds into your bank account?
A. Yes.
Q. Do you recall, roughly speaking, what the amount was?
A. The $8,000 that was stated earlier. That sounds right.

Q. So your memory is you received about $8,000 in cash from the bankruptcy?
A. Yes.
Q. Okay. So I apologize. Just one more moment. I think I may be done, but I just want to check my notes here. Oh, on occasion -- I promise this will probably be the last few questions.
From time to time, do you recall transferring credits either to your mother or from your mother to you?
A. I don't know. Like, it sounds possible, but I don't know.
Q. Okay. Do you ever remember discussing with your mom the need for more credits?
A. No.
Q. Your memory is you had a number of accounts. Is that right? Possibly more than 10?
A. Yes.
Q. And do you recall that, in order to open those accounts, you would have -- if they were -- to the extent that they were a family, whatever it was called, a family central plan, you would need $1,425. Do you recall that figure?
A. That does sound familiar but not, like -- I

can't recall 100 percent.
Q. Okay. But do you recall that for every account that you opened up, there was a certain amount that you would need to have available in credits to be able to open up that account?
A. Yes.
Q. And because you had a number of accounts, possibly more than 10, you would have needed available credits to open each one of those accounts. Do you recall that?
A. Yes.
Q. Did you ever recall just not having enough credits in the system to be able to open up the accounts that you wanted to? Do you recall that?
A. I don't recall.
Q. Do you recall asking your mom for credits at any time?
A. No.
Q. Do you know if -- to the extent that there were any credit transfers between you and your mom, did money ever change hands?
A. No.
Q. Do you know, is your memory that you never exchanged credits with your mom or is it that you just

don't remember whether you did?
A. I don't remember. Yeah.
Q. Do you remember that, in the TelexFree website, when you logged in there were three main options on the screen, one of which was to transfer credits? Do you remember that?
A. I don't remember that, no.
Q. Do you remember any of the financial terms around credit transfers, meaning that there would be a small fee taken out? Do you remember that?
A. No.
Q. Do you recall transferring credits between your accounts so that you would have enough credits in any one account to conduct the necessary business?
A. That's possible, but I don't recall 100 percent.
Q. Okay. I apologize. I think I did not ask you this.
But did you ever transfer credits or receive credits from anybody other than -- apart from your mom, do you recall engaging in credit transfers with anybody else?
A. Not to my knowledge.
Q. Okay. When you submitted your claim, do you recall having to enter your mom's email address?

A. Yes.
Q. Okay. And why did you -- how did you know that you had to enter your mom's email address?
A. I think because, like, that's how she started my original account, the ones that she gifted me.
Q. So did you have discussions with her when it was time to submit a claim? Do you recall having any discussions with her about the claims process?
A. Yeah, we definitely talked about it.
Q. What do you recall discussing with her?
A. Just that, you know, that there was the lawsuit or -- something about that she had gotten an email and that we, you know, needed to submit these claims so that we can, you know, get some -- like, something about, yeah. She just got the email from TelexFree on how to process -- to file the claims.
Q. And you were asked this before, I think, but do you know if she submitted or attempted to submit a claim?
A. I think she did, yeah.
Q. Do you know what happened to that claim?
A. I don't. I don't recall.
Q. In any event, you were able to retrieve the accounts that you thought belonged to you based on the

information that you provided. Is that right?
A. Yes.
Q. And final question. Do you recall, on the subject of payment, that the amount that you received was less than the amount of your claim? Do you recall making that observation, that it was a lesser amount?
A. I don't recall.
MR. RONA: Okay. Okay. I think that's all the questions I have.
MS. PAPAS: I have no further questions.
(Deposition concluded at 10:42 a.m.)

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CASE: NO. 14-40987-EDK
DATE TAKEN: February 22, 2023

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I have read the foregoing transcript of my deposition, and except for any corrections or changes noted above, I hereby subscribe to the transcript as an accurate record of the statements made by me.

Executed this ___ day of _____, 2023.

_____

ELLA MARIA REID

C E R T I F I C A T E

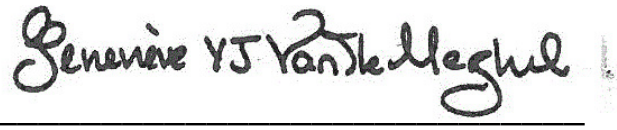
COMMONWEALTH OF MASSACHUSETTS
HAMPSHIRE, SS.

I, Genevieve Y.J. Van de Merghel, Stenographer, hereby certify:

That ELLA MARIA REID, the witness whose testimony is hereinbefore set forth, was duly sworn by me, pursuant to Mass. R. Civ. P. 27, 29, 30, 30A, and 31, and that such testimony is a true and accurate record of my stenotype notes taken in the foregoing matter, to the best of my knowledge, skill, and ability.

I further certify that I am not related to any parties to this action by blood or marriage; and that I am in no way interested in the outcome of this matter.

IN WITNESS HEREOF, I have hereunto set my hand this 27th day of February, 2023.



Genevieve Y.J. Van de Merghel
My Commission Expires: 12/16/27

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19:14
**words**
23:14
**work**
16:3 20:1
**working**
19:22
**writing**
20:7
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5:2

**Y**

**year**
8:24 13:11,23
**years**
13:8 14:19,20,22

# Exhibit B.

**In the Matter of:**

*Telexfree, LLC, et al. vs*

*Franz Balan*

---

*Martiza Elizabeth Garcia*

*February 21, 2023*

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A MAGNA LEGAL SERVICES COMPANY

UNITED STATES BANKRUPTCY COURT
DISTRICT OF MASSACHUSETTS

| | |
|---|---|
| In Re TELEXFREE, LLC, et al., Debtor, | |
| STEPHEN B. DARR, TRUSTEE OF THE ESTATES OF TELEXFREE LLC, et al., Plaintiff, | Case no. 14-40987-EDK<br>Chapter 11 |
| v. | Adv. Proc. No. 16-4006 |
| FRANZ BALAN, A REPRESENTATIVE OF A CLASS OF DEFENDANT NET WINNERS, Defendant. | |

# DEPOSITION OF MARITZA ELIZABETH GARCIA

Appearing remotely from
Clarksburg, Maryland
February 21, 2023
Commencing at 11:47 a.m.

Reported by: Genevieve Y.J. Van de Merghel
Notary Public and Stenographer
Appearing remotely from
Hampshire County, Massachusetts

O'Brien & Levine Court Reporting Solutions
68 Commercial Wharf
Boston, Massachusetts 02110
617-399-0130

A P P E A R A N C E S

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I N D E X

WITNESS EXAMINATION

MARITZA ELIZABETH GARCIA
BY MR. LIZOTTE . . . . . 4
BY MR. RONA . . . . . 8

E X H I B I T S

(No exhibits marked.)

P R O C E E D I N G S

Counsel present agree to conducting today's deposition remotely via videoconference.

MR. LIZOTTE: This is Andrew Lizotte, counsel to Stephen Darr, the trustee of TelexFree. We had a deposition scheduled for 11:00 on February 21 for Maritza Garcia. The deponent has not appeared. I have attempted to make contact with the deponent. If we reach her, we will try to reschedule the deposition. Otherwise, we are going to suspend the deposition for now.

(Deposition suspended at 11:15 a.m.)

MARITZA ELIZABETH GARCIA was sworn and testified as follows:

EXAMINATION

BY MR. LIZOTTE:

Q. So my name is Andy Lizotte. I am one of the lawyers for Steve Darr. He is the TelexFree bankruptcy trustee. He has a lawsuit going on against various other parties in Telex, and this is a deposition that we scheduled for you, Maritza Garcia, just to get some additional information about

TelexFree.

So I believe -- did we get your name -- can you provide your name and address just for the record?

A. Maritza Garcia. 2215 Six Fire Drive, Clarksburg, Maryland 20871.

Q. Okay. So you participated in TelexFree. Correct?

A. Correct.

Q. Okay. And you filed a claim in the case. Tell me if this is correct. The claim was number 95076, and your claim was allowed, I believe, in the amount of $2,750. Does that sound accurate?

A. No, that does not sound accurate. I think what I received as a payoff, it was, like, a thousand and something.

Q. Okay. So just to explain to you how that works. Your claim gets approved in a certain amount, but you only get a percent of the claim, depending on how much money the trustee has. So if your claim is approved for, say, $1,000 and the trustee only has enough money to pay people, say, half, then you would get $500, even though your claim is for $1,000. Okay?

A. Okay. The exact amount, I do not have a recollection of that.

Q. Okay.
A. It's been too long.
Q. Okay. Your first transaction, it looks like it may have involved someone named Jose Hernandez. Does that name sound accurate?
A. Yes.
Q. Did Jose Hernandez get you into Telex?
A. Yes.
Q. So can you describe to us just how that happened? How did he --
A. It was when, you know, the whole boom about TelexFree was going on. He just, you know, tell me, you know, there is a -- you know, there is company sort of like -- about some type of phone lines or something like that.

And then I don't remember what the amount was to open an account with them. And it was sort of, like, you know, every week or something like that, you get some type of payment because they kind of like invest or, you know, whatever. You know, I was dumb and ignorant at that point, at that time. I don't actually recall exactly what -- how the whole thing took place, but I said, "Okay. You know, let's try it." And that's how I joined TelexFree.

Q. Okay. So I only have a few other questions. So you say you opened an account. Do you remember how the account was opened?
A. No.
Q. You don't remember?
A. No.
Q. Did you open the account or did Jose open the account?
A. It wasn't even Jose. It was somebody else that was kind of like helping Jose.
Q. Okay. And so you had to pay to get in?
A. Correct. You had to invest some type of -- I honestly don't recall if it was, like, $500 or, like, $1,000 or something like that.
Q. Do you remember who you paid?
A. I gave the money to Jose and I believe -- you know, it seems like the money went from one hand to another hand to another hand. I don't know where it ended up.
Q. Do you remember how you paid him? Did you pay him by cash or by, like, a credit card, or how did that work?
A. No, I believe it was cash.
Q. Did you deal with anybody else trying to help

you get in the program or was it mainly Jose?
A. It was mainly Jose. I mean, there were other people but, I mean, my whole conversation was with him.

MR. LIZOTTE: I don't have any further questions, Maritza. There is another individual here that may have a couple of questions, so I will let him.

And thank you for your time.

THE WITNESS: Yeah. Sure.

EXAMINATION

BY MR. RONA:

Q. Good morning, Ms. Garcia. My name is Ilyas Rona. I represent individuals against whom the trustee is bringing claims in the bankruptcy case.

You said that there was somebody helping Jose Hernandez. Do you remember that person's name?

A. No, no. Like I said, I only deal with Jose, but I know there was other people that actually brought Jose to the company. So Jose was basically, you know, kind of like telling everybody about the company and kind of like, you know, bringing more people to the company. But who was the sort of like the mastermind or how Jose got into it, I don't have no information

of that.
Q. Okay. Was Jose Hernandez working as part of a team?
A. I honestly don't know. I mean, he just approached me so -- but I know that, you know, he was not the one that opened the account or had -- because he didn't have, like, you know, full knowledge of how to open the account. That, I do remember.
Q. So your memory is -- and when you say "the account," are you talking about your account?
A. Yes, the TelexFree account.
Q. So, to your knowledge, Mr. Hernandez had somebody helping him --
A. Yes.
Q. -- set up your account?
A. Correct.
Q. Do you have any understanding of if or how Mr. Hernandez shared money with other people?
A. No, I do not.
Q. Okay. Do you know how many accounts you had?
A. I believe it was either two or three.
Q. Okay. At the time you were involved in TelexFree, were you married?
A. No, I wasn't.

Q. Who is James Garcia?
A. That was my boyfriend at the time that now is my husband.
Q. So you are married now, but at the time you were not married?
A. Correct.
Q. Okay. Just so that I am making sure that I have the correct information --
A. What year was that? What year was that? Because I got married in 2008.
Q. Okay. So TelexFree was largely, for people like you, 2013, 2014.
A. Oh, no, then I was married already.
Q. Okay. And you were married to James?
A. James Garcia, yes.
Q. And did James Garcia participate in TelexFree?
A. Well, I basically opened an account for him.
Q. And when you say you opened an account for him, did he pay you for that account?
A. No. I funded the account.
Q. Okay. Was it your account or was it his account or did you sort of -- how did you know who owned the account?
A. I opened the account in his name, but it was my

account.
Q. Okay. And at the time, did you use an email address my2princesses1012@gmail.com? Is that right?
A. That's right. Yeah.
Q. Whose email account was that? Was that yours or was that James'?
A. That was mine.
Q. That was your personal account?
A. It still is. Yes.
Q. It still is. Okay. So is it correct, then, that you never received or paid money to James in connection with TelexFree?
A. That is correct.
Q. And just so I have the right information, in the last 12 months, have you filed for bankruptcy?
A. That is correct. Yes.
Q. Okay. The transaction that you described with Jose Hernandez, do you recall whether there was any negotiation about the dollar amount that you gave him?
A. No, it was just -- I don't recall the amount, but it was just a set, straightforward amount. There was nothing -- you know, negotiation. I believe it was sort of like a set amount to open an account.
Q. Okay. And then did you ever take money out of

TelexFree?
A. I believe I only did -- I think it was only one time. And if I don't recall -- if I recall correctly, it was, like, $400.
Q. Is it possible that you did it twice?
A. Maybe on my husband's account, I did it once, probably.
Q. Okay. And do you recall having the ability -- did you own a computer at the time?
A. Yes.
Q. And do you recall going into your account in connection with TelexFree?
A. Yes.
Q. Do you recall posting ads in order to earn credits?
A. I don't recall posting ads, because I don't think it was anything related to posting ads.
Q. Do you recall doing anything to earn credits?
A. No. It wasn't credits that you earned. I think it was sort of like if you tell somebody else to open an account, you -- I don't know if you got sort of like a percentage. Again, it's been, you know, a long time. I don't recall. I think it was a percentage, but it wasn't nothing about points that I recall.

Q. Did you recruit other people into TelexFree?
A. Only one person.
Q. Who was that?
A. Her name is Norma Besquez.
Q. Could you spell that last name?
A. I believe it's B, as in boy, E-S-Q-U-E-Z, I believe.
Q. Where did Ms. Besquez live at the time?
A. She lived in Silver Springs, Maryland.
Q. Did she give you money?
A. I actually show her how to open the account, and I believe she funded it herself.
Q. Okay.
A. And I believe, at that point, at that time, it was, like, a thousand and something, which it was just right when TelexFree either shut down or had no access. So she didn't get anything on that account.
Q. Okay. But do you recall, in your account, the ability to transfer TelexFree credits?
A. I mean, I don't remember there were credit. I honestly thought it was, like, money, not credit. Whatever you had -- like, let's say had you $1,000 in there, then yes, you can transfer it.
Q. Okay. So the money that was in your account,

you remember being able to transfer it?
A. Correct. Yes.
Q. Did you ever transfer credits to Mr. Hernandez?
A. Yes.
Q. Did he pay you for those credits?
A. No.
Q. Why did you transfer him --
A. Why pay?
Q. Well, why did you transfer him credits? Do you remember?
A. I owed him money, and that's how I transfer the money to him.
Q. Okay. Did you owe him money for setting up your account?
A. No. That was something unrelated. Personal loan.
Q. So you recall transferring him credits to pay off a personal loan?
A. Correct.
Q. Do you recall how much that loan was?
A. No -- oh, the loan? It was, like, around $2,000 and something.
Q. And did your transactions involving TelexFree, the money in your TelexFree account, did that fully

pay off the loan?
A. No. I had to -- because it was -- I think it was either two transactions that I did to him. I don't recall. But then I paid the rest, you know, on my own.
Q. But you were able to use the money in your TelexFree to pay off a portion of the loan?
A. Yes.
MR. RONA: Okay. I think that's all I have. Just give me one more minute, Andy.
Q. So one final question, Ms. Garcia. What was the nature of the loan that you had with Mr. Hernandez?
A. Just personal need.
Q. But he had provided you around $2,000 in cash at some point?
A. Yes.
MR. RONA: Okay. That's all I have. Thank you.
MR. LIZOTTE: Maritza, thank you for your time.
THE WITNESS: Okay.
MR. LIZOTTE: So the deposition is concluded. Thank you.
(Deposition concluded at 12:01 p.m.)

C E R T I F I C A T E

COMMONWEALTH OF MASSACHUSETTS
HAMPSHIRE, SS.

I, Genevieve Y.J. Van de Merghel, Stenographer, hereby certify:

That Maritza Elizabeth Garcia, the witness whose testimony is hereinbefore set forth, was duly sworn by me, and that such testimony is a true and accurate record of my stenotype notes taken in the foregoing matter, to the best of my knowledge, skill, and ability.

I further certify that I am not related to any parties to this action by blood or marriage; and that I am in no way interested in the outcome of this matter.

IN WITNESS HEREOF, I have hereunto set my hand this 27th day of February, 2023.

Genevieve Y.J. Van de Merghel
My Commission Expires: 12/16/27

**$**

**$1,000**
5:20,22 7:14 13:22
**$2,000**
14:21 15:14
**$2,750**
5:12
**$400**
12:4
**$500**
5:21 7:13

**1**

**11:00**
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**11:15**
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**12**
11:15
**12:01**
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**2**

**2008**
10:10
**2013**
10:12
**2014**
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**20871**
5:5
**21**
4:8
**2215**
5:4

**9**

**95076**
5:10

**A**

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13:17
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4:8
**filed**
5:9 11:15
**final**
15:11
**Fire**
5:4
**full**
9:7
**fully**
14:24

**funded**
10:20 13:12

**G**

**Garcia**
4:8,15,23 5:4 8:13 10:1,15,16 15:11
**gave**
7:16 11:19
**give**
13:10 15:10
**Good**
8:13

**H**

**half**
5:21
**hand**
7:17,18
**happened**
6:10
**helping**
7:10 8:16 9:13
**Hernandez**
6:4,7 8:17 9:2,12,18 11:18 14:3 15:12
**honestly**
7:13 9:4 13:21
**husband**
10:3
**husband's**
12:6

**I**

**ignorant**
6:21
**Ilyas**
8:13
**individual**
8:6
**individuals**
8:14
**information**
4:24 8:24 10:8 11:14
**invest**
6:19 7:12
**involved**
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**involving**
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**J**

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**James'**
11:6
**joined**
6:24
**Jose**
6:4,7 7:7,9,10,16 8:1,2,16,18,20,24 9:2 11:18

**K**

**kind**
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**knowledge**
9:7,12

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10:11
**lawsuit**
4:21
**lawyers**
4:20
**lines**
6:14
**live**
13:8
**lived**
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**Lizotte**
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**Maryland**
5:5 13:9
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**memory**
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**mine**
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**minute**
15:10
**money**
5:19,20 7:16,17 9:18 11:11,24 13:10,21,24 14:11,12,13,24 15:6
**months**
11:15
**morning**
8:13
**my2princesses1012@gmail.com**
11:3

**N**

**named**
6:4
**nature**
15:12
**negotiation**
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**Norma**
13:4
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**O**

**open**
6:17 7:7 9:8 11:23 12:20 13:11
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**order**
12:14
**owe**
14:13
**owed**
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**owned**
10:22

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15:24
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8:1
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5:3
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15:14

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**questions**
7:1 8:6,7

**R**

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4:10
**recall**
6:22 7:13 11:18,20 12:3,8,11,14,16,18, 23,24 13:18 14:17, 20 15:4
**received**
5:14 11:11
**recollection**
5:24
**record**
5:3
**recruit**
13:1
**related**
12:17
**remember**
6:16 7:2,5,15,20 8:17 9:8 13:20 14:1, 10
**remotely**
4:3
**represent**
8:14
**reschedule**
4:11
**rest**
15:4
**Rona**
8:12,14 15:9,17

**S**

**scheduled**
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**set**
9:15 11:21,23
**setting**
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**shared**
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**shut**
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**Silver**
13:9
**sort**
6:14,17 8:23 10:22 11:23 12:20,21
**sound**
5:12,13 6:5
**spell**
13:5
**Springs**
13:9
**Stephen**
4:6
**Steve**
4:20
**straightforward**
11:21
**suspend**
4:12
**suspended**
4:14
**sworn**
4:15

**T**

**talking**
9:10
**team**
9:3
**Telex**
4:22 6:7
**Telexfree**
4:7,20 5:1,6 6:12,24 9:11,23 10:11,16 11:12 12:1,12 13:1, 16,19 14:23,24 15:7
**telling**
8:21
**testified**
4:16
**thing**
6:22
**thought**
13:21
**thousand**
5:14 13:15
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6:21 8:9 9:22 10:2,4 11:2 12:3,9,23 13:8, 14 15:20
**today's**
4:3
**transaction**
6:3 11:17
**transactions**
14:23 15:3
**transfer**
13:19,23 14:1,3,7,9, 11
**transferring**
14:17
**trustee**
4:6,21 5:19,20 8:15
**type**
6:14,19 7:12

**U**

**understanding**
9:17
**unrelated**
14:15

**V**

**videoconference**
4:3

**W**

**week**
6:18
**work**
7:22
**working**
9:2
**works**
5:16

**Y**

**year**
10:9

# Exhibit C.

**In the Matter of:**

*Telexfree, LLC, et al. vs*

*Franz Balan*

---

*Benjamin Argueta*

*March 16, 2023*

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UNITED STATES BANKRUPTCY COURT
DISTRICT OF MASSACHUSETTS

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| v. | Adv. Proc. No. 16-4006 |
| FRANZ BALAN, A REPRESENTATIVE OF A CLASS OF DEFENDANT NET WINNERS, Defendant. | |

DEPOSITION OF BENJAMIN ARGUETA
Appearing remotely from
102 Broadway
Somerville, Massachusetts
March 16, 2023
Commencing at 3:57 p.m.

Reported by: Genevieve Y.J. Van de Merghel
Notary Public and Stenographer
Appearing remotely from
Hampshire County, Massachusetts

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I N D E X

WITNESS EXAMINATION

BENJAMIN ARGUETA
BY MS. PAPAS . . . . . 4
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(Exhibits provided electronically to the stenographer to attach to the transcript.)

P R O C E E D I N G S

JESSE HERRERO, interpreter, was sworn by the Notary Public to faithfully interpret all questions, testimony, and colloquy.

BENJAMIN ARGUETA, having first been identified by the production of his Massachusetts driver's license and duly sworn Pursuant to Executive Order 144, testified as follows:

EXAMINATION

BY MS. PAPAS:

Q. Good evening, Mr. Argueta. My name is Alexandra Papas. I am one of the attorneys for the trustee in TelexFree.

Can you state your full name?

A. My name is Benjamin Argueta.

Q. You gave an address of 102 Broadway Street in Somerville. Is this your current residence?

A. No. This is my job.

Q. What is your current residential address?

A. 14 Illinois Avenue, Somerville, Massachusetts 02145.

Q. Thank you. I am going to go through a few set of instructions just in case you have not been deposed before. The way this will go is I am going to ask you a series of questions. And if you don't understand me, please let me know and I will try to rephrase the question.

A. Yes.

Q. If you do answer, I will assume that you understood and answered truthfully. Do you understand?

A. Okay.

Q. Is there anyone in the room with you?

A. Yes.

Q. Who is in the room with you?

A. My son, Jonathan.

Q. How old is your son?

A. 24.

Q. Is he helping you in any way with the deposition?

A. No.

Q. Besides your attorney, did you talk to anyone about today's deposition?

A. No.

Q. I understand you invested in the TelexFree

program. Is that correct?
A. Yes.
Q. Do you remember when you opened your first account with Telex?
A. I don't remember exactly. It was February or March.
Q. Was that February or March in 2013?
A. Yes.
Q. Do you remember who brought you into TelexFree?
A. Yes.
Q. Who was that?
A. Amilcar Lopez.
Q. Did Amilcar Lopez help you open your first account with TelexFree?
A. Yes.
Q. Did you reimburse him for the cost of that account?
A. I don't remember very well, but I think it was paid with a credit card.
Q. You paid a credit card directly to Amilcar Lopez. Is that correct?
INTERPRETER: Ms. Papas, can you repeat that question for the interpreter?
Q. You paid with credit directly to Amilcar Lopez?

As in, he gave the credit card to Mr. Lopez to charge?
A. I think it was -- I don't remember very well, but I think it was paid directly to TelexFree.
Q. Okay. So just backing up a second. I want to ask with those accounts, do you remember that you could earn credits with TelexFree?
A. Yes. Doing the marketing promotions, I was going to earn money.
Q. I understand. So by posting ads, you could earn money -- you could earn TelexFree credits. Is that right?
A. Yes.
Q. With those credits, you could either submit them back to TelexFree and get cash. Is that correct?
A. They did not give me any money back then. I opened only a couple of accounts, and then I opened new accounts.
Q. So with those credits, you could also open accounts. Is that correct?
A. Yes. Whenever you generated credits, yes.
Q. Could you use those credits to open accounts for other people?
A. Yes.
Q. Did you use credits to open accounts for others?

A. Yes, for some people.
Q. When you did that, if an account, say, cost $1,425, would that cost you 1,425 credits to pay to open that account for them?
A. Can you please repeat the question?
Q. My understanding is an AdCentral Family Account with TelexFree cost $1,425. So did you need to use 1,425 credits to open an account for someone else?
INTERPRETER: I am just going to tell the same thing I told the previous witness; he can talk as long as he wants, but to break it down for me.
A. At that time, there were other accounts. There were bigger accounts and smaller accounts.
INTERPRETER: Now I am going to let him know to slow down for the interpreter.
A. Most of the people would pay TelexFree directly with their credit card or they would go to the bank and pay the account at that bank for TelexFree.
Q. Were there instances where, instead, you would use credits to open -- to pay an invoice for someone else's account?
A. Yes. We would pay the account of TelexFree at the bank, and then later they would give us the credit

back to open more accounts.
Q. I understand. So did they reimburse you in cash for paying for that account?
A. Not all the time. Only sometimes.
Q. So I understand that sometimes when you opened an account for someone else, they would pay you in cash. Is that correct?
A. Sometimes you do that. Sometimes you went directly to the bank and deposit the money at TelexFree account. But with my own funds, I would open accounts for me.
Q. You opened accounts for yourself. Did anyone open accounts for you with their credits?
A. You would do the same thing. You would give the money to somebody in order for me to open my own account.
Q. So you would -- when you say "somebody," do you mean somebody who is a member of Telex or somebody who worked for Telex?
A. The question is very hard to answer, because I would post the commercials and then I would get paid for that. So the person who -- I don't remember exactly, $1,400, the cost of that account -- they would give me credit so that I can open up other

accounts. And there were other people like myself that would post commercials to receive accounts.

The other thing is I dealt with the small accounts for a long time. Then, what I did towards the end of the year, I bought more accounts because I saw that they were paying for more accounts. Basically at the end of the year, what I did, I took a loan to be able to invest in the company.

Q. When you say you dealt with small accounts, were they the single AdCentral accounts that cost something like $339?

A. At the beginning, when I started, I think I bought two big ones and a small one or two small ones and a big one. So towards the end of that year, I bought more accounts with the loan and also with the credits that I already had.

Q. And by big account, I just want to confirm you mean the family AdCentral that costs $1,425. And by small account, you mean the single AdCentral account that cost, I think, $339 at some point. Is that correct?

A. Yeah. Apparently, yes. I don't remember very well, but I think that's the cost. Around that amount.

MS. PAPAS: I am now going to try to share my screen and mark this first document as Exhibit 1. Counsel, I have just emailed it to you, if you want to follow along that way.

(Exhibit 1, Example Invoices Spreadsheet, marked for identification.)

Q. Mr. Argueta, are you able to see my screen? I will zoom in in a second.

A. Yeah. I can see it, more or less.

Q. So I will represent to you that this document that I just marked as Exhibit 1 is data that I exported directly from the TelexFree back database. We just exported a few examples.

A. Okay.

Q. I just want to walk you through this and make sure we understand it correctly.

INTERPRETER: Ms. Papas, can you make it bigger? I think that's better.

Q. So referring to the first column, this is an invoice number. Referring to the first row, excluding the title row, there is Invoice 4347196. Do you see that?

A. Yes, I can see it.

Q. This invoice was generated for an account with

login name mayasol?
A. Mm-hmm. Mayasol, yes.
Q. And the name associated with it is Benjamin Argueta.
A. Yes, correct.
Q. So I understand that this is your account. Correct?
A. Yes, my account.
Q. It shows that this account -- this invoice for opening this account was $1,425.
A. Yes.
Q. It was generated on February 27, 2013. Does this seem accurate for that account?
A. Yeah. It looks like it's fine.
Q. Then here, there's a note from Telex that says it's paid with bonus. Then it indicates the login name who paid it. Do you recognize the login name of lopeza?
A. Yeah. It was a long time, but I do remember. This is the login. Lopeza, he paid for the opening of the account with his own money.
Q. When he paid for that account, did you reimburse him?
A. I don't remember very well if it was paid in

cash or with a credit card. I think it was done with a credit card.

Q. I understand. So you think you paid -- sorry. Let me just back up here.

Lopeza that we have been discussing, the Telex database indicates that it belongs to Amilcar F. Lopez. Is that correct?

A. Yes.

Q. So if I understand your testimony, you may have paid cash but you think you paid him with a credit card for opening this account. Correct?

A. Yeah. But I don't remember if it was for paid directly to TelexFree or if it was paid with a credit card. As far as I am concerned, it was paid with a credit card.

Q. When you say paid with a credit card -- and you gave that credit card to Mr. Lopez. Is that correct?

A. You could pay either way. You could pay directly to TelexFree or you could pay Lopez.

Q. So if Mr. Lopez had paid for your account, as this information indicates, in that instance would you pay Mr. Lopez directly?

A. Yes, it could be.

Q. Now, we have a few more accounts in here. This

next one is for $49.90. Is that for a phone plan?
A. Yes.
Q. Here, the login also shows mayasol.
A. Yes. It was my account also.
Q. So you used --
(Technical difficulties.)
BY MS. PAPAS:
Q. Just to go back, sorry, where we were. Referring to Exhibit 1, I am now looking at Invoice Number 4347534. This invoice was generated for your account, mayasol, for $49.90, paid on February 27, 2013 -- sorry, paid on December 28, 2013 with credits from your own account. Does that seem accurate? Is that something you would do?
INTERPRETER: Ms. Papas, can you move it -- yeah.
A. Yes.
Q. So referring to the next two lines, you see here these are invoices for Luis Morales. Who is Luis Morales?
A. He is my brother-in-law.
Q. You paid for his accounts with your credits. Is that correct?
A. If I remember correctly, at that time I didn't

have enough credits, so we had to pay TelexFree either by cash, a check, or with -- you could go directly to the bank and deposit the money into their account. Then they would send us the funds. So, in other words, in order to open an account for my brother-in-law, he would pay the money cash. Then we would take the money to the bank and deposit into the TelexFree account, and then TelexFree would give us the funds to be able to pay for those accounts.

Q. I see. In this instance, your brother-in-law gave you cash, and then you brought that cash to TelexFree who, in turn, gave you credits for that cash. Is that correct?

A. That is correct.

Q. Those credits that TelexFree gave you were deposited into your account. So you took those credits and paid the invoice for your brother-in-law's account. Is that correct?

A. And also for the other accounts below. That's the same way we did it.

Q. So in the instance where you already had a lot of credits in your account, would you just use those credits to pay to open an account for someone else?

A. No. Since they were paying, I wanted to open

more accounts for me.
Q. I understand. So you opened accounts for them with credits in exchange for cash. Is that correct?
A. No. I opened it for myself. If they wanted to open accounts, they would go to the bank and deposit the cash money into their account with the bank.
Q. Sorry. I thought in this instance with Luis Morales that you testified that he gave you cash, you brought that cash to Telex, bought credits, and then used those credits that you bought to pay the invoice for his account. Is that correct?
A. Yes, that's the way it was. But sometimes people would go to the bank themselves and deposit the money into TelexFree account and open the account themselves.
Q. I understand that's a different way of opening an account. In that sense, you didn't really have to be involved?
A. Yes. And sometimes, you know, the accounts were opened and the funds and the credits would arrive at that account.
Q. Looking at the next two lines on this exhibit, who is Francisco Castro?
A. Yes, I see it. I think it's a friend.

Q. In that instance where it also shows that you paid for his account invoice with your credits, did he give you cash and then you bought credits to pay for his account?

A. Yes. The same way. You go to the bank. Then they give you the credits. Then, with the credits, you pay the invoice.

Q. Who is Dorothy Sorto?

A. Also another friend.

Q. Was this account opened the same way that we discussed where --

A. Yeah, the same way.

Q. With Edgar Diaz, was that also the same?

A. Yes, same way.

Q. And who is Edgar --

A. Yeah, and sometimes it's a little different. But in this case, that's the way it was done. They gave you funds, and with those funds you pay the invoice.

Q. Okay. How about this last name, Delmy Raquel Evora Martinez? Do you know who that is?

A. That one, I don't remember. That one, I don't remember.

Q. Okay. It shows that you paid credits to open

this account. Does that seem like it's something that you could have just forgotten?

A. Yes. It's possible.

Q. So just to make sure I understand, for Luis Morales, Francisco Castro, Dorothy Sorto, and Edgar Diaz, they gave you cash which you then used to buy credits from Telex, and you used the credits to pay the invoice for their account. Is that correct?

A. It's possible that we also bought credits from another person, but I don't remember. It's been many years.

Q. I understand. So if the TelexFree database shows that you paid an invoice for someone else with your credits, would that typically be the situation that we just discussed, where they would give you cash and you would buy credits and then pay with those credits?

A. Yes.

Q. Were there instances where you used credits that you already had saved up?

A. To buy my own accounts, because what I was doing is to buy more accounts and to invest more and more with my own credits.

Q. Okay. And in the instance where someone else

who was a member of TelexFree paid an invoice for your accounts, such as Amilcar Lopez, would you reimburse them for that?

A. Yes, of course. We have to reimburse. It was either done by cash or by credit.

Q. I understand. So you reimbursed them. You are just not sure of the form of money?

A. I don't remember very well because it's been a long time, but I went to the bank and deposited money into TelexFree account. I don't remember --

INTERPRETER: I am going to ask him to repeat that, because it was a little hard to understand.

A. I can't remember if the money was paid directly to him with a credit card or went directly to the bank to pay into the account. It's been a long time.

Q. There are different instances where you could pay TelexFree directly for an account. Is that what you are referring to?

A. Yes. You would go -- you used the bank account number and deposit the money into that bank account number. Then they would give you the credits.

Q. I understand.

A. That, I remember very well, because I remember

going to the bank with my own money, also with the loans that I borrowed money. I lost a lot of money.

Q. Okay. Yes, I understand. So that is separate from this table that we are looking at where you paid money directly to TelexFree for credits for other accounts. Is that correct?

A. Yes. And also for me.

MS. PAPAS: I am now going to share my screen and mark as Exhibit 2, the document with Bates number BARGUETA00373.

(Exhibit 2, Tax Returns, marked for identification.)

Q. Mr. Argueta, can you see what has been marked as Exhibit 2?

A. Yes. I can see the whole page, but it's a little difficult to see all the way at the bottom. But yes, I can see it.

Q. This document here is what you submitted through your attorney as your tax returns. We just added a page number on the bottom right corner.

A. Okay.

Q. Now I am going to direct your attention to what has been marked as page 377. Then I will zoom in from here. Can you see the top of this page?

A. Yes, I can see it.
Q. Is this form from your 2013 tax returns where you submitted a Schedule C Form 1040?
A. Yes. That's the one that was sent.
Q. Did you submit this form for your business as you performed your functions for TelexFree?
A. So when I joined the company, they told me that I was going to get a 1099, and I did. I received a 1099 for the money that I made. Since I do my taxes every year, I use whatever it says on the 1099.
They never paid me, not even a single dollar. Every fund that they gave me was reinvested in credits and I opened new accounts.
Q. Referring to Line 1 on Income, there's the amount $911,303. Where did you get this number?
A. Okay. Could you please repeat your question? Because I combined whatever I received from TelexFree and also whatever I made from my own work.
Q. So I understand your testimony for Line 1 to be a combination of money that you made on TelexFree and your own work. Can you explain what your own work is?
A. No, it's not -- it wasn't money from TelexFree. It is the 1099 that they sent to me. Then what I did was combine that 1099 with the money that I was making

at the restaurant where I was working at that time.
Q. Do you have records of the 1099 that you received from Telex?
A. I think in this format, the 1099 should be there. I put whatever I got. It's there.
Q. I am just going to flip through your 2013 -- that's all we have for 2013. We can follow up with your attorney on the 1099.
A. Okay.
Q. Do you have a recollection of the amount that was listed on that 1099?
A. It's been a long time. I put whatever I received in 1099 and combined it with the W-2 that I received from my job at the restaurant.
Q. My question was do you remember the amount that was in that 1099?
A. More or less, around $900,000. A little more or a little less.
Q. $900,000 was listed on the TelexFree 1099. Is that correct?
A. I remember it was 800,000-something almost 900,000.
Q. That is the amount that was listed on your TelexFree 1099. Correct?

A. Yes. What needs to be done is to look for the 1099. It must be in the report from 2013.

MS. PAPAS: I understand. I have no further questions.

THE WITNESS: Okay.

EXAMINATION

BY MS. MEAD:

Q. Good afternoon, Mr. Argueta. How are you?

A. Very well, and yourself? How are you doing?

Q. I am doing pretty well. Thank you. I just have a few questions.

So you mentioned earlier in your testimony that you took out a loan.

A. Yes.

Q. From whom did you take out that loan?

A. There were two loans from a bank in New York to be able to apply.

Q. Okay. Do you recall the amount of each loan, approximately?

A. I think each loan was $40,000.

Q. Did you invest that entire approximately $80,000 into TelexFree?

A. Yes. I invested more than that. But towards the end, I invested that amount.

Q. Do you recall approximately when that was that you invested the $80,000-plus into Telex?
A. I don't remember the date exactly, but I think it was at the end of 2013.
Q. Okay. Thank you. Without waiving any attorney-client privilege, do you recall reviewing the complaint, the actual amended complaint from TelexFree in this case?
A. I do remember, because I filed a complaint to be able to recuperate what I lost, which is $210,000.
Q. Do you recall when we reviewed the complaint that you were listed as a net winner of approximately $4 million?
A. I saw it, but I never made anything.
Q. You testified that you filed a claim for the money that you lost. Did you ever receive any response to that claim?
A. I think the question is a little different. Because I was about to apply, but when they claim that I made $4 million, then I stopped because I didn't make that much. I didn't make that money.
Q. Okay. Thank you so much. Upon the review of that complaint, do you recall me asking you at that time to confirm that you lived at 14 Illinois Avenue

in Somerville?
A. Yes, and I continue to live there.
Q. Do you own that property?
A. No. There is something else that I would like to add. I live in that address, at that house, paying rent. If I would have made money, the very first thing I would have done is to buy a house. I would have purchased a car. I would buy very nice things. I never did that. And I worked very, very hard at the restaurant every day to be able to pay my bills.
Q. With regard to the restaurant, what is your role there?
A. I was cooking, I was cleaning, everything. Washing the dishes.
Q. Okay. Thank you. I am just going to circle back a little bit to the credits with TelexFree. So we have established that you assisted in opening accounts for other people, both friends and family members. Is that correct?
A. Yes, that is correct.
Q. And in order for you to do so, you were purchasing credits for them to start their accounts with TelexFree. Is that correct?
A. Yes.

Q. Are there any individuals from the entirety that you set up accounts for, to the best of your recollection, that paid you back in credits?
A. No. That, I don't remember.
Q. Do you recall if any of them paid you back in cash or by credit card?
A. No. The cash was deposited at the bank at the TelexFree account.
Q. Thank you. Correct me if I'm wrong, but one of the primary activities that you did on behalf of TelexFree was your daily ads. Is that correct?
A. Yes, that is correct.
Q. How many of those ads would you generally post on a daily or weekly basis?
A. No, you have to pay whatever it was required from each account. Depending on how much they wanted you to do, if you didn't meet that amount, you wouldn't get anything.
Q. You testified earlier that at the time that TelexFree filed bankruptcy, you believed you were owed approximately $230,000. Is that correct?
A. No. They owed more than that because there was a lot of money in those accounts. Me, myself, I lost between 200- to $210,000.

Q. Do you have any personal knowledge of the value -- strike that.

For those individuals that you brought to TelexFree, do you have a personal knowledge of the approximate value of the credits that they had in their accounts at the time?

A. No. Impossible. I don't know.

Q. Just one final question. Did you receive, on a weekly, monthly, or annual basis, an accounting from TelexFree for all of your personal accounts?

A. Never.

MS. MEAD: Thank you so much. That's my last question for the time being. Thank you.

THE WITNESS: Thank you, also, to you.

EXAMINATION

BY MR. RONA:

Q. Good afternoon, Mr. Argueta. My name Ilyas Rona.

A. Good afternoon to you.

Q. I represent a class of people like you who the trustee is suing in connection with TelexFree.

A. Okay.

Q. I just want to go back and ask a few questions about things you said before. You mentioned that you

are at work right now?
A. Yes.
Q. What is that work right now? Is that the restaurant?
A. The restaurant.
Q. What is the name of the restaurant?
A. Gauchao Brazilian Cuisine.
Q. Do you own that restaurant?
A. Yes.
Q. Okay. But you receive a W-2?
A. Yes, I do. That restaurant is also partnered with my sister.
Q. What is the address of that restaurant?
A. 102 Broadway.
Q. Are there other addresses that that restaurant might show up as? For example, can it also be 104 Broadway?
A. It's the same address. 102-104, it's the same address.
Q. Did you ever use that address in connection with your work in TelexFree?
A. See, that, I don't remember.
Q. Were there other people working in the restaurant who were also involved in TelexFree?

A. Not all. Some.
Q. Some. Okay. Did you bring those people into TelexFree?
A. Practically my family. My family.
Q. Okay. The restaurant is also family owned. Is that right?
A. Yes, it is.
Q. You mentioned a Luis Morales. That's your brother-in-law?
A. Yes.
Q. Did you collect money from him, cash from him, ever, in connection with TelexFree?
A. He went directly to the bank to open the account, his own account.
Q. Did you ever receive, you, yourself, some amount of cash in excess of $300,000 from your brother-in-law?
A. Never.
Q. If the trustees believe that your brother-in-law paid you $317,000, in cash, that would be an incorrect belief. Is that right?
A. It's not correct.
Q. In 2013, what did Luis Morales do for work?
A. That, you have to ask him, because I don't know.

He was someplace else.
Q. Where was he?
A. He is a pastor at a church.
Q. Is he in Massachusetts?
A. Yes, he is in Massachusetts.
Q. Is his only job a pastor of a church?
A. He has his own businesses. I don't know.
Q. Would he be able to pay somebody -- in a span of a year and a half, would he be able to raise $317,000 in cash, to your understanding?
A. No.
Q. How about do you know a Karen X. Morales?
A. Yes.
Q. Who is that?
A. A friend.
Q. Did she give you any cash in connection with TelexFree?
A. When she joined to buy accounts, we went to the bank -- or someone that had credits to buy her account.
Q. Did you profit $70,000 approximately in cash from any transactions you had with Karen Morales?
A. No.
Q. So if the trustee has a belief that Karen X.

Morales paid you some number, approximately $70,000 in cash, that would be incorrect. Is that your testimony?

A. No, because every time you bought, you made a transaction, you would go with funds to the bank or you would buy from another person.

Q. I just want to make sure our record is clear. Karen Morales did not hand you $70,000 in cash that you kept. Is that correct?

A. No.

Q. And I am just going to ask two more. I don't want to take too much time. Who is Celio Oliveira?

A. That name sounds familiar. I think it's someone that I used to buy credits from.

Q. Did Celio Oliveira give you $40,000, approximately, in cash that you kept?

A. No. If that name sounds familiar, I think it must have been someone I purchased from. But I did not receive from that person.

Q. Okay. Actually, I am going to move on. I am not going to ask about the other name. I am going to see if I can do a screen share here.

Before I do that, Mr. Argueta, did you, on occasion, buy credits? Meaning you gave somebody cash

and they delivered credits into your account?
A. Yes. Sometimes we did it that way.
Q. Okay. Did you ever sell credits to somebody? Meaning you transferred credits to their account and they gave you cash?
A. That -- okay. If that would have occurred, I would take the cash to the bank, deposit it into TelexFree account, and then they would give me credits.
MR. RONA: I am going to see if I can share a screen here.
THE WITNESS: Okay.
MR. RONA: This is going to be small. I apologize. I can't really make it much bigger.
INTERPRETER: Let me see if I can get a magnifying glass, because you are going to ask me a question.
Q. Mr. Argueta, do you see your name on Row Number 2?
A. Yes, I can see it.
Q. Okay. And mayasol, is that a login that you used?
A. Yes. That's my login.
Q. And benjamin_gauchao@yahoo.com, is that the

email address -- or one of the email addresses that you used in connection with TelexFree?

A. Yes, that is my email address.

Q. And this says 210 -- 2,010 accounts. Do you recall how many accounts you had at TelexFree?

A. There were a lot of accounts, but I really don't recall how many. So there were a lot of accounts, a lot of money, that were reinvested to get more accounts and more accounts.

Q. Where I am highlighting, it says total net equity, and then it's a number greater than $4 million. Did you profit a number in excess of $4 million in connection with TelexFree?

A. I made zero. I lost.

Q. Okay. And then I will ask the same question. Did people hand you more than $5 million in cash in connection with TelexFree?

A. No.

Q. And do you recall how much in money you put directly in TelexFree?

A. My own money, me, myself, it was between 200- and $210,000. I don't know about the other people.

Q. Do you have any ability to explain why there

might be a figure suggesting that you purchased $400,000 in credits from TelexFree?

A. I don't remember exactly. But the people that went to the bank, I received credits to my accounts at mayasol.

Q. So if $400,000 is a figure that the TelexFree database says you paid in credits, that might not have been all your money. Is that right?

A. Like, my family and others that wanted to buy and didn't have money --

INTERPRETER: No, wait a minute.

A. My money was between 200- and $210,000. There must have been from other people.

Q. Okay. But those other people's money may show up connected somehow to your accounts. Is that your understanding?

A. I don't know why that number is there. Out of my own money, it was between 200- and $210,000.

But, for example, Luis, if he didn't have the money, he went to the bank deposited the money, and then I would get the credit into my account.

Q. And then, next, there's a figure here, more than $7 million in credit transfers in. Do you recall receiving $7 million in credits from other people?

A. No, no. What I do remember is from a whole bunch of accounts, I think I saw something before about 200 -- I can also transfer from my own accounts to accounts. I can also do that. It was to open accounts. I continued to generate.

Q. Can you estimate how much in total you paid other people for credits that were transferred into your accounts?

A. No. I don't remember.

Q. Okay. Was it more than the amount of money that you may have received from other people in return for transferring credits to their accounts?

A. To be honest with you, I don't remember.

Q. Okay. Go ahead.

A. There's one thing that I must tell you. That looks like a heck of a lot of money. One thing that you could do is you could transfer out your own money to other accounts that belonged to me.

Q. Okay. Do you -- in terms of your own calculation of how much money you lost in connection with TelexFree, are you counting the money that you had to use to buy credits from other people?

A. I'm sorry. Could you please repeat the question?

Q. Okay. Let me try to ask the question this way. In terms of your estimation of how much money you believe you lost in connection with TelexFree, does that amount include any money that you spent buying credits from other people?

A. No.

Q. So you don't count that? Even if you spent money on credits, you don't count that as part of your loss?

A. The money that I lost was between 200- to $210,000 for accounts that were opened at TelexFree.

Q. Well, did you spend a comparable amount of money -- did you spend more than $200,000 buying credits from other people?

A. No.

Q. So if you did buy credits from other people, is it your testimony that it was likely a small amount and therefore doesn't factor into the amount you believe you lost?

A. That is correct.

Q. Did people that you didn't know offer to transfer you credits for free?

A. Never.

Q. Did you ever offer to transfer credits to people

outside of your family for free?
A. No.
Q. I want to go back to -- I am trying to be brief here. I apologize for taking a long time here.
I want to go back to the first transaction with Amilcar Lopez.
A. Okay.
MR. RONA: Ms. Papas and Ms. Mead, I am going to -- I will share this with you guys after. It's an Excel spreadsheet. I will represent that this is data from TelexFree.
MS. PAPAS: Are you going to mark it as an exhibit?
MR. RONA: We can mark it as an exhibit, whatever exhibit number we are up to.
(Exhibit 3, TelexFree Data Spreadsheet, marked for identification.)
Q. I believe you were asked at some length, Mr. Argueta, about the first transaction that you had with Mr. Amilcar Lopez and whether you paid him directly in cash or whether you paid TelexFree by credit card. Do you remember that?
A. I don't remember if it was in cash or with a credit card.

Q. Okay. And do you remember what ProPay was?
A. No. I don't know what that is.
Q. According to this data, on February 27, 2013, there was a direct payment, meaning directly into TelexFree, using ProPay of $1,425. Do you see that? It's highlighted in yellow.
A. That, I don't remember. That was my first day. I didn't know anything about it.
Q. Understood. So let me ask the question this way so the record is clear. Do you believe that you -- that it's possible that you paid TelexFree with a credit card, and on the same day you gave Mr. Amilcar Lopez a separate payment of $1,425 in cash? Do you think you did those, both things, on the same day?
A. Perhaps. It was possible.
Q. Well, do you know why you would have done that? If you were going to pay by credit card, why would you also pay on the same day with cash?
A. If that was the case. But I can't confirm that, because I don't remember. It could have been that my credit card had a limit and I didn't have enough money.
Q. But you don't remember doing both of those things on the same day?

A. I don't remember. I bought two or three, and then it was a long time that I didn't buy any more.
Q. Isn't it more likely that you simply paid TelexFree with a credit card and that's the only payment you made that day?
A. It's been a long time. I can't remember that day exactly what I did, if I paid them with a credit card, I paid them in a form of cash, or I went to the bank and deposited the money into their account.
Q. Okay. When you paid money to TelexFree directly, do you remember who you dealt with? Was there an employee that you dealt with?
A. I don't remember. Because if you went to the bank and deposited the cash into their account, you then took a copy of that deposit and sent it to them via the internet, and then they would give us the credit to be able to open other accounts with. But I don't know the people that worked there.
Q. I am going to ask you some questions now further down in the document. I am not sure which screen I am sharing. I will stop sharing.
I will show you an exhibit that we looked at before. I am going to ask you about two of the dates. Do you remember seeing the two rows of information

about Luis Morales on April 22, 2013?
A. I don't remember because it's been a long time, but I can see that it's there.
Q. You can see it. Okay. I am going to switch back now to what we were looking at just before, unless I closed it by accident. Do you see on 4-24, April 24, there's an entry for $2,850? Do you see that?
A. Yes, I can see it.
Q. And it's highlighted in yellow?
A. Correct.
Q. Okay. And then there's also above -- I highlighted it in yellow. Let me go -- there's two transactions involving Luis Morales, and those are dated April 22, 2013. Do you see those? They are both for $1,425.
A. Yes, I can see it.
Q. Okay. They say the date paid is the same date that we saw on the previous exhibit, 4-29-2013. Do you see that?
A. Yes, I can see it.
Q. And if you go back to the entry that was highlighted in yellow, it says, "Credito manual -- por favor creditar 2x de $1,425 = $2,850. No login." Do

you see that?
A. I can see that.
Q. I believe you testified that it was your memory that Luis Morales gave you money that you deposited in TelexFree.
A. To be able to open his account.
Q. So you didn't keep -- as a result of those two transactions that we saw for $1,425, you didn't end up keeping $2,850 that he had given you?
A. Correct. I didn't keep anything. Zero.
Q. Okay. Moving on. The two loans that you had that you talked about earlier, did you pay those loans off?
A. Yes. It was hard, but I was able to pay it off.
Q. What was the source of funds that you used to pay off those loans?
A. Those loans came from a company in New York. It was a company that used to lend money.
Q. I apologize if my question wasn't clear. When you paid off the loans, where did you get the money to make those payoffs?
A. Supposedly, it was supposed to be paid from the money that was generated from TelexFree. So it couldn't be paid from the TelexFree because all the

money was kept inside.
Q. Did you pay it off using money from the restaurant?
A. Yes. At the end, since I couldn't get the money out of TelexFree, I had to get the money out of the restaurant, because I used the restaurant for those loans.
Q. Okay. I want to ask you about that email that we saw earlier, benjamin_gauchao@yahoo.com. Who used that email address, that email account, besides you?
A. Supposedly, only me.
Q. Okay. So if someone else's name in the TelexFree database has that email address, would you be able to explain why that might be?
A. Right now, I don't remember. But maybe back then, the person that used that email. The reason for that was because that person probably did not have an email address at that moment. Then, later on, that person created his own email address.
Q. Okay. Did you also use telexfreeben@gmail.com?
A. Yes, I think so.
Q. Were you the only person that had access to that account?
A. Yes.

Q. So same question. If other people's names show up in the TelexFree database with that email address, would your explanation be the same?
A. That would have been the same reason. That person probably didn't have an email address and that email was loaned to that person.
Q. Did you work with anyone else directly when you were involved in TelexFree? Meaning did you have assistants or team members?
A. No.
Q. I am just going to say a couple of names and you tell me if you remember them. Do you remember Arturo Mendez.
A. It sounds familiar. I think it's a family member.
Q. Marta Matamoros?
A. No, I don't remember.
Q. Sandra Casiano?
A. No.
Q. Velma Garcia?
A. No. I don't know.
Q. Okay. Who else in your family was involved in TelexFree?
A. My sister, my brother-in-law, my wife, my other

sister also. That's it.
Q. Okay. Can we put some names to these people? So your brother-in-law is Luis Morales. Is that right?
A. Yes.
Q. Who are your two sisters?
A. Blanca Morales. Delmy Argueta.
Q. Did you ever collect any cash that you kept from Delmy Argueta?
A. No, nothing. The same way money came in, money was given to TelexFree to be able to open more accounts.
Q. If the computer system makes it seem like you collected cash from Delmy Argueta, your testimony would be that's not correct. Is that right?
A. So in order to wrap this up and explain to you how the whole thing worked, so let's say, for example, Delmy Argueta would give me the money. I would take the money and deposit it into TelexFree account so that then they could give us credit to open accounts.
Q. So was all the money you received deposited into or paid into TelexFree?
A. So like I said before, sometimes you did it that way. Or sometimes you give it to the people that had

available credits. But most of the times, it went directly into TelexFree account.

Q. So either the money went to the company, to TelexFree, or it went to somebody to buy credits. Is that right?

A. That is correct.

Q. You didn't open up any bank accounts that had cash that you received from other people in connection with TelexFree?

A. No.

Q. Did you buy any properties with money that you received from TelexFree?

A. So let's go back to that point. If I would have made money according to those amounts that you showed me before -- if I would have had money like that, the first thing I would have done, I would have bought a small house for me and my family.

Q. Who is Conchi Argueta?

A. She is his wife.

Q. Is she also -- is her full name Concepcion?

A. Yes.

Q. She lives with you?

A. Yes.

Q. Do you have a relative named Maritza?

A. No.
Q. When you were working on TelexFree, did you have your own computer?
A. Yes, I had.
Q. Did anyone else use that computer in connection with TelexFree?
A. No.
Q. Who created and managed the accounts for your spouse?
A. Can you please repeat the question?
Q. Well, let me try to ask the question this way. Did the family members that you had that were involved in TelexFree, did they go to a computer to type in their own information?
A. Each one had their own computer.
Q. Does your wife have her own computer or do you share a computer?
A. No. We would share it.
Q. Did your sister -- Delmy. Is that right? Did she live with you?
A. No.
Q. Did she ever come to your house to use the computer?
A. No.

Q. So if she typed in information saying that she lived at 34 Minnesota Avenue, would that be incorrect? Or was that where she lived?
A. She lived there.
Q. But if somebody else entered 14 Illinois Avenue, the only people that lived there were you and your spouse. Is that right?
A. My family, we live there. My sons and my wife, and also my mother-in-law.
Q. Were any of your children or mother-in-law involved in TelexFree?
A. Not my children. My mother-in-law had very little accounts.
Q. What is her name?
A. Rosa Castro.
Q. Did you ever collect money from your mother-in-law?
A. No.
Q. Thank you. Who is Juan Carlos Argueta?
A. A cousin.
Q. Was he involved in TelexFree?
A. I think he had a few accounts.
Q. Does he live on Broadway Street in Somerville also?

A. He doesn't live with us. He lives someplace, and I don't recall where he lived back then.
Q. But he didn't live on Broadway a few houses down from the restaurant. Is that right?
A. I don't remember very well where he lived, but he lived close by.
Q. So he may have lived on Broadway at the time. Is that right?
A. It could be, until he moved.
Q. Did you know the Hacketts?
A. I don't know what that is. What is that?
Q. Did you know a Linda Hackett?
A. No.
Q. Did you know Sandrelay Vas Conseros (phonetic)?
INTERPRETER: Could you repeat that name for the interpreter?
MS. PAPAS: I was worried you were going to ask that. Sandrelay Vas Conseros.
A. I don't know who that is.
Q. When you were typing in your information in TelexFree, were you 100 percent consistent in how you wrote your name?
A. Yes. Sometimes it's possible that by typing fast, you make a mistake.

Q. Do you remember having to type fast in order to enter in all the information that you needed to enter?
A. The one thing that I do remember that I had to put the information correctly. My name, my phone number, my address, my Social Security number, in order to receive a 1099 as they were supposed to send me.
Q. But do you remember ever getting a message saying that you had not typed in your name correctly or that information was missing?
A. Never.
Q. Do you think that, on occasion, you may have typed your name in as just Benjamin or just Benjamin A.?
A. It's possible, but I don't remember.
Q. When you recruited people into TelexFree, did you type in their information for the first transaction?
A. Sometimes, because they couldn't.
Q. "Couldn't" because of what reasons? Do you remember?
A. Well, there were some people that they couldn't type in their name, where they lived, their Social Security number also, because they did not know how to

use a computer. Also, depending on their level of education, for some. When I opened my own account, I couldn't do it. Then you learn. You learn little by little how to do the marketing.

Q. Did someone help you open up your first account?

A. Yes --

MS. PAPAS: Asked and answered. Objection.

A. -- Amilcar Lopez.

Q. Was he sitting at a computer with you when the information was being typed in?

A. Yes. I don't remember very well, but yes, he had to be next to me.

INTERPRETER: Counsel, I'm sorry to interrupt you --

MR. RONA: I have no more questions.

EXAMINATION

BY MS. PAPAS:

Q. Mr. Argueta, I believe earlier when I asked about you opening accounts, you testified that you opened a few big accounts and a few small accounts at the beginning. Did I understand that correctly?

A. I remember opening a big account and some little ones, I think. Or two big ones. I don't remember

very well.
Q. Thank you. And then there's been a lot of questions about this, and I just want to make sure I understand correctly. When you helped other people open accounts, they gave you money that was used to purchase credits directly from TelexFree, and then you gave the money to TelexFree or you purchased credits from other individuals with credits to pay their invoice. Is that correct?
A. Yes.
MS. PAPAS: I have no further questions.
MS. MEAD: I am all set on my end.
MR. RONA: I have one question that's actually a correction or a clarification.

EXAMINATION

BY MR. RONA:
Q. Earlier I asked you, Mr. Argueta, about a Sandrelay and I used the last name. Do you know Sandrelay Rodrigues?
A. No.
Q. Okay. It's with an S.
A. Okay. But I don't know who that is.
MR. RONA: Thank you. That's all I have.
THE WITNESS: Thank you. I would like to

thank all of you.

STENOGRAPHER: Mr. Rona, would you like a copy of the transcripts for today?

MR. RONA: Yeah. I would like to order all today's transcripts but by regular priority, normal delivery, and electronic only.

(Deposition concluded at 6:05 p.m.)

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Executed this ___ day of _____, 2023.

_____

Benjamin Argueta

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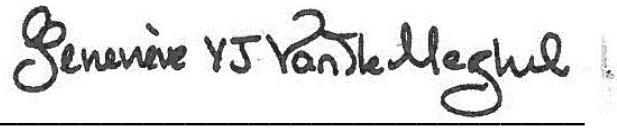
COMMONWEALTH OF MASSACHUSETTS
HAMPSHIRE, SS.

I, Genevieve Y.J. Van de Merghel, Stenographer, hereby certify:

That Benjamin Argueta, the witness whose testimony is hereinbefore set forth, was duly sworn by me, pursuant to Mass. R. Civ. P. 27, 29, 30, 30A, and 31, and that such testimony is a true and accurate record of my stenotype notes taken in the foregoing matter, to the best of my knowledge, skill, and ability.

I further certify that I am not related to any parties to this action by blood or marriage; and that I am in no way interested in the outcome of this matter.

IN WITNESS HEREOF, I have hereunto set my hand this 28th day of March, 2023.



Genevieve Y.J. Van de Merghel
My Commission Expires: 12/16/27

**Exhibits**

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# Exhibit D.

**In the Matter of:**

*Telexfree, LLC, et al. vs*

*Franz Balan*

---

*Selvi Vanessa Lewis Reynaga*

*February 22, 2023*

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UNITED STATES BANKRUPTCY COURT
DISTRICT OF MASSACHUSETTS

| | |
|---|---|
| In Re TELEXFREE, LLC, et al., Debtor, | |
| STEPHEN B. DARR, TRUSTEE OF THE ESTATES OF TELEXFREE LLC, et al., Plaintiff, | Case no. 14-40987-EDK<br>Chapter 11 |
| v. | Adv. Proc. No. 16-4006 |
| FRANZ BALAN, A REPRESENTATIVE OF A CLASS OF DEFENDANT NET WINNERS, Defendant. | |

DEPOSITION OF SELVI VANESSA LEWIS REYNAGA
Appearing remotely from
735 Bellows Way, Apartment 104
Newport News, Virginia
February 22, 2023
Commencing at 11:00 a.m.

Reported by: Genevieve Y.J. Van de Merghel
Notary Public and Stenographer
Appearing remotely from
Hampshire County, Massachusetts

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I N D E X

WITNESS EXAMINATION

SELVI VANESSA LEWIS REYNAGA
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E X H I B I T S

(No exhibits marked.)

P R O C E E D I N G S

Counsel present agree to conducting today's deposition remotely via videoconference.

SELVI VANESSA LEWIS REYNAGA, having first been identified by the production of her Virginia driver's license and duly sworn Pursuant to Executive Order 144, testified as follows:

EXAMINATION

BY MS. PAPAS:

Q. Hello. Thank you for coming in today. Could you just state your full name for the record?

A. Yes. It's Selvi Vanessa Lewis Reynaga.

Q. I am not sure if you have been deposed before, but I just want to go through a couple sets of instructions. So the way this will go is I am going to ask you a series of questions. If, at any point, you do not understand the question, just tell me that you do not understand and I will try to rephrase it in a way that you do understand. If you do answer the question, I will assume that you understood the question and that you have answered truthfully. Do you understand those instructions?

A. Yes.
Q. And the next thing I am going to ask is that you just please say "yes" or "no," as you did, instead of shaking your head for the court reporter to actually write it down. Can you do that?
A. Yes.
Q. And do you want an opportunity to review the written transcript of everything that is said today to make sure that it is accurate?
A. Yeah. Yes.
Q. So in that event, we will send you the transcript once we receive it from the court reporter, and you will have 14 days to review it and sign under oath that it's accurate or identify errors and send those back. Can you do that?
A. Yes.
Q. Just a few more preliminary questions. Is there anyone in the room with you today?
A. My younger son, who is 4 years old -- 5.
Q. Okay.
A. And my husband, but he is going to be leaving shortly.
Q. Is your husband planning on listening in or doing anything involved with the deposition?

A. No. I mean, he is not really even going to be in the room, but he is in the house so he might have to come through. It's an apartment, so it's kind of hard to, like, not to come through when he has got to go from one room to the other. But no, he won't be listening like that.

Q. Did you talk to anyone about this deposition for today?

A. Just my husband knows about it, and the kids might of heard something, but I don't think they really understand.

Q. When you talked to your husband about it, was that mostly for scheduling purposes or actual information about TelexFree?

A. Scheduling. Just, like, telling him that it was for today and to help me -- remind me.

Q. Thank you. I understand. So I understand that you invested in the TelexFree program. Is that correct?

A. Yes.

Q. And you submitted a claim for the amount you lost. Is that correct?

A. Yes.

Q. Do you remember the amount of that claim?

A. I was trying to look through my emails. It looked like, I think, $6,225 or something in those amounts.
Q. Okay.
A. The original claim, I think.
Q. Yeah. Our records show $6,042. Does that sound accurate?
A. Yeah, yeah.
Q. And when you submitted that claim, you declared everything in the claim was true and correct.
A. Yes.
Q. Is that accurate?
A. Yes.
Q. And do you recall how many accounts you had with TelexFree?
A. I think there were five accounts. But things get fuzzy, because there's also, like, the cards. You know how you had to buy the TelexFree cards because that wasn't part of it? And then just trying to separate those two things from the account and the cards that go with it, it gets fuzzy. But yeah, I think it was five, those five accounts that I had.
Q. And by five accounts, are those the type of accounts where you could earn credits?

A. Yeah, I think so. It's been, like, 10 years, almost. Right? Nine years. Okay. Yeah, I think.

Q. So just to confirm. There was two types of -- one wasn't really an account. You had a calling card --

A. Yes.

Q. -- with a number. Did that cost around $49.90? Does that sound accurate?

A. Yeah. It does sound like that, and then I had to buy, like, 10 of those. So yeah, those were not the actual accounts.

Q. I understand. And then the other account is an account that -- does an amount of $1,420 sound about right to open an account?

A. Yeah. I was thinking, actually, in my mind it's $1,125 but if it's 120, that's probably it, and I was just adding a little more to it in my mind.

Q. Okay. Just to clarify. It's $1,420. Does that sound correct?

A. Yes.

Q. And on those accounts -- that's the one where you could probably earn credits by posting ads. Does that sound correct?

A. Yeah.

Q. So once you had those credits, you could use them to get cash or buy other accounts. Is that correct?

A. Yeah. And you had to create, like, an eWallet or something like that, where they would send you the money, I believe.

Q. For the eWallet, did you deposit credits into it and then they sent you money?

A. I wasn't able to get that far. I had just started, so before anything was ever deposited into my eWallet, it had stopped, you know. So I never did anything with eWallet.

Q. I understand. So you were told about eWallet, but you never actually used it. Is that correct?

A. Yeah. I never used it.

Q. And so I think you said that you could use credits to buy accounts. Correct?

A. I think so. I just -- I don't think I ever got that far. So I just opened my five accounts. I didn't even get anything. I think I was, like, one month into it, so I didn't even get anything on the eWallet, any money back ever. And so, like, I don't even think I got as far as trying to buy more accounts through the eWallet and all that stuff.

Q. I understand. Did anyone else ever buy accounts for you with their credits?
A. Not that I know. Like, not that I remember. No, I am the one who sent in my money and did the thing. Yeah.
Q. Do you know who opened or helped you open the first account?
A. Well, the way that I got in through the TelexFree was through Francisco Silva. He is the one who told us about it, me and my husband, when I opened the accounts. So I don't know. I think it was a type of umbrella-type thing. Right? So I am probably under him, I would assume.
Q. I understand. So when he opened those accounts, did you give him money for the accounts?
A. I think so. I don't remember well.
Q. Okay. Do you know if he had anyone working with him that helped you to open those initial accounts?
A. No. All I have is him. Yeah.
Q. Does the name Rosana Leslie sound familiar?
A. No, no.
Q. So to the best of your knowledge, when you first got involved, Francisco Silva helped you to set up those accounts?

A. Mm-hmm.
Q. Is that correct?
A. Yes.
Q. Okay. Did you physically enter the information to set up the account or did he do that?
A. It's been so long. I mean, I have the account information, so I had to make my own passwords. So he didn't do that, you know. So I don't think so. I think he helped me -- lead me through how the accounts had to be set up, but I don't think he personally set them up for me.
Q. So to the best of your recollection, you probably were at the computer, and he was telling you what to put in. Does that sound right?
A. Yeah, or that he just -- before preview, he just told me how it was and so I just went on my computer and did it. Yeah, something like that.
He also had YouTubes that I think now he has taken down from YouTube. But he had YouTube videos of how to create accounts and kind of get through the whole TelexFree for people who didn't know, like me. So I remember I would watch those YouTube videos of him explaining that.
Q. And when you opened that account, I think we

went over that it cost the $1,425. I think I might have said 420 before; sorry. Do you remember how you paid to open that account?

A. So what I remember is while I was in Bolivia -- in La Paz, Bolivia. So I don't think I could have -- I knew I wasn't able to make the transfer through Bolivia, so we actually -- this is why it's fuzzy. I sent the money to my brother-in-law, who has no recollection of TelexFree or anything. Just sent him the money, I think, through Western Union. And I think he was able to give it to Francisco to do the transaction part for TelexFree. That part was kind of fuzzy for me even back then.

Q. Okay. So I understand that you sent money through Western Union to your brother, who gave it to Francisco in order to have the account set up. Is that correct?

A. Yes.

Q. Do you remember how much money you would have sent?

A. Well, I remember it was around -- like, it was over $7,000, because I also sent money for 10 -- I think it was 10 of the cards, those calling cards that were $50 each or $49.99, I think you mentioned. So I

think it was for five accounts that were $1,425. Right.

Q. Mm-hmm.

A. And then the 10 cards, TelexFree calling cards. So yeah, so I think it added up to -- I know it was more than $7,000. I don't know the exact amount.

Q. Just to confirm, you sent over $7,000 to your brother to give to Francisco for five TelexFree accounts and 10 phone cards. Is that correct?

A. Yeah, and it's my brother-in-law. Yeah, brother-in-law.

Q. What is your brother-in-law's name?

A. His name is Giovanni Bellot. B-E-L-L-O-T.

Q. And I am assuming that you didn't actually drop over $7,000 cash into an envelope. Do you remember how you paid for that?

A. I transferred it through Western Union.

Q. So you did a transfer. Do you have a record of that transfer?

A. I mean, if Western Union has it. I think that's the only -- I mean, if Western Union was able to get that for me, I think that would be the only record, because I've moved and papers are -- I don't think I would be able to get that.

Q. Were you in contact with other people who were members of the TelexFree besides Francisco?

A. I am not sure, because if I did it was probably just one time and rarely. I just remember Francisco because he's the one who told me about it, who told my husband about it, and that he had accounts and that he was working with other people about it. And so that's why -- and he helped me through the whole situation, because he also had accounts with TelexFree. So yeah, that's why it's only his name that kind of pops up. But I am sure I probably did speak to other people. I just don't remember the names.

Q. Okay. And you testified -- I'm sorry. You said that you gave Francisco money to set up the account. Each one was $1,425. Was it your understanding that Francisco was doing this for other people as well, so setting up an account and charging them?

A. I don't know that. All I do know is that he had shared this information with other people, you know, because that's the TelexFree thing that once you have accounts, you go and share them, you know, with other people who could also work in TelexFree. Right? So I assumed he was working with other people and that's why he had YouTube videos of him sharing how to create

accounts. Because it was not that easy. You had to have a lot of direction.

Q. So when you were talking about sharing information, were you talking about general instructions on how to open an account?

A. Yeah.

Q. Did those instructions include how to direct TelexFree to him in order for him to basically pay or use his credits to open the account for you?

A. I think so. It's been such a long time, so just that whole system of how to open up the accounts -- and since I was just there, like, a month. A month later, it was gone, so I just don't even know because I never opened accounts for anybody. I don't remember that very clearly. All I remember is that I gave -- I sent the money to my brother-in-law, and he got it to Francisco, and then Francisco was able to open up the accounts. But I think it is something with credits in there. It's just very fuzzy in my mind.

Q. So when you opened an account, you don't necessarily recall when you got to the payment page what the instructions were to do when you got at that page?

A. Yeah, I don't really remember that, because I

didn't pay it through, like, my card. It's just in Bolivia, they don't accept the debit cards. Even if you have money in your account, it couldn't have been done through that. So that's why I had to send it through Western Union. And my brother-in-law didn't do it either. He was just, you know, the one who gave it over to Francisco.

Q. I understand. So when you opened an account, you didn't put in any payment information?

A. Yeah. I don't recollect that, because I didn't.

MS. PAPAS: That's all of my questions. I will turn it over of to opposing counsel.

EXAMINATION

BY MR. RONA:

Q. Good morning, Ms. Lewis. My name is Ilyas Rona. I represent individuals that the trustee is bringing claims against in connection with TelexFree. I just want to go back over some of the things that you have talked about.

First, what is the name that you go by? Meaning how do you usually state your name for other people?

A. Oh, so mostly everybody calls me Vanessa, my middle name. That's what everybody usually calls me. But my first name is Selvi.

Q. Selvi is your first name, but you end up using Vanessa maybe more than Selvi?
A. Yeah. All the time.
Q. Okay. And then is Lewis a married name?
A. No, it's my father's last name.
Q. And then your other last name, is that your mother's last name?
A. Reynaga.
Q. Do you always use both Lewis and Reynaga or do you sometimes drop off Reynaga?
A. I think at times when it's not required, I don't use the Reynaga. But in all my legal documents, I always use both of them because that's how it is on my Social Security and that's how it was in my passport and, I think, every legal documents that I have.
Q. Right. So you have two last names?
A. (No audible response.)
Q. I'm sorry. Sometimes the audio cuts off. Your answer?
A. Yes. Yes.
Q. But for convenience, sometimes you may only use one of them?
A. I usually use both of them. I think there may have been sometimes where I might have not, but most

of the time I use both last names.
Q. Do you recall, in TelexFree, creating logins that were Vanessa Lewis?
A. Yeah, probably, so I wouldn't have to put so many names in there.
Q. Right. So to save time and space, sometimes you just call yourself Vanessa Lewis?
A. Yeah. Yeah.
Q. Okay. You might also be called Selvi Lewis Reynaga if someone is trying to not use a middle name. Is that right?
A. Yes.
Q. So there's various combinations that your name could -- how your name could be written. Is that right?
A. Yeah.
Q. I apologize if you said it, but what is your husband's name?
A. I don't think I said it, so it's okay. It's Diego Bellot.
Q. Okay.
A. B-E-L-L-O-T.
Q. And he is brothers with Giovanni?
A. Yes.

Q. Where is your husband from? Where was he born?
A. In Maryland.
Q. And at the time you were involved in TelexFree, you were living in Bolivia?
A. Yes, in La Paz.
Q. Were you with your husband at that time?
A. Yes.
Q. Were you both in La Paz at that time?
A. Yes.
Q. Prior to getting involved in TelexFree, had you, for some period of time, lived in the United States or were you living in Bolivia at that time and then you later moved?
A. I'm sorry. I didn't understand that.
Q. Okay. It wasn't a great question. Currently, you are in Virginia. Is that right?
A. Yes.
Q. At the time you were involved in TelexFree, you were in La Paz?
A. Yes.
Q. When -- what year did you move to Virginia?
A. Oh, 2019.
Q. Prior to 2019, did you ever live in the United States?

A. Yes, when I was a child. So from the time I was about, I think, 7 to 12, I lived in Yellow Springs, Ohio. But then after 2002 was when we went back to Bolivia.

Q. So from 2002 to 2019, you lived in Bolivia?

A. Yes.

Q. Okay. And where was Giovanni living at the time that you made the transfer that you talked about?

A. He was in Maryland.

Q. Okay. So he was living in Maryland before you moved to the United States?

A. Yes.

Q. Or moved back. I want to be clear. But yes, okay. And where was Francisco Silva living at the time that you made that transfer?

A. I think he was also in Maryland. I am not exactly sure. I think he went to Florida as well. He is a friend -- he was a friend of my husband's, so that's how we even found out about TelexFree.

Q. How did your husband come to know Francisco Silva?

A. I think it was through the church. I think they both went to the same church. It was through Amway. So Amway is, I think, similar, where you sell products

and you recruit people. Right? And I think they were both recruited to the same team to Amway, so Francisco and Diego were in Amway. I think that's where they met.

Q. At the time they met in connection with Amway, where was Diego living?

A. So this is before -- I don't know if I met -- this was probably before he met me, so I am just guessing that they were probably both in Maryland, because that's the only place that Diego lived when he was in the US.

Q. Okay. What year did you get married?

A. In 2015. But I didn't meet him until two thousand -- like, we met in 2012. We got married in 2015. But he met Francisco before 2012.

Q. I am trying to follow along here.

A. Sorry.

Q. And these might be important details, so I apologize if it seems like I am focusing on minutiae here. But when you met your husband, he was living in the United States?

A. No. My husband moved to Bolivia, to La Paz, at the end of 2011.

Q. You met him in La Paz?

A. I met him in La Paz.
Q. And at that point, he had already been involved with Francisco Silva in Amway?
A. Yes, when he was in Maryland. So before he came to La Paz, he was living in Maryland. I think that's where he lived his whole life. So while he was in Maryland, he was recruited to an Amway group, and in that same Amway group was Francisco Silva. That's why I believe that Francisco lived in Maryland.
Q. Okay. Thank you for laying that out. So your husband, at the time he had been living in Maryland, he knew Francisco Silva, but in connection with Amway?
A. Yes.
Q. And then he moves to Bolivia and you guys meet?
A. Yeah.
Q. And then he, at some point, tells you about something he has heard about TelexFree from Francisco Silva. Is that right?
A. Yeah.
Q. Did your husband participate in TelexFree?
A. I think he did. He did, I think, but he only created, like, a $300 account. So he didn't file a claim for it because he is like, you know, "It's $300 and there's paperwork and emails to do." And so he

didn't do that.
Q. Okay. And was there any reason why you ended up having more of an involvement in TelexFree than your husband?
A. Well, because I had savings and he didn't, and so I just used my savings.
Q. So even though he had had a prior experience with Amway, he ended up having less of an involvement in TelexFree than you did from a financial standpoint?
A. Yeah. I mean, he wanted to invest more. He just didn't have more. Yeah.
Q. I see. Okay. And have you ever met Francisco Silva?
A. Not in person. We spoke, like, through Facebook chat, you know. I guess that was -- or Skype. I don't know what it was that we were using to connect through to speak.
Q. And those conversations that you had with Francisco Silva, those were around the time that you got involved in TelexFree?
A. Yes.
Q. And when you sent the funds via Western Union, those were savings that you had in Bolivia?
A. Yes.

Q. So they were funds in a bank in Bolivia, and you went to a Western Union office in Bolivia to transfer the funds to a Western Union office in the US?

A. Yes, to my brother-in-law.

Q. Did your brother-in-law take any commission or fees or anything out of that money on the receiving end?

A. No.

Q. Do you remember what amount or percentage the Western Union fees were?

A. I don't remember, but it was not cheap. It was, like, a couple hundred dollars.

Q. Did you consider whether you could recover that money in connection with TelexFree bankruptcy?

A. I didn't. That's why I didn't even add the Western Union fee or the 10 TelexFree cards that I think were, like, $500. I don't know. Or a thousand-something, yeah. I didn't. I just went for the accounts that I had.

Q. And then do you know what your brother-in-law did with the funds?

A. I could check my Facebook messages and my husband's Facebook messages, probably, because that's how we connected, or email. Well, he doesn't have

Facebook, actually, so probably email -- to get more accurate information, if it's there. But it's very fuzzy, that part, because I was not the one who gave -- like, my part was I sent it through Western Union, so the rest of it was kind of fuzzy and still is with me.

Q. Was your knowledge at the time or belief at the time that the funds were going to be sent to Francisco Silva?

A. Yeah.

Q. And I think you were asked about a Rosana Leslie?

A. Yeah.

Q. Okay. Do you know that person?

A. I don't remember. So I remember that -- I just remember Francisco. But I do know that I did speak to other people because it's, like, a network, right, of people. So the name rings a bell, but I don't really remember. I can't say for sure.

Q. How many people do you think were in Francisco Silva's network that you spoke to?

A. I don't know. It was just a lot of videos so -- I don't know. I would have to say, like, four, six, probably more. I remember he was very successful. He

was doing really good in recruiting people.
Q. Were some of the people in his network, were they women?
A. I am sure they were, or else it would have been weird if I was the only woman. I probably would have noticed that.
Q. Okay.
A. I can't really recall.
Q. And to your knowledge, Rosana Leslie is not, like, a spouse or girlfriend of Francisco Silva? Or do you have any knowledge one way or the other?
A. Oh, so I know that his wife's name is Sana -- Sana or something. He met her in Brazil. I just don't remember if that was -- if she was TelexFree. But I know that maybe it is Rosana. That's why it seems familiar.
Q. Okay. Those phone cards that you purchased, do you recall that you had to fill in information in the computer to set up the accounts for those cards?
A. Yeah. I had to create the accounts for the cards too. So, like, at one point, I was filled with papers where I had my accounts and passwords for so many things. It got overwhelming because I had to remember them.

Q. But would your practice have been to use the same type of login for those accounts, for the phone card accounts?

A. I think so. I mean, what Francisco said, to make it easier, because it's pretty hard creating so many accounts, is, like, to add a one or a two. So I think that's why my account was, like, Vanessa Lewis 1, Vanessa Lewis 2. I think I have a paper with it or it's probably in a Word document saved in my other computer where yeah, it's just, you know, consecutive numbers. Even my passwords were, like, the same but, like, I had the number, you know. Yeah.

Q. Okay. Do you recall which email account you used to set up your TelexFree accounts?

A. I would say is was probably sparkledewdrop.

Q. Do you still use that?

A. Yes.

Q. Do you still have your emails from TelexFree, that period?

A. I have a bunch of emails from TelexFree and, I think, from the eWallet. I don't know if I have them all. I don't think I would have erased them. But I think -- I remember getting confirmation.

Q. If asked, would you be willing to turn over

those emails to the lawyers involved in this case?
A. Sure. I can send everything I had from them. I hope it's everything.
Q. I think that would be appreciated. Thank you.
So if you created a phone card account, if you used Vanessa Lewis for the membership accounts, you probably used Vanessa Lewis for the account logins for the phone cards. Is that right?
A. Yeah.
Q. Okay. And if you used sparkledewdrop for your membership accounts, you probably used that for the phone cards. Is that right?
A. Yeah.
Q. Okay. And you were living in Bolivia at the time, so you would have noted that you lived in Bolivia?
A. I think so.
Q. Okay. So --
A. I don't -- yeah. Does it say that I am in Bolivia? I hope I --
Q. Did you live at 1050 Villa Nuevo?
A. Oh, yeah, Villa Nuevo Potosi. Yeah.
Q. Potosi. So is it possible that when it came time to put in your name in the name field, you just

either left it blank or didn't type in your name when you were doing the accounts for the phone cards?

A. It could have been. I think -- I mean, to save time, possibly. Francisco, he would give us tips to just, you know, make it easier, because creating 10 accounts is a lot.

Q. It's a lot of work?

A. Yeah.

Q. Did anyone ever tell you that the name had some significance or importance in TelexFree? Was the name field in any way explained how that would be used?

A. Possibly, yes, and I could have just forgotten.

Q. Okay. Well, were you told you always had to use your legal name?

A. I don't know. Because if they had, I would have made sure to put all my names as I always am with any legal papers that I have to. I put my four -- my first two names and my first last name. So if I didn't, I assume that someone probably told me that it's not so important as to put my full information in there.

Q. Okay. And did you, in fact, receive funds in connection with your claim?

A. Yes. Not from TelexFree eWallet. Right? This

is separate?
Q. Yeah. This is in connection with the bankruptcy.
A. Okay. Yes, I did, and I was actually looking for that this week. I have one of the amounts and the date, but the other amount, I don't have it, because my bank online doesn't let me go back that far. But I think if I asked, they would be able to give me the exact amount.
Q. But you recall that you got two payments?
A. Yes.
Q. And do you recall that one was larger than the other?
A. Yes.
Q. Do you recall the amount of the larger one, roughly?
A. That's the one I was trying to get but I wasn't able to get from the bank. But I think it was around $2,000 or maybe more. I know that it was not hundreds. I know it was in the thousands.
Q. Okay. But did you also remember making note that it was less than the amount of the claim that you submitted?
A. Yeah. I know that it was at least half or way

less than that, than the claim.
Q. Okay. And you just said something that reminded me. Did you ever submit money directly to TelexFree, meaning not the Western Union transfer that you made. But did you ever send money either via check or ACH or debit card to TelexFree directly?
A. So you can't in Bolivia. It's really hard.
Q. Okay.
A. Unless you have a credit card, and it's really impossible. Yeah, so I don't think I did. I think I just sent that whole amount through Western Union.
Q. Did you ever take money out through eWallet?
A. No, because I was supposed to get my, like, first payment, and that's when everything shut down. I wasn't even able -- I created an eWallet, but I never, ever, like, really used it. I even got the card.
Q. Okay. So to your knowledge -- your knowledge is that you never were able to take money out of the TelexFree?
A. Yeah. I had the card. They sent it, but I never used it.
Q. Okay. And you don't recall -- do you recall making a request to get money before TelexFree closed

its doors? Do you recall trying to set up a request for money?

A. I don't recall that.

Q. Did you ever collect any money from anybody in connection with TelexFree? Meaning did you ever try to recruit anyone and collect money from them?

A. There was one person that I shared to TelexFree about, but I think she was under, also, Francisco, not under me. That I remember.

Q. Who is that person? Do you remember that person's name?

A. Her name is Dana Ocampo.

Q. Could you spell Dana, please?

A. Yes. D, as in David, A-N-A. And her last name is Ocampo, which is O, as in Oliver, C, as in cat, A, as in Apple, M, as in Mary, P, as in Peter, O, as in Oliver.

Q. Okay. So to the extent that Ms. Ocampo paid any money, that money didn't go to you. Is that right?

A. No.

Q. Okay. Was she in Bolivia?

A. Yes.

Q. So would she have done the same thing, send money via Western Union or something?

A. I would assume. I don't really know what she did, but yeah. I know she invested, like, $300. I think it was, like, the minimum amount.
Q. Okay.
A. And so she didn't file, as far as I know.
Q. Do you recall whether you received or were eligible to receive any form of recognition for bringing Ms. Ocampo in?
A. I don't remember.
Q. Was that something that you had been paying attention to, how you could earn additional credits by recruiting people?
A. Yeah. I remember that that's what Francisco was doing. That's -- like, I guess you can get more credits. I just -- it was new, so I had no idea. But yeah, I remember sharing that and that he is like, if you become -- if you buy -- get accounts, then you have to try to get people under you to get accounts. I am guessing now kind of like Amway, in a source. Right? So yeah, I shared with, I think, Dana. I think that's it. I didn't really have much time to.
Q. So is it fair to say that maybe when you recommended TelexFree to Ms. Ocampo that you were really doing it on behalf of Francisco more than you

were recruiting for yourself?
A. Yeah, because I still didn't even know how to do it. I was still trying to get -- I didn't even get the eWallet. I was just getting that up, and so I don't really remember if she was under me. I think it was more for Francisco. I think we kind of joined around the same time too.
Q. Okay. Last question, I think, which is always good news when a lawyer says that, although it's not always true.
When you sent the money via Western Union, that was in -- what currency was that in? What currency did you use?
A. In dollars.
Q. Does Bolivia use US dollars?
A. Bolivia uses bolivianos, which is worth one-seventh of a dollar.
Q. Okay. And your bank account that you used to access the funds, was that holding bolivianos?
A. I had two accounts. I had a boliviano account and a dollar account, I think. And so in this case, I probably used my dollar account.
Q. Do you records --
A. Changing currencies is really -- do I have

records of that?
Q. Yes.
A. I am sure that if I went to my bank in Bolivia, they might give me a record. I don't have one with me right now since traveling from Bolivia to the US.
Q. But your belief, as you sit here today, is that, given you had two accounts, you would have used the one that had US dollars in it?
A. Yeah, so that I wouldn't have to go through the whole currency change, which would be even -- I don't know. Lose money, you know.
Q. If you had used bolivianos, you would have lost money. That's your knowledge?
A. Yeah, for the exchange rate.
Q. Okay. If I could take a moment to check my notes, I think I am done.
Alexandra, I don't know if you have any other questions but that's all the questions that I have.
MS. PAPAS: That's all the questions that I have, as well.
(Deposition concluded at 11:41 a.m.)

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CASE: NO. 14-40987-EDK
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Executed this ___ day of _____, 2023.

_____
SELVI VANESSA LEWIS REYNAGA

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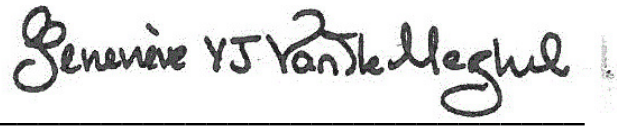
COMMONWEALTH OF MASSACHUSETTS
HAMPSHIRE, SS.

I, Genevieve Y.J. Van de Merghel, Stenographer, hereby certify:

That SELVI VANESSA LEWIS REYNAGA, the witness whose testimony is hereinbefore set forth, was duly sworn by me, pursuant to Mass. R. Civ. P. 27, 29, 30, 30A, and 31, and that such testimony is a true and accurate record of my stenotype notes taken in the foregoing matter, to the best of my knowledge, skill, and ability.

I further certify that I am not related to any parties to this action by blood or marriage; and that I am in no way interested in the outcome of this matter.

IN WITNESS HEREOF, I have hereunto set my hand this 27th day of February, 2023.



Genevieve Y.J. Van de Merghel
My Commission Expires: 12/16/27

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# Exhibit E.

**In the Matter of:**

*Telexfree, LLC, et al. vs*

*Franz Balan*

---

*Arismendy Alexandry Disla*

*February 21, 2023*

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UNITED STATES BANKRUPTCY COURT
DISTRICT OF MASSACHUSETTS

| | |
|---|---|
| In Re TELEXFREE, LLC, et al., Debtor, | |
| STEPHEN B. DARR, TRUSTEE OF THE ESTATES OF TELEXFREE LLC, et al., Plaintiff, | Case no. 14-40987-EDK<br>Chapter 11 |
| v. | Adv. Proc. No. 16-4006 |
| FRANZ BALAN, A REPRESENTATIVE OF A CLASS OF DEFENDANT NET WINNERS, Defendant. | |

DEPOSITION OF ARISMENDY ALEXANDRY DISLA
Appearing remotely from
12596 Innovation Falls Drive
Orlando, Florida
February 21, 2023
Commencing at 2:00 p.m.

Reported by: Genevieve Y.J. Van de Merghel
Notary Public and Stenographer
Appearing remotely from
Hampshire County, Massachusetts

O'Brien & Levine Court Reporting Solutions
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# I N D E X


| WITNESS | EXAMINATION |
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## E X H I B I T S

(No exhibits marked.)

P R O C E E D I N G S

Counsel present agree to conducting today's deposition remotely via videoconference.

ARISMENDY ALEXANDRY DISLA, having first been identified by the production of his Florida driver's license and duly sworn Pursuant to Executive Order 144, testified as follows:

EXAMINATION

BY MR. LIZOTTE:

Q. Arismendy, thanks for being here today. My name is Andy Lizotte. I am one of the lawyers for Steve Darr. He is the trustee in TelexFree. We have some litigation going on with some other parties, and we just need to get some additional information from you about TelexFree.

A. Mm-hmm.

Q. If you have any questions about -- or you don't understand a question that I have asked, just let me know. As Genevieve just mentioned, when we are done, she will prepare a written transcript. Would you like to have an opportunity to review that when it's done?

A. Yes.

Q. Okay. So I am looking at a proof of claim. Can you confirm this is your claim that you filed in the case? It's Claim Number 63394. Arismendy Alexandry Disla. And the amount of the claim was $124,312. Does that sound correct?

A. Yeah. I remember, yeah. It was so many years.

Q. No, I understand. Okay. So how did you get involved in TelexFree?

A. I got involved -- it was in the community, the Spanish community, the Dominican Republic community. I guess there was, like, leadership in Lawrence, Massachusetts. I used to live in Providence. I always listened to a guy, one of the top Dominican guys. His name was Santiago Delarosa. Then everybody was connected from other people. There was other, more names in there. Those are, like, the top leader. They got me involved. That month, my mother died and I was in a situation, and then -- it was, like, a network. There were, like, five of them -- I believe there were, like, five or six them.

And they proposed me this business model. Copy and paste and this package. I mean, like, oh, okay. Everybody -- they was showing, you know, events and making meetings and making money and -- you know.

Everything was, like, "Oh, if you invest this much, this much you get every daily or weekly."

Then, from there, they were saying, "Oh, you've got to pay this package." I can't remember. I think it was VIP. There was different packages. And then after there was, "Oh, you've got to do this on the computer, copy and paste, copy and paste."

And then I actually, you know, give checks, official checks, because I work hard for my money. And they took it to the headquarter, to the TelexFree, because I run a business, a small business. So my money was my task pay. I earned my money.

And then that's how they got me involved with all these meetings, Zoom meetings, and communities. It was all connected to the New England area.

Q. So do you remember the person who helped you get started? Was it a person named Sandy Duran? Does that sound familiar?

A. Sandy Duran? There were so many people.

Q. Let me --

A. It sound familiar. It sound familiar. It sound familiar. Like I said, there was a lot of -- there was Brazilians and there was, like, Dominican community.

Q. When you got started, can you explain to me how you got started? How you opened an account to get started?

A. Oh, how I opened an account?

Q. How did that all start?

A. Okay. So the first thing started, I give official check. I put my proof to the trustee that it's a check. And they took that amount, the check, to the headquarter. And they, "Okay. We are going to create you a login and username." Once that, they activate it, then you put your username and they will open the account for you. That's how. Once they got the funds, I was waiting 24 hours -- about 24 hours, 40 hours. That how they say, "Okay. Your username and account is open. Now you can do the copy and paste." You know?

Q. So did they open the account on the computer for you or did you do it?

A. They did it from -- I opened one myself, and then all the accounts that I opened, they actually have to do it from the headquarter in the Massachusetts, because they saw there was a lot of money involved. And they opened all the rest of the accounts. And they said, "Okay. Because it is a

large amount, we need to do it from the headquarter. We need to type it manually." They need to do a verification themselves. It was a large amount. So the small amount you can do yourself, but when it's a large amount, the headquarter have to do it.

Q. So did you pay via cash or a check or how did you pay?

A. Check. Official bank check.

Q. Do you remember who you were paying the check to?

A. The check was made to TelexFree.

Q. Okay. And so you gave a check to TelexFree. You said they took the check?

A. They took the check, yes.

Q. Do you know, who is "they"? These are just -- do you remember the names?

A. It was a guy with glasses, a bald guy with glasses. Is it Steve? I think Steve -- I think I remember his name was Steve. It was one of their manager or COO, or it was one of the chief officers running the offices. Yeah.

Q. Do you know if the people that were helping you got any money when you were opening the accounts?

A. When I was, if they got any money? Oh, probably

they did, because it was like a network marketing. So whoever signed me up, he probably got bonuses and -- yeah, they probably got paid, you know, the commission, the bonus.

Q. Do you know what happened to the check? You gave them a check to TelexFree.

A. Mm-hmm.

Q. And after that, do you know what happened to the check after that?

A. Well, the check got cleared. They cash it and everything. Then, from there, it's over, you know.

Q. Do you have any of your old bank records or tax records or anything that would show these payments that you made?

A. I have to take a look for it and ask. It was at bank Santander. I think I do. I have to look for it because -- I have to check and research it. But I did have, you know, a copy of -- you know that pink copy they give you? The pink copy, the receipt, yeah. So I have take a look for it because it was so many years, you know, so I might, maybe, throw them. But I have to find it, yeah.

Q. Okay. Did anyone help you open accounts where -- do you know what the credits system was that

when you placed ads, you earned credits? When you got commissions, you earned credits?

A. Mm-hmm. Mm-hmm. Mm-hmm.

Q. You could spend the credits. Right?

A. Mm-hmm. Mm-hmm.

Q. Do you recall any situations where someone would have been opening an account for you where they used their credits to open the account for you?

A. Like -- yeah. Like, okay, they say, "Let me open an account for you. Here is a credit, and then you pay me." Kind of like that?

Q. Yeah.

A. Yeah, yeah. There were a couple guys that would use it, and they even doing it in front of the community meetings. In the meetings. Like, "I got -- I have a credit. I have a balance, so who wants to open a credit? Give me 1300 or 1400." And they used to do it right in front of the people in those little meetings, 20, 40, 50, even 100. Even in the big meetings. So uh-huh. They get like, "Give me cash, and I open it for you," and then, like, they do the rest for you.

Yeah, because they were looking, like, in the database, looking how much money they have so they can

actually -- it's kind of, "Oh, give me cash. I give you credit. Then you move forward."

Q. So was there a lot of that going on?

A. Yeah. Actually, when I came here to Florida they did a lot in that meeting, that huge event. And even in Massachusetts. There was, like, a lot of money going on. I saw it and was like, oh, wow. I mean, money going in and out. People doing stuff on the computer like -- you know, but yeah. So they were, like, 1300. Boom, boom, boom. Money. Boom. 1400. Boom. So there were a lot of people with computer doing those transactions in front of the meeting. Because people was looking like this is real, you know, that this is how it works.

And that was -- they would conquer people. They conquered me. Like, you know, hey, like -- kind of like motivation. This is how it works. This is how money is made, you know. And that's how it works. And that's how they attract a lot of people everywhere.

Q. Okay. Did you have situations where you were using your own credits to open more accounts for yourself?

A. Yeah. I was opening my own account my myself.

I never want to going forward and promote it to people.

Q. Okay.

A. Mm-hmm. So that's why I had all my accounts my own self. Like, okay, I use it myself.

But I lost a lot of money. I lost everything. I lost my financial, my business, my life. My mother died that same month. And then everybody, like, disappeared. Some of them, they were going out of Dominican Republic, taking money and invest it. It really hurt when someone take your money and promote these kind of scams. And then bad promoters, leaderships out there, they rip you wide open and they move on and they don't care. They leave you like that.

And then from there, a lot of them, they were probably taking those money under whatever the common cash, investing it in something -- houses or cars or maybe out there, they were showing it overseas and maybe they try to live out of the country, you know.

And, you know, for me it really hurt me because even they -- for me, they took advantage of my own money. They took advantage of my work, my business. They took advantage of my fund, my capital. And then,

from then, it's like you see them driving nice car, nice house, luxury, going to restaurants and all that coming from money from my own things.

And now, where they are? I don't know where they are. They are all gone. All this money that came, it was a scam, you know. So it hurt myself, my family, all financially.

Q. Okay. I don't think I have any other questions. There's another man here, Ilyas, who may want to ask you a few questions.

But if you could, make a note to see if you have any of those old records you were talking about, the payments that you may have made.

A. Yeah. I have to look for it because it was -- the bank was Santander Bank. But I have to check emails and scanners from those checks. There was a lot of -- you know, there was large amounts. It went almost to -- close to 100. But more than that, I have to give in cash and people give in credit, you know. So I bought -- I have to search it, because I didn't expect this meeting. If I had known I would have grabbed it. But I have to search it real, real, real well then. I found a few of them.

But I know there was a check that I given --

some of them was, like, they divide it. The first one was, like, 75. The other one had been to divide in 19, 20, so it's different payments. Yeah.

MR. LIZOTTE: Okay. Thank you. Ilyas, go ahead.

EXAMINATION

BY MR. RONA:

Q. Good afternoon, Mr. Disla.

A. Yes. Good afternoon.

Q. My name is Ilyas Rona. I represent individuals against whom the trustee is bringing claims.

A. Mm-hmm.

Q. And I just have a few questions for you.

A. Yes.

Q. How much was the check that you described, the one that you -- was drawn from --

A. It was over than $75,000. Over, more than that.

Q. Okay.

A. Yeah. Like I said, it was all different checks. They were all different checks, separated. But I have to search it, because it was so many years. I did not know that this was going to come. But I have to search and look at it. Some scanners -- I think I do have it in the scanners, so I believe so.

Q. Okay. And the money that you lost, you mentioned -- well, how many checks do you think that there were that -- official checks, as you called them, that were payable to TelexFree? Do you remember how many checks, in total?

A. Like I said, it's -- I know it's over $75,000. I can tell that. Because the first 75 have to be -- I think it was $14,500 separated in five individual checks. I remember. They were all separated. And then some of them -- because I did submit it. When I made the claim, I did submit the proof to the trustee. I am not sure if he has it, but I did put some evidence and send it and everything, because it was -- you know, it was a good amount. I have to look for it.

Q. Okay. Other than the checks that you described, did you put any other forms of cash into TelexFree?

A. Yeah. Like people selling credit, yeah, you know. Yeah, some of the cash. Yeah.

Q. Did you buy credits for cash?

A. Yeah. Yeah. I had, like -- I had to sell a few, my assets like cars and stuff. Yeah. They were offering me, like, this package of 39,600, something like that. Another one -- that was one package.

There was a few packages, but yeah.
Q. Just to be clear, when you say "package," this was to buy a block of credits not tied to any number of user accounts. Is that right?
A. No, no. It's just like the packages and -- you know, the more you grow an account, the more you make money. Because mine was, like, an account by numbers and by numbers. That's how, you know, they were offering me the credit, yeah.
Q. Well, I just want to make sure we are using the same language here. The 39,000 example that you gave, was that that you give somebody $39,000 and you get $39,000 in credits or are you getting accounts?
A. No, it's like when you're getting account. It's like a bowl account. Like, you buy in and they use that copy, paste, copy, paste and then you start making money daily and weekly.
It's kind of they are selling to you, you know? "Here's a packet, and then you are going to start making money from today. And then copy and paste. Copy this." That's the way -- the business model the promoter was offering to the public, to everybody.
Q. Okay. And how much cash do you think you gave to people?

A. Like, me giving to people or -- me giving to the people?
Q. Yeah.
A. Oh, well, the first one, 75. It was more than -- over 30- or $50,000, because it was me. I got my family, my dad, and I was -- they were actually giving me cash and helping, because that's why I fed them. We all got hurt.
Q. Okay. So your family was involved in TelexFree along with you?
A. Yeah. My brother, my father, my sister, yeah.
Q. Do you know someone named Daisi Jimenez?
A. She is my mother. She died.
Q. Okay. I am sorry for that.
A. Yeah.
Q. Did she have any involvement in TelexFree herself?
A. Yeah. Yeah, because I was the one who was handling her account.
Q. And what do you mean by "handling her account"?
A. I was her son. I was the one who manages her account. She gave me the money and then -- yeah, it was all family together.
Q. And you used your email address probably or --

A. No, I can't remember.
Q. Did she have an email address that she used?
A. No, no, no, because she didn't speak English at all. She didn't.
Q. Okay.
A. Then it was like -- I think I remember, because she actually -- no, I bought her account for her with my own money.
Q. Okay. Meaning you gave money to somebody else to open up accounts for her?
A. Exactly, yes. With my own money, exactly. Somebody sold me that credit.
Q. And some of your accounts have "Daisi" in the login name.
A. Mm-hmm.
Q. Are those accounts that you created for her or were some of those also your accounts or do you remember?
A. Those are mine. All of them are mine. Because she has passed away, I put that as a remember.
Q. Okay. What about did you have accounts that said "DJ" in the name, in the login name?
A. DJ?
Q. That would be back to your mom's initials?

A. Yeah. The initial, yeah. Those are mine.
Q. But those are still your accounts?
A. Yeah, yeah, yeah.
Q. How about a Sergio Anibal Correto? Do you know who that is?
A. Sergio what?
Q. Anibal Correto. Do you recognize that name?
A. No, no, no.
Q. Do you know why there would be an account in that person's name but with your email address?
A. No, not sure. I don't remember.
Q. Okay. How about Jannie Arias?
A. That's -- Jannie Arias or Jannie Disla?
Q. Jannie Arias.
A. Not remember. Because there was leaders on top. They were creating accounts, putting under me so they can make money on top. That's how they used to do it. Like, a guy I don't know, "Oh, I am going to put this guy under him." Boom. And they would like to create more network to make more money. People that I don't even know who were coming from that system.
Q. So the people that were sort of above you that were creating accounts would make an account that was supposed to be your account?

A. There were leaders on top of me. They were making account so they could put it under me so they can make some money, because I wasn't even promoting. "Let me put this guy under him so he can seem he is making a network. He is making money." I'm like where did these people come from?

Q. Meaning people above you would put accounts underneath you?

A. Underneath me, yeah, without even myself not signing. They were doing, like -- the top leaders, because they're making money, they've got the cash, they're putting people, putting people under me. Like, who are these people coming? I don't even know who they are.

Q. So is it fair to say in those situations, you didn't collect money from those people?

A. No, no, because my money -- all my capital was all there. They were the one who wanted to get more, I guess, like -- they were trying to get more -- the whole system, they were trying to get more money for leaders on top, you know. Earning -- they could collect, like, more in bonuses and other things. Yeah.

Q. Okay. So just because someone might appear in

the computer to be underneath you doesn't mean that you took money from them. Is that right?

A. No. No, I didn't took money from them. I never offered them. I never told them about it. It was, like I said, those leaders that were managing, monopoly, those systems to put people, like, under and put more people under. It's kind of like grading the tree -- they were building their own tree. Like, where are these people coming from?

Q. Did you ever collect cash from anybody in TelexFree?

A. No, no.

Q. Okay.

A. I lose. They collect from me.

Q. Your claim -- what happened to your claim for 120-plus thousand dollars? Did it get allowed?

A. Some of them, I didn't get. No, I didn't get -- I didn't get enough.

Q. Okay. Do you know, did some of your claim get disallowed?

A. No, not at all. I remember it got allowed.

Q. How much did you receive in payments from TelexFree?

A. From when they approved the first, I think,

like, $150 million. Are you talking about that claim?
Q. Well, yeah, just in total, how much have you received in the bankruptcy?
A. I can't remember. It was, like, in the 50-something. And I am not sure, but I didn't collect enough. It was in the 50 -- I can't remember. Fifty-two, fifty-three, something like that.
Q. And when you went to submit a claim, did you -- do you remember sitting at a computer and going through the process of having to identify accounts that belonged to you? Do you remember that process?
A. A little bit. But I think the trustee did all the work, whoever they identified, yeah.
Q. Okay.
A. But a little bit.
Q. Meaning that you went in and they showed you accounts that they said were yours?
A. Yeah, "This is yours." I think they were going through the system doing an audit and checking on the audit.
Q. Do you remember changing or in any way disagreeing with the accounts that the trustee --
A. No. I didn't change anything. I was just like it is what it is, you know.

Q. Okay. How about Julito Torres. Do you recognize that name?
A. Julito Torres?
Q. Yes.
A. Those are people, like I said, they were coming from network. I know a lot of them, they claim and they got paid.
Q. Okay. And do you recall opening up your own accounts using your own credits?
A. I think I remember, yeah. For some of them, I had to come with my own cash. Yeah, I remember I had to pay people something. Some people, "Hey, transfer me the money here." "Pay me here," you know. And they would, like, transfer the credit. I would transfer the credit.
Q. Did you ever -- apart from opening an account, did you ever buy yourself credits?
A. Buy myself? No, you have to buy credit from another person. They can transfer it and then you can buy it. You can't buy yourself. You have to, like -- if you want it quick, like, right away, "Hey, who got credit here?" And then somebody call another person, another person, so they can cash out. And then they pass the money and then transfer the credit.

Q. Did you ever do that in either direction, meaning did you ever buy credits or sell credits?
A. Not sell. Buy. You know, somebody like, oh, they pass me the money into the bank account, and then I would transfer it to you.
Q. Do you recall who you bought credits from?
A. There was so many name. It would come from a whole network. I know there was Santiago. There was another guy named Rudy. I don't remember the last name. Those are the top guys that were making -- they said they had millions. I don't know, a lot of monies, you know.
Q. So if you wanted -- at the time, if you had wanted to buy credits, you knew who you could contact to buy credits?
A. You contact one person and the other person would contact, "Oh, I've got the money from this guy." I don't know how he got it, from where, but they said they would come to the top guy.
Q. Do you recall -- on at least on one or more occasions, you did that; you bought credits from somebody?
A. Yeah. You have to call that person and they go, "Okay. Let me call my people." But I don't know who

those people are.
Q. Okay.
A. They were calling, like, the top. The top. Who was the top? It was like it transferred and transferred and transferred.
Q. I get it. And in that situation where you bought credits, was there any type of negotiation on the cost of those credits or was it just simply, "This is what the credits are worth and give us the money"?
A. Yeah. They were just saying, "This is how much these are worth." Boom. Done. You know, "Deposit this amount."
Q. Okay.
A. Mm-hmm.
Q. Just bear with me for a second. At the time that you were involved in TelexFree, do you remember what email address you were using?
A. Not sure if it was in my email, my personal email. I can't remember.
Q. Do you recall an email address for your TelexFree work called dislatelexfree?
A. Yeah. This was my email. Yeah, that's my email. Yeah, that one. Yeah.
Q. @gmail.com. Do you still use that email

address?
A. What, that email? No. I don't still use it, because they were saying, "Oh, you have to open different accounts with different email." That was -- they were telling me that, you know, the top leaders, you know, for you create -- you know, create accounts.
Q. Okay. And, currently, you use an email that is, if I am not mistaken, disla1515@gmail.com. Is that right?
A. No. I don't use that email.
Q. Did you, at some point, use disla1 --
A. Yeah, yeah. It was because, like I said, that's -- for you create an account. That was when I invest a bunch, a lot amount of money, you have to create emails. And they say, "Oh, you have to open different emails so you can get more accounts and more accounts." And that was from the people that were giving me credit.
Q. Okay. And do you know 1515, the significance of that?
A. That's my login.
Q. That's your login? Okay.
A. Just to remember the number.
Q. And I think you were asked, but do you

remember -- what do you remember about Sandy Duran, if anything?

A. Sandy Duran. I think it's -- I believe she is -- I don't know if she is the lady, dark person, black. She is black-colored, dark person. I am not sure if she is the one. Because I know they were -- they were connected with other leaders like Santiago, Delarosa, all those top leaders in Boston, Massachusetts. All these leaders, they were, like, all friend and everybody connected there.

Q. Okay. To your recollection, did you ever -- I'm not talking here about checks, but did you ever give Sandy Duran cash?

A. Me, directly? Me giving cash to her? That I know, no. Well, it could be come from another person, because they were all connected. You can see the name on the top where like -- you know, like, oh, it's like maybe Sandy -- okay, she probably talked to Rosa and then Rosa finally sell the credits to me or they come from her. It was almost like a transfer, like, you know, one person giving another person. You know?

Q. But my question, though, is just focusing on her. Do you remember ever giving her cash?

A. Me giving her cash? No, I never gave any cash

to her.
Q. Okay. I just want to go back over a couple of things that you said. You mentioned that you were a small business owner. What was the business that you had been running?
A. I was doing -- I was a candy distributor. Candy distribution and food distribution.
Q. Was that AAA?
A. Yeah. Distribution.
Q. That business is closed?
A. That business is closed, yes.
Q. Was that business the source of the funds that you put into TelexFree?
A. Yeah. My person. Yes.
Q. You had mentioned a guy named Steve that was involved in TelexFree. Was that Steve Labriola?
A. Yeah, yeah. He was, like, one of the top manager of the headquarter he was at.
Q. Did you give Steve Labriola a check?
A. He got the check. He got the check from a person that he came to my house and he drove over there and then bring it to him and give it to him. Mm-hmm.
Q. So you gave the check to somebody else who gave

it to Steve?
A. Mm-hmm.
Q. You have to say "yes" or "no" for the stenographer.
A. Okay. Go ahead.
Q. So the question was did you give the check to somebody else who then gave it to Steve Labriola?
A. Yes. Yes.
Q. Okay. Thank you. Just one more moment. Bear with me. Thank you. At some point, were you living in Arizona?
A. Yes.
Q. When you were involved in TelexFree, were you in Arizona or in Rhode Island?
A. I was in Arizona and then left for Rhode Island. When I got to -- that's when they introduced me. Then when I got to Rhode Island, that's when they got me more involved. That's when the big guys came, like, the top leaders.

MR. LIZOTTE: Okay. I am going to just check my notes, but I think I am done.

Andy, I don't know if you have any more questions.

MR. LIZOTTE: I think I'm all set.

EXAMINATION

BY MR. LIZOTTE:

Q. The address that you mentioned in Orlando that you are at, Arismendy, is that where you live?

A. Yes.

MR. LIZOTTE: Mr. Disla, thank you.

(Deposition concluded at 2:36 p.m.)

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CASE: NO. 14-40987-EDK
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Executed this ___ day of _____, 2023.

_____

ARISMENDY ALEXANDRY DISLA

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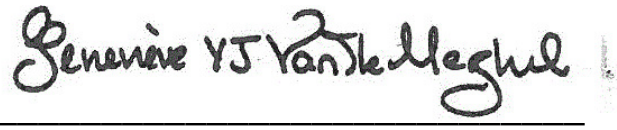
COMMONWEALTH OF MASSACHUSETTS
HAMPSHIRE, SS.

I, Genevieve Y.J. Van de Merghel, Stenographer, hereby certify:

That ARISMENDY ALEXANDRY DISLA, the witness whose testimony is hereinbefore set forth, was duly sworn by me, pursuant to Mass. R. Civ. P. 27, 29, 30, 30A, and 31, and that such testimony is a true and accurate record of my stenotype notes taken in the foregoing matter, to the best of my knowledge, skill, and ability.

I further certify that I am not related to any parties to this action by blood or marriage; and that I am in no way interested in the outcome of this matter.

IN WITNESS HEREOF, I have hereunto set my hand this 27th day of February, 2023.



Genevieve Y.J. Van de Merghel
My Commission Expires: 12/16/27

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