

## **Ponzi Scheme Victims of TelexFree to Receive Payments**

**(Boston, MA) – July 9, 2020**– Thousands of victims of one of the world’s largest Ponzi and pyramid schemes will finally receive reparations from the TelexFree Chapter 11 cases which are pending in the U.S Bankruptcy Court in the District of Massachusetts. During a hearing held on July 8, 2020, Bankruptcy Judge Hoffman approved the plan filed by Stephen Darr, the Chapter 11 Trustee, to distribute more than \$150 million to approximately 100,000 victims who were duped into putting their money into TelexFree on the promise of big returns. In reality, their money was used to pay earlier investors in a classic Ponzi scheme. Harold Murphy and Andrew Lizotte from Murphy & King, P.C., counsel to the Chapter 11 Trustee, presented the plan to the Court on behalf of the Trustee, which plan includes funds recovered by the Trustee in cooperation with the Office of the United States Attorney and the Securities and Exchange Commission.

The scheme began in Brazil and operated at one time in Marlborough, MA. The global fraud scheme impacted victims around the world.

“Approval of the plan, which provides for an initial distribution of between 39% and 43% of approved claims, is the culmination of several years of hard work of my firm, Huron Consulting Group, and Murphy & King in unraveling the scheme”, said Stephen Darr, Trustee.

TelexFree was one of the world’s largest Ponzi schemes in terms of the number of victims, ensnaring participants from throughout the world through a complicated web of transactions between and among the participants. In addition to the initial distribution, the Trustee and Murphy & King continue to work on recovering additional funds from net winners in the scheme and from other sources for the benefit of the victims.

### **About Murphy & King, Professional Corporation**

Since 1980, Murphy & King, Professional Corporation has been “unraveling complexity” for its clients through prompt, practical and cost-effective solutions to the legal needs of individuals and businesses. From startup and incorporation, to maintaining day to day operations, to resolving internal and external disputes, Murphy & King attorneys are skilled at effectively and efficiently unraveling the inherent complexities of each client’s business to ensure that it can attain its maximum potential. The firm’s principal areas of practice are Business Litigation, Bankruptcy and Financial Restructuring, Corporate and Real Estate Transactions, and White Collar Defense and Internal Investigation.  
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Huron’s Business Advisory practice provides services to large and middle market organizations, lending institutions, law firms, investment banks, private equity firms, and not-for-profit organizations, including higher education and healthcare institutions to assist clients in a broad range of industries and across

the spectrum from healthy, well-capitalized companies to organizations in transition, as well as creditors, equity owners, and other key constituents. The Business Advisory experts resolve complex business issues and enhance client enterprise value through a suite of services including capital advisory, transaction advisory, operational improvement, restructuring and turnaround, valuation, and dispute advisory.

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