

FEDERAL TRADE COMMISSION

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UNITED STATES DISTRICT COURT
DISTRICT OF NEW JERSEY

FEDERAL TRADE COMMISSION,

CIVIL ACTION NO. 04-5414

Plaintiff, the Federal Trade Commission (hereinafter "Commission" or "FTC"), having filed a Complaint under Section 13(b) of the Federal Trade

Commission Act ("FTC Act"), 15 U.S.C. § 53(b), to obtain permanent injunctive

relief, rescission of contracts, restitution, disgorgement, and other relief under 15 U.S.C.

for defendant NorVergence, Inc.'s ("NorVergence") deceptive acts and practices

in violation of Section 5(a) of the FTC Act, 15 U.S.C. § 45(a), and the Clerk of the

Court having entered a default against defendant NorVergence, Inc., 15 U.S.C.

the FTC Act, 15 U.S.C. §§ 45 and 53(b). The Commission seeks permanent

injunctive relief, monetary relief, rescission of contracts, and other relief.

[REDACTED]

[REDACTED]

churches, and municipalities. NorVergence marketed its services as integrated, long-term packages, including landline and cellular telephone service and Internet access.

8 NorVergence promised to provide to consumers heavily discounted [REDACTED]

[REDACTED]

10. Defendant NorVergence, through its Chapter 7 bankruptcy trustee, was served with the Complaint and Summons as required by Rule 4 of the Federal Rules of Civil Procedure.

11. Defendant NorVergence has failed to file an answer with the Clerk of the Court within the time set forth by Rule 12(a) of the Federal Rules of Civil

Procedure or otherwise defend this action.

12. The Clerk of this Court, pursuant to Rule 55(a) of the Federal Rules of Civil Procedure, entered a Certificate of Default against defendant NorVergence on May 20, 2005. The FTC is therefore entitled to a default judgment pursuant to Rule 55(b) of the Federal Rules of Civil Procedure.

13. The Court now finds that, in connection with the sale and financing of telecommunications services and related products, defendant NorVergence

violated Section 5(a) of the FTC Act, 15 U.S.C. 45(a), by failing to

directly or by implication, that:

NorVergence would provide telecommunications services in exchange for consumers' payments; and

- (C) the equipment listed in NorVergence's rental agreement would create the promised substantial savings in consumers' total cost of telecommunications services.

14. The Court further finds that, in connection with the sale and financing of

[REDACTED]

practice of including in its rental contracts special

assignees to file lawsuits in specified or unspecified venues other than

locations or the locations where consumers executed the contracts with

Not Verqence was likely to cause substantial harm

conservative estimate by the FTC of consumer injury using the limited documentation and information currently available.

18. Plaintiff is entitled to permanent injunctive and equitable relief, including

NorVergence in the form and amounts set forth below.

19. Entry of this Order is in the public interest.

DEFINITIONS

ORDER

I. CESSATION OF TELECOMMUNICATIONS BUSINESS ACTIVITIES

IT IS ORDERED that NorVergence shall not engage in any

telecommunications-related business.

II. CANCELLATION OF NORVERGENCE BUSINESS

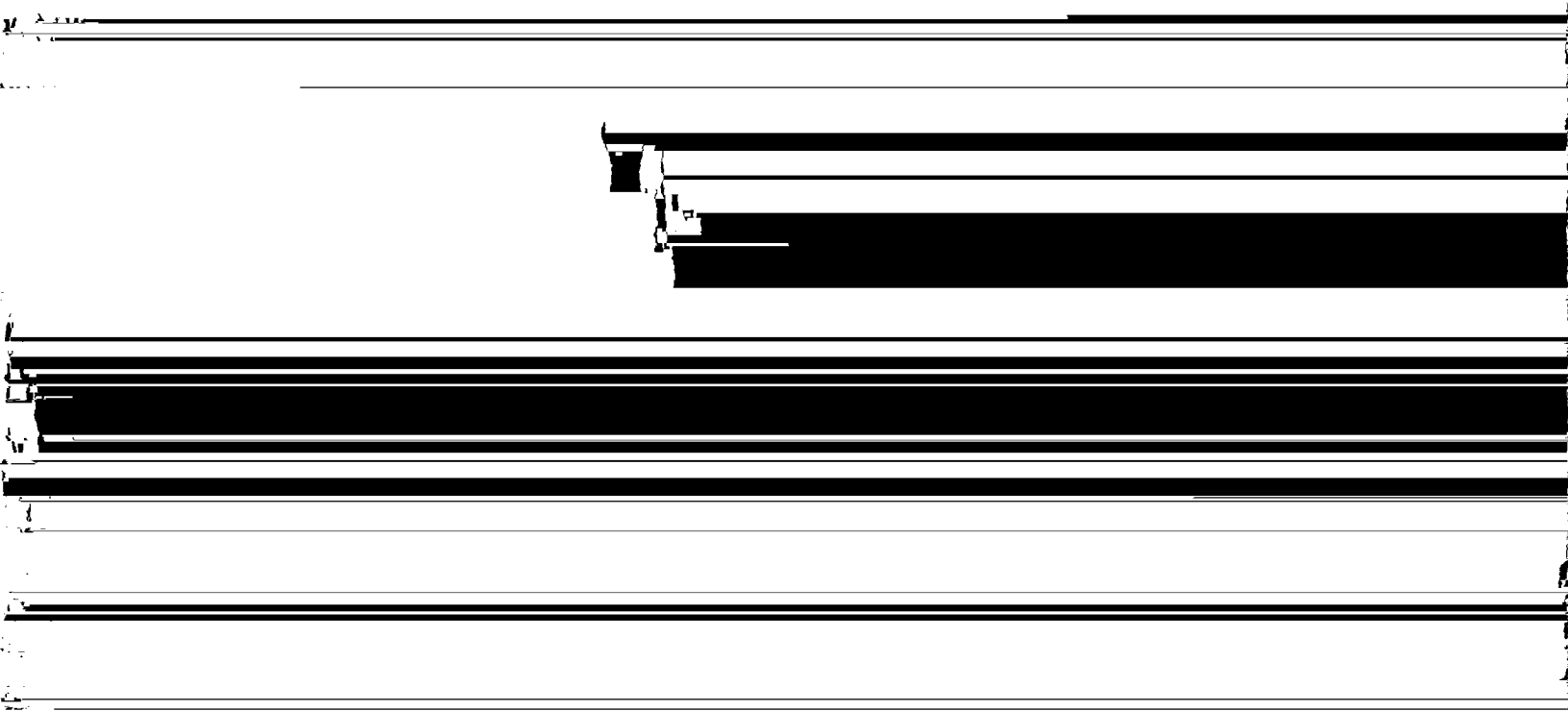
agreements have been deemed unenforceable and void or, alternatively, provide access to the FTC to information and documents necessary for the FTC to provide this notification.

E. The FTC shall be authorized to give any additional notice to consumers potentially affected by this Section and to holders or assignees of consumer financing agreements that may be affected by Paragraph II.C above.

III. LIQUIDATION OF MONETARY CLAIM

IT IS FURTHER ORDERED that Judgment in the amount of \$181,721,914

is entered against NewVantage as restitution for consumers in the amount of \$181,721,914.



takes into account a good faith, conservative estimate by the FTC of the value of the cancellation of indebtedness pursuant to Section II of this Order and of the services that some consumers may have received for a short period.

IV. COMPLIANCE REPORT

IT IS FURTHER ORDERED that 90 days after the date of entry of this

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V. RETENTION OF JURISDICTION

IT IS FURTHER ORDERED that this Court shall retain jurisdiction of this