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7006 JUN 29 2006

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UNITED STATES DISTRICT COURT
DISTRICT OF NEW JERSEY

CIVIL ACTION NO. 06-300

STIPULATED PERMANENT
INJUNCTION AND ORDER AS TO
INDIVIDUAL DEFENDANT
THOMAS N. SALZANO

Plaintiff
v.
THOMAS N. SALZANO and
PETER J. SALZANO, individually and as
officers of NorVergence, Inc.,
Defendants

Plaintiff, the Federal Trade Commission

naming Thomas N. Salzano and Peter J. Salzano as defendants, individually and as officers of

ing of with stipulated permanent

PERMANENT AND ORDER AS TO THOMAS SALZANO, P.

III. REQUIRED DISCLOSURES

IT IS FURTHER ORDERED that defendant, and his agents, employees, and all other persons or entities directly or indirectly, fully or partially, under his control or under common control with him, in connection with offering or providing any telecommunications services or

related services, shall clearly and conspicuously disclose, in writing and orally,

the nature of any long-term commitment, or lack thereof, from any service. The nature

of any such commitment, or lack thereof, shall be provided in any long-term services defendant is promising to provide to consumers.

2. That telecommunications equipment may be of little or no value to the consumer if any related services are not provided, when that is in fact the case.

Provided, however, that this section shall not apply to the offering or sale of telecommunications services in conjunction with the offering or sale of goods or equipment that are incidental to the goods or equipment and are small in value in comparison to the goods or equipment.

IV. PROHIBITIONS ON PROVIDING MEANS AND INSTRUMENTALITIES

IT IS FURTHER ORDERED that defendant and his agents, employees,

and all other persons or entities directly or indirectly, fully or partially, under his control or under common

control with him, and those persons or entities in active concert or participation with defendant who receive

personal service or otherwise in connection with the sale or offering of telecommunications services to consumers, are permanently restrained and enjoined

from providing to others through their contracts where the contract is designed or drafted by the

defendant, or otherwise, the means and instrumentalities to the financing of any products or

and payable, less any amount previously paid. Provided, however, that in all other respects, this Order shall remain in full force and effect unless otherwise ordered by this Court, and provided further that proceedings instituted under this paragraph are in addition to, and not in lieu of, any

other civil or criminal remedies as may be provided by law. The undersigned certifies that the plaintiff may initiate to enforce this Order.

VI. RECORD KEEPING

IT IS FURTHER ORDERED that within one year from the date of entry of this

Order and for any business in which defendant has a majority interest or otherwise substantially

controls the business (whether or not with a management title such as president, chief executive

officer, partner, managing partner, defendant and his or her agents, employees, and corporations, are hereby

restrained and enjoined from failing to create and retain the following records:

As to each consumer complainant concerning misrepresentation or fraud, whether received directly or indirectly or through any third party, records that shall be maintained

As to each consumer

communications services offered or sold to consumers with

As to any telephon

ices are incidental to the offering or sale of goods or equipment

financing unless the ser

include a similar value-in-comparison with the goods or equipment records

include a minimum

A description of all related products and services sold

the manufacturer's products and services, including but not limited to

manufacturers and suppliers, brochures and wholesale and retail price

and

Contract documents for all products and services

and contracts related to the transaction that are signed

by consumers

additional materials to the products and services

Advertising and prom

including but not limited to

including but not limited

including but not limited to

All sales contracts

REPUTATION OF ORDER

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for a period of five years from the date of entry of this

INSEURTHEX ORDER REPUTA

telecommunications services to consumers with

Order for any business offering or providi

services for the very same

Determining a final

with the management of the sales, president, senior executive, and other personnel who

derive substantial income from the business and its operations

and its agents and representatives of

that business who engage in offering or pro

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For current personnel, delivery shall be within ten days of service of this Order upon Defendant. For new personnel, delivery shall occur prior to them assuming their responsibilities. — Provided, however, that this section shall not apply to businesses where the offering or sale of telecommunications services is only in conjunction with the offering or sale of goods or equipment, and where the services are incidental to the goods or equipment and are small in value in comparison with the goods or equipment.

IX. COMPLIANCE REPORTING

A. IT IS FURTHER ORDERED that, in order that compliance with the provisions of this Order may be monitored, for a period of five years from the date of entry of this Order, defendant shall notify the Commission of:

1. Any changes in defendant's residence, mailing addresses, and telephone numbers, within 20 days of the date of that change.

Any changes in defendant's employment status (including self-employment) within 20 days of that change. The notice shall include the name and address of each business that the defendant is affiliated with or employed by, a statement of the nature of the business, and a statement of the defendant's duties and responsibilities in connection with the business or employment.

B. IT IS FURTHER ORDERED that defendant shall provide to the Commission copies of his 2004 and 2005 federal tax returns within 15 days of the

IT IS FURTHER ORDERED that 180 days after the date of entry of this Order, defendant shall provide a written report, sworn to, in the manner and form in which he has complied and is complying with this Order. This report shall include, but not be limited to, any changes required to be reported to the Commission under this Order.

IT IS FURTHER ORDERED AS TO THOMAS SALZANO, DBO

PERM. IN

reported pursuant to Paragraph A above

D. For the purposes of this Order, defendant shall, unless otherwise directed by the

Commission's authorized representatives, make all written communications or other communications

to the Commission

Associate Director for Enforcement
Federal Trade Commission

600 Pennsylvania Ave. NW
Washington, DC 20580

Re: FFC v. Thomas N. Saizano

Civil Action No. insert bucket number

MONITORING

X COMPLIANCE

For the purpose of monitoring and investigating compliance with any provision

of this order, defendant shall

submit additional written reports, sworn to under penalty of perjury, produce documents for inspection and copying, appear for depositions and/or provide

compliance with any provision

of receipt of written notice from a representative of the Commission; defendant shall

A. Within 20 days

submit additional written reports, sworn to under penalty of perjury, produce documents for inspection and copying, appear for depositions and/or provide

Commission; defendant shall

perjury, produce documents for inspection and copying, appear for depositions and/or provide

entry during normal business hours to any business location in the defendant's possession or

direct or indirect control to inspect the business operation

B. In addition, the Commission is authorized to monitor compliance with this Order

by all other lawful means, including but not limited to the following:

Obtaining discovery from any person without further leave of court, using the

procedures prescribed by Fed. R. Civ. P. Rules 34, 36, 45, and 47

treating as consumers to defendant, defendant's employees, any other entity

managed or controlled in whole or in part by defendant and defendant's dealers and

vendors, without the necessity of identifying a prior sale

C. Defendant shall permit representatives of the Commission to interview any employee, consultant, independent contractor, representative, agent, or employee who has agreed to such an interview, relating in any way to any conduct subject to this Order. The person interviewed may have counsel present.

I. Nothing in this Order shall limit the Commission's lawful use of compulsory process, pursuant to Sections 9 and 20 of the FTC Act, 15 U.S.C. §§ 40 and 57b-1, to obtain any documentary material, tangible things, testimony, or information relevant to unfair or deceptive

DEFENDANT
of receipt of this
are not
be construed or

XI. ACKNOWLEDGMENT OF RECEIPT OF ORDER BY DEFENDANT

IT IS FURTHER ORDERED that defendant, within five days

acknowledging receipt of this Order

XII. RETENTION OF RIGHTS

IT IS FURTHER ORDERED that nothing in this Order shall constitute or be construed or applied as a waiver by defendant of all rights otherwise accorded under the United States

