

**IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION**

FEDERAL TRADE COMMISSION,)	
)	
Plaintiff,)	No. 07 C 3155
)	
v.)	Magistrate Judge Jeffrey Cole
)	
IFC CREDIT CORP.,)	
)	
Defendant.)	

MEMORANDUM OPINION AND ORDER

NorVergence, Inc. leased telecommunications equipment to small businesses, religious and other non-profit organizations as part of an integrated package of telecommunications services. The consumers—as we shall see, this is the appropriate designation under §5 of the Federal Trade Commission Act (“FTCA”)—were promised “dramatic savings” on the telecommunications services as the result of the “supposedly wondrous equipment,” which NorVergence called a “Merged Access Transport Intelligent Xchange (MATRIX) device,” *IFC Credit Corp. v. United Business & Industrial Federal Credit Union*, 512 F.3d 989, 991 (7th Cir. 2008)(Easterbrook, C.J.), with its supposed “proprietary technology.” (*Complaint* ¶13-14). But like the world in the Wachowski brothers’ film, *The Matrix*, NorVergence’s MATRIX was an illusion, incapable of doing the things NorVergence’s salesmen claimed since it was merely a standard integrated access box that cost NorVergence only a few to several hundred dollars to buy. (*Complaint* ¶ 13).

The transactions, like most successful schemes to defraud, were “dressed in the garb of honesty and hedged about with all the appearances of legal and enforceable undertakings.” *Brooks v. United States*, 146 F.223 (8th Cir.1906). The transactions were structured so that the Equipment