



# News Release

Attorney General Robert E. Cooper, Jr.

**FOR IMMEDIATE RELEASE**  
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## **TENNESSEE ATTORNEY GENERAL ANNOUNCES AGREEMENT WITH VONAGE REGARDING CANCELLATION ISSUES**

Tennessee consumers may be eligible for refunds as part of a multistate agreement announced today by Attorney General Bob Cooper and Division of Consumer Affairs Director Mary Clement regarding Internet-based telephone service provider VONAGE.

The States announced today that VONAGE, one of the nation's largest providers of a service known as "Voice over Internet Protocol," an Internet-based phone service, has agreed to pay the 32 states a total of \$3 million. Tennessee's share is \$45,000 in addition to restitution as part of the agreement approved by Circuit Judge Hamilton Gayden today. The total amount of restitution is not yet known. The company has also agreed to make significant changes to its marketing practices, honor consumer cancellation requests, and provide refunds to eligible consumers.

"I am pleased that we were able to reach an agreement which will provide restitution to eligible Tennesseans," Attorney General Cooper said. "The agreement includes provisions to give consumers more information before they decide to contract with VONAGE. The settlement also makes it easier for a consumer to cancel the contract."

Consumers complained they had difficulty cancelling service or were unable to cancel their VONAGE service. VONAGE formerly paid incentives to customer service representatives for retaining customers when consumers called to cancel. The agreement puts strict limitations on this practice and requires recording and verification of these telephone calls.

The agreement also addresses a number of other marketing practices, which may have confused consumers about VONAGE equipment and service. Specifically, VONAGE will be revising its disclosures regarding the offer of "free" services, money-back guarantees and trial periods. VONAGE has also agreed to make refunds to eligible consumers who filed complaints regarding unauthorized charges from January 2004 to March 9, 2010, which have not been resolved.

Director Clement added, "Any consumer who has had a problem with services offered by VONAGE can file a complaint with the Tennessee Division of Consumer Affairs at 1-800-342-8385 (toll free inside Tennessee) or (615) 741-4737 or online at [www.state.tn.us/consumer](http://www.state.tn.us/consumer)."

For more information on this lawsuit, please visit the Tennessee Attorney General website at <http://tn.gov/attorneygeneral>.