UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES ACT OF 1933
Release No. 10528 / August 7, 2018

SECURITIES EXCHANGE ACT OF 1934
Release No. 83791 / August 7, 2018

ADMINISTRATIVE PROCEEDING
File No. 3-18624

In the Matter of

Ribbon Communications Inc.,
Mark Greenquist, and
Michael Swade

Respondents.

ORDER INSTITUTING CEASE-AND-DESIST PROCEEDINGS PURSUANT TO SECTION 8A OF THE SECURITIES ACT OF 1933 AND SECTION 21C OF THE SECURITIES EXCHANGE ACT OF 1934, MAKING FINDINGS, AND IMPOSING A CEASE-AND-DESIST ORDER

I.

The Securities and Exchange Commission ("Commission") deems it appropriate that cease-and-desist proceedings be, and hereby are, instituted pursuant to Section 8A of the Securities Act of 1933 ("Securities Act") and Section 21C of the Securities Exchange Act of 1934 ("Exchange Act"), against Ribbon Communications Inc. ("Ribbon"), the corporate successor to registrant Sonus Networks, Inc.; Mark Greenquist ("Greenquist"); and Michael Swade ("Swade") (collectively "Respondents").

II.

In anticipation of the institution of these proceedings, Respondents have submitted Offers of Settlement (the "Offers") which the Commission has determined to accept. Solely for the purpose of these proceedings and any other proceedings brought by or on behalf of the Commission, or to which the Commission is a party, and without admitting or denying the findings herein, except as to the Commission's jurisdiction over them and the subject matter of these proceedings, which are admitted, and except as provided herein in Section V, Respondents consent to the entry of this Order Instituting Cease-and-Desist Proceedings Pursuant to Section 8a of the Securities Act of 1933 and Section 21C of the Securities Exchange Act of 1934, Making Findings, and Imposing a Cease-and-Desist Order ("Order"), as set forth below.

III.

On the basis of this Order and Respondents' Offers, the Commission finds[1] that:

SUMMARY

1. This matter concerns two material misstatements made by Sonus Networks, Inc. ("Sonus")[2] on January 8, 2015 and February 18, 2015, concerning its quarterly revenue estimates and guidance for the three months ended March 27, 2015 ("Q1 2015").

2. On January 8, 2015, Sonus issued a press release containing a quote from Mark Greenquist, Sonus's Chief Financial Officer, that "we remain comfortable with consensus analyst revenue . . . estimates for the first quarter of 2015 of approximately $74 million . . . ." (the "January 8 Statement").

3. On February 18, 2015, during Sonus's fourth quarter and full year 2014 financial results conference call, Greenquist stated as part of his prepared remarks that "[n]ow looking at Q1 [2015] we expect revenue to be approximately $74 million." (the "February 18 Statement"). In making this statement, Greenquist relied upon information and data regarding Sonus's expected Q1 2015 revenue provided by Michael Swade, Sonus's Senior Vice President of World Wide Sales and Marketing, and Swade's confirmation that $74 million was a reasonable estimate for Sonus's Q1 2015 revenue.

4. At the time the January 8 and February 18 Statements were made, there was internal Sonus information and data which indicated that the $74 million Q1 2015 revenue estimates were materially misleading.

5. Each material misstatement was furnished as part of an exhibit to a Form 8-K, which were filed with the Commission on January 8, 2015 and February 18, 2015, respectively.

6. On March 24, 2015, Sonus announced that it was revising its revenue guidance for Q1 2015 from $74 million to $47 - $50 million. Following this announcement, Sonus's share price decreased more than 33% from $13.16 to $8.70, causing Sonus's market capitalization to drop by approximately $225 million.

[1] The findings herein are made pursuant to Respondents' Offers of Settlement and are not binding on any other person or entity in this or any other proceeding.

[2] Respondent Ribbon was formed in October 2017 as a holding company to effectuate the combination of Sonus and GENBAND LLC.

RESPONDENTS

7. **Ribbon Communications Inc.** is a Delaware corporation with its principal place of business in Westford, Massachusetts. The company was formed in October 2017 as a holding company to effectuate the combination of GENBAND LLC and Sonus Networks, Inc. Ribbon stock trades on the NASDAQ (ticker symbol: RBBN). Sonus is a Delaware corporation with its principal place of business in Westford, Massachusetts. Sonus provides products and services for Cloud communications. Sonus stock formerly traded on the NASDAQ (ticker symbol: SONS).

8. **Mark Greenquist**, age 59, is a resident of Spring Lake, NJ. From November 2013 through June 2016, he was Sonus's Chief Financial Officer. Prior to working at Sonus, Greenquist had over 14 years of experience serving as CFO or CEO of private and publicly traded companies.

9. **Michael Swade**, age 54, is a resident of Hinsdale, IL. From May 2014 through July 2014, Swade was Senior Vice President of Sales, Americas at Sonus. Since July 2014, Swade has been the Senior Vice President of Worldwide Sales and Marketing at Sonus and later Ribbon.

FACTS

January 8 Statement

Sonus's Prior Statements Concerning 2015 Revenue Projections

10. Before it issued its January 8, 2015 statement reaffirming comfort with the Q1 2015 consensus analyst revenue estimate, Sonus had discussed 2015 projected revenues publicly on two prior occasions. On March 13, 2014, while hosting an "Investor Day," Sonus issued a press release which stated: "For the first time, the Company is providing targets for fiscal year 2015. The Company is targeting approximately 10% total revenue growth in 2015 driven by the enterprise and service providers SBC markets and emerging growth in the DSC market." The targets were based on a "10-10 Framework" – i.e., 10% revenue growth and 10% operating margins – for the fiscal year, which ran from January 1, 2015 to December 31, 2015. The announcement was the first time that Sonus publicly disclosed its next fiscal year financial targets that far in advance of the fiscal year.

11. Seven months later, on an October 23, 2014 financial results conference call, Sonus reaffirmed its 10-10 Framework and disclosed its views on Q1 2015 revenue projections. As part of his prepared remarks, Greenquist stated on the call that "based on the visibility we have now, we are comfortable with the current consensus estimates for the first quarter of next year of $74 million in revenue . . . ." Greenquist continued: "I want to mention this since there is understandably a fairly wide range of expectations out there right now. And of course this view is – can change, and if it does, we'll update it when we provide our annual guidance for 2015 on our February Q4 earnings call." He later noted during the call: "all we really wanted to say was, with regard to Q1 when we look at that consensus out there, we are reasonably comfortable with what we see and . . . we're committed to our 10% and 10% model."

12. Both the fiscal year 2015 revenue targets announced on March 13, 2014 and Sonus's comfort with the Q1 2015 consensus analyst revenue estimate announced on October 23, 2014 relied on Sonus's "top-down" product-level revenue analysis. This "top-down" analysis was based on market and product trends, client feedback, recent sales results, and industry analyst growth projections for the markets in which Sonus sold its products.

The January 8 Statement Was a Material Misstatement

13. Sonus issued a press release on January 8, 2015, about an asset acquisition, the terms of a reverse stock split, and preliminary financial results for the three months ended December 31, 2014 ("Q4 2014"). In this press release, Greenquist also addressed Q1 2015 revenue estimates stating "as noted on our prior earnings call, we remain comfortable with consensus analyst revenue . . . estimates for the first quarter of 2015 of approximately $74 million . . . . The Company will provide further commentary on . . . its results and outlook during its scheduled earnings release and conference call on February 18, 2015." This press release was furnished as an exhibit to a Form 8-K, which was filed with the Commission on January 8, 2015.

14. At the time he made the January 8 Statement, Greenquist was aware of information which undermined the $74 million estimate for Sonus's Q1 2015 revenue. This information included: (1) the large amount of revenue for deals that Sonus had pulled forward[3] from 2015 in order to achieve its Q4 2014 revenue estimates; (2) lower than normal backlog at the beginning of Q1 2015; and (3) a gap of $11 million, as of January 8, 2015, between the $74 million Q1 2015 revenue estimate and the expected revenue from the deals that Sonus's salesforce had indicated would "be won and booked" in Q1 2015.

Pull Forward

15. In order to achieve its revenue guidance for Q4 2014, Sonus pulled forward deals initially projected to close in 2015. In total, approximately $18.7 million of Sonus's $46.6 million Q4 2014 product revenue (38.6%) was generated from deals that were pulled forward from 2015.[4]

---

[3] The deals that Sonus "pulled forward" had originally been projected by its salesforce to close in 2015. In some instances, Sonus was able to close the deals and recognize the revenue in Q4 2014 by offering the customer financial incentives.

[4] This pull-forward was partially offset by deals that had been forecast for Q4 2014 but did not close in the quarter and as of the January 8 Statement were forecast to generate revenue in Q1 2015. This included approximately $4.4 million from deals that the salesforce had indicated would be "won and booked" in Q4 2014 and $0.5 million from deals that the salesforce had indicated had a chance of closing in Q4 2014 but were "highly competitive" or had risk associated with the timing of the deal.

16. Several months before the January 8 Statement, Greenquist recognized that pulling forward deals from 2015 into Q4 2014 would create risk for achieving Sonus's Q1 2015 revenue estimate, stating in an October 7, 2014 internal communication that "all this activity in 4Q will just drain the swamp in 1Q . . . i think we're just postponing the inevitable." Similarly, in a December 26, 2014 e-mail, one of Sonus's Regional Vice Presidents for Sales wrote to Swade to highlight the risk of "getting [his] team to Q1 and Q2 Quota/Commit as the [majority of his] teams have drained the pool from all the Q3/4 deals."

Low Backlog[5]

17. Sonus's backlog at the beginning of Q1 2015 was much lower than its backlog at the beginning of the first quarter in prior years. Prior to the January 8 Statement, Greenquist received reports showing the low backlog.

18. Sonus employees recognized that this low backlog created risk for achieving the company's Q1 2015 revenue estimate. In November 2014, Sonus's Vice President of Global Operations drafted a plan to achieve Sonus's Q1 2015 revenue target. This plan included increasing the backlog at the beginning of Q1 2015 from a projected $9.4 million to $15 million by "overdriving" bookings in Q4 2014 with deals where the customer would agree to Q1 2015 delivery, such that the revenue would be recognized in Q1 2015.[6]

19. However, Sonus was unable to "overdrive" bookings to create additional backlog. Ultimately, Sonus began Q1 2015 with only $6.5 million of backlog, approximately $10.5 million less than its backlog at the beginning of Q1 2014.

20. Sonus's 2015 Plan called internally for $76 million of revenue for Q1 2015. Sonus's Vice President of Global Operations expressed concern regarding the feasibility of achieving this Q1 2015 revenue estimate. He stated in an October 23, 2014 e-mail that without a large deal in Q1 2015 backlog, $66 million was a more reasonable number for Q1 2015 revenue. The Vice President of Global Operations raised his concerns with Greenquist and noted in a November 17, 2014 e-mail that Greenquist dismissed "any objective commentary towards Q1 at $76M being high risk. . . . [Greenquist] said - $76 million is the number – the sales team needs to figure out how to get there – and if they can't, we have the wrong sales team."

---

[5] Sonus recognized revenue on signed purchase orders for products it sold when the product was shipped or, in certain circumstances, delivered to and accepted by the customer. Backlog, as used here, refers to expected revenue from products sold that had yet to be shipped, or delivered and accepted by the customer.

[6] This drafted plan also called for Sonus to drive the salesforce to come close to meeting their Q1 2015 bookings quota as well as attempt to pull forward deals from the $128 million in opportunities the salesforce had identified as having any possibility of closing in Q2 2015.

Salesforce Forecast

21. Sonus used a third-party tracking tool to track potential sales opportunities. The salesforce was required to populate the tracking tool with then-available information about potential sales opportunities, including the deal's estimated revenue and closing date. The salesforce was also required to populate a field called "Forecast Category," which indicated their judgment regarding the probability that the deal would close in the estimated quarter. According to the guidelines provided to the salesforce, the following three Forecast Categories were used to note the salesperson's judgment regarding the probability of a deal closing in the estimated quarter:

(1) "Committed Pipeline" indicated that the deal "will be won and booked in the quarter identified;"

(2) "Upside" indicated that the deal was "not in commit because highly competitive or timing of [the purchase order] at risk for the quarter identified;" and

(3) "Uncommitted Pipeline" indicated that the deal was "Not in commit because early stage deal."

22. Historically, Sonus relied upon the revenue the salesforce forecast as Committed Pipeline along with the Regional Vice Presidents for Sales' "judgment" when it prepared its formal quarterly revenue guidance. The Regional Vice Presidents for Sales' "judgment" accounted for the revenue they expected their teams to generate from deals not currently categorized as Committed Pipeline for the quarter and the risk that some deals currently categorized as Committed Pipeline would not close during the quarter.

23. During the beginning of each quarter, Sonus directed its salesforce to "Snap the Line" and update the tracking tool with up-to-date information regarding all potential sales for the current quarter. For Q1 2015, the deadline for "Snap the Line" was January 7, 2015.[7] However, after the January 7th deadline for the salesforce to "Snap the Line," there was a gap of approximately $11 million between the $74 million Q1 2015 revenue estimate and the deals the salesforce had classified as Q1 Committed Pipeline along with the Regional Vice Presidents for Sales' "judgment." Greenquist was aware of the $11 million gap from weekly updates he received regarding Q1 2015.

---

7 The "Snap the Line" deadline was typically the end of the first full week of each quarter. At that time, management instructed the regional sales teams to have their forecasts updated for the current quarter and would measure their performance against that forecast at the end of the quarter.

24. For the January 8 Statement, Sonus and Greenquist did not rely upon the data in the tracking tool and instead continued to rely upon the top-down product-level revenue analysis.[8]

Greenquist's Concerns

25. In the days leading up to the January 8, 2015 press release, Greenquist, Sonus's CEO, and Sonus's head of investor relations discussed whether Sonus should comment in the press release about Q1 2015 revenue or not say anything at all.[9] In those discussions, Greenquist expressed concern that Sonus was not in a position to reaffirm its comfort with the consensus analyst estimate of $74 million for Q1 2015 revenue based on information from sales. For example, in one communication on January 5, 2015, Greenquist stated: "I'm not confident that we can re-affirm 1Q . . . . 4Q has shaken my confidence in anything that Sales tells me."

26. Nevertheless, Greenquist indicated that, despite these concerns, Sonus needed to include a statement in the January 8, 2015 press release regarding Q1 2015 revenue, due to the fact that he had previously affirmed Sonus's comfort with the $74 million consensus analyst estimate during Sonus's October 23, 2014 financial results conference call. Greenquist noted that Sonus was "in a box" with respect to a statement regarding Q1 2015 revenue and agreed with Sonus's head of investor relations who wrote that "if we don't say anything, it will be an information vacuum and [investors] will assume the worst [regarding Sonus's Q1 2015 revenue]."

27. Sonus issued the January 8, 2015 press release which, quoting Greenquist, stated that Sonus "remain[ed] comfortable with consensus analyst revenue . . . estimates for the first quarter of 2015 of approximately $74 million." As described above, at the time he made this statement, Greenquist acted negligently as he knew or should have known that expressing comfort with the $74 million Q1 2015 consensus analyst revenue estimate was materially misleading.

28. In an internal communication on January 13, 2015, five days after the press release, Greenquist continued to express concerns regarding Sonus's ability to meets its Q1 2015 revenue estimate, stating that "[Swade] currently doesn't have a path……at least a high probability path……to 74 in 1Q."

---

8 The January 8, 2015 statement was not the Company's formal quarterly revenue guidance.

9 According to the head of investor relations, it was unusual for Sonus to provide any information about quarterly revenue that early in the quarter and outside of a formal financial results conference call.

February 18 Statement

January 19-22, 2015 Global Sales Conference

29. Approximately one month before Sonus issued Q1 2015 revenue guidance, Sonus held its Global Sales Conference from January 19 to 22, 2015, in Boston, Massachusetts, which was attended by members of Sonus's global salesforce. Since the "Snap the Line" deadline in January, the salesforce had continued to update the tracking tool with current information regarding prospective deals, and at the start of the Global Sales Conference, the gap between the expected revenues from deals the salesforce had classified as Q1 Committed Pipeline along with the Regional Vice Presidents for Sales' "judgment" and Sonus's $74 million Q1 2015 revenue guidance was approximately $10.2 million. Although Swade and Sonus's sales management team had not created Sonus's 2015 Plan, the sales management team was asked to find a path to the $76 million Q1 2015 revenue target.

30. During the Global Sales Conference, Swade instructed Sonus's Regional Vice Presidents for Sales to cancel their scheduled team building exercises, and instead hold separate regional team meetings to figure out a way to close the gap in the Q1 Committed Pipeline.

31. During these team meetings, the salesforce was instructed to reclassify enough deals as Q1 Committed Pipeline to close the $10.2 million gap. Following the instructions, the salesforce reviewed the high revenue deals that were not forecast as Q1 Committed Pipeline and identified the deals with the best chance of closing in Q1 2015. They then reclassified enough of these deals to close the gap. During the team meetings, many members of Sonus's salesforce objected to reclassifying deals as Q1 Committed Pipeline stating that they did not believe that the deals were likely to close during Q1 2015 and thus did not meet Sonus's criteria to be classified as Q1 Committed Pipeline. Although one Regional Vice President for Sales told his sales team that he agreed some of the deals were still speculative and should not be classified as Q1 Committed Pipeline, he instructed his team that the deals still had to be reclassified. Most of the deals reclassified were with customers who had long-standing purchasing relationships with the Sonus sales rep and had a large installed base of Sonus products.

32. Internal e-mails confirm that the salesforce was instructed to improperly reclassify enough deals as Q1 Committed Pipeline to close the $10.2 million gap. In an e-mail sent the day after the team meetings, one of the Regional Vice Presidents for Sales wrote to his team to "clarify the Forecasting ask from yesterday. I've asked many of you to move deals that are still speculative into Q1 Commit and go get. This was a directive from my management to find a path to the company's quarterly number. All I can ask is that you pull forward anything possible, and do your best." In a subsequent e-mail sent to his team three days later, he noted that "whether we agree with everything or not (and usually not), each of us needs to make a decision to be here or not, and then get to work." On the last day of the Global Sales Conference, the Vice President of Global Operations e-mailed one of the Regional Vice Presidents for Sales: "Great session yesterday with the team – we have the deals identified" and asked him to ensure his team updated the third-party

tracking tool. Swade replied to that e-mail: "Commit on behalf of your team and let them [k]now there is no other option. [Your region] has to [g]et it done." After Sonus issued its revised Q1 2015 revenue guidance, one of the members of the salesforce stated in a March 25, 2015 e-mail to his Regional Vice President that "the obvious answer to 'why' the commits were missed is they were fictitious commits to begin with. They put a gun to our head at the sales conference and mandated we flip to commit."

33. As a result of Swade's instructions and the team meetings, approximately $12.4 million in revenue was reclassified as Q1 Committed Pipeline. Most of the deals reclassified as Q1 Committed Pipeline during the Global Sales Conference did not close during Q1 2015. Of these deals, Sonus recognized less than $2.5 million in Q1 2015 revenue.[10]

<u>The Weeks and Days Leading up to the February 18 Statement</u>

34. Following the Global Sales Conference, Swade and other Sonus executives continued to review the deals in the third-party tracking tool and held weekly calls with the salesforce to discuss the status of the deals. During this review process, Sonus employees warned Swade that Q1 2015 would be risky and that deals reclassified as Q1 Committed Pipeline at the Global Sales Conference were high risk. For instance, in response to a February 2, 2015 e-mail from Swade to the Regional Vice Presidents for Sales requesting that they identify "back-up" deals that could be pulled into Q1 2015 if needed, one of the Regional Vice Presidents responded that he "[didn't] have much to offer" as his team was "already pulling in deals that are Q2-4 deals (into Q1) . . . We've forecasted (and maybe even over-forecasted) some of these" and three deals were likely to generate less revenue than currently forecasted. He also noted that "the only deal not showing" for his region in the tracking tool for Q1 2015 was a potential $2-4 million deal and that he would add this deal to the tracking tool "if applicable."

35. Changes in the tracking tool were consistent with the employees' warnings. The week before the February 18 Statement, the salesforce removed approximately $5 million of deals from the Q1 Committed Pipeline, indicating that those deals would no longer close in the quarter. Swade received a report on February 17, 2015 showing this drop, and indicating that the salesforce would need to close additional deals it had not classified as Q1 Committed Pipeline in order to meet its Q1 2015 revenue forecast. Sonus's other senior executives were also aware of this drop as they received reports during the week and the day of the February 18 Statement showing the status of the Q1 Committed Pipeline.

---

10 Sonus sales reps did attempt to close the deals that had been improperly reclassified at the Global Sales Conference to close the $10.2 million gap and offered the customers large financial discounts if they were willing to close the deals in Q1 2015. While some of these customers indicated that if the discount were large enough they would consider purchasing equipment before they needed it, ultimately most of the customers did not make the contemplated purchases during Q1 2015.

The February 18 Statement Was a Material Misstatement

36. On February 18, 2015, during Sonus's fourth quarter and full year 2014 financial results conference call, Greenquist provided Sonus's formal guidance for Q1 2015, stating as part of his prepared remarks that "[n]ow looking at Q1 [2015] we expect revenue to be approximately $74 million. I would point out that our first quarter is more back-end loaded than the past few years, but the revenue is also far more diversified. In short, we're not dependent upon a single large deal in the quarter. Instead, we have a number of good-sized deals in our funnel that we expect to close over the next few weeks." Also on February 18, 2015, Sonus issued a press release indicating that Sonus's "Outlook" for Q1 2015 "Total Company Revenue" was $74 million. This press release was furnished as an exhibit to a Form 8-K, which was filed with the Commission on February 18, 2015.

37. When determining revenue guidance for Q1 2015, Sonus relied primarily upon the information in the tracking tool. In particular, Sonus considered the expected revenues from all the deals the salesforce had classified in the tracking tool as Q1 Committed Pipeline, including the deals reclassified at the Global Sales Conference.

38. Although Swade did not determine Sonus's guidance for Q1 2015, Sonus's senior executives relied on Swade to maintain the accuracy of the data in the tracking tool and provide an opinion regarding Sonus's sales outlook for the quarter. Based on his knowledge of the deals forecast to close during Q1 2015, Swade confirmed to Sonus's senior executives that $74 million was a reasonable estimate for Q1 2015 revenue. When he confirmed the Q1 2015 revenue estimate, Swade acted negligently as he knew or should have known that the $74 million guidance for Q1 2015 revenue was materially misleading

Sonus's Revised Q1 2015 Revenue Guidance

39. Following the February 18 Statement, the salesforce continued to update the tracking tool as they received information from customers regarding whether they would make purchases in Q1 2015. Between February 18, 2015 and March 24, 2015 the salesforce removed a net of approximately $20 million in revenue from the Q1 Committed Pipeline. On March 24, 2015, Sonus issued a press release updating its guidance for Q1 2015. As part of the press release, Sonus stated that "[f]or the first quarter ending March 27, 2015, revenue is now expected to be in the range of $47 million to $50 million compared to previous guidance of $74 million." Following the issuance of the press release, Sonus's share price decreased more than 33% from $13.16 to $8.70, causing Sonus's market cap to drop by approximately $225 million. Ultimately Sonus reported $50.1 million in revenue for Q1 2015.

Sonus Employee Stock Purchase Plan

40. As part of its employee compensation, Sonus offered an Employee Stock Purchase Plan which allowed non-executive employees to buy stock semi-annually at a discounted price.

During Q1 2015, Sonus employees purchased company stock at a cost of approximately $1.7 million, based on the closing price of Sonus stock as of February 27, 2015.

VIOLATIONS

41. Section 17(a)(2) of the Securities Act prohibits, directly or indirectly, in the offer or sale of securities, obtaining money or property by means of any untrue statement of a material fact or any omission to state a material fact necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading. As a result of the conduct described above, Sonus violated Section 17(a)(2) of the Securities Act with respect to the January 8 Statement and the February 18 Statement. As a result of the conduct described above, Greenquist violated Section 17(a)(2) of the Securities Act with respect to the January 8 Statement. As a result of the conduct described above, Swade violated Section 17(a)(2) of the Securities Act with respect to the February 18 Statement.

42. Section 13(a) of the Exchange Act and Rules13a-11 and 12b-20 promulgated thereunder collectively require issuers of securities registered pursuant to Section 12 of the Exchange Act to file with the Commission accurate current reports on Form 8-K that contain material information necessary to make the required statements made in the reports not misleading. As a result of the conduct described above, Sonus violated Section 13(a) of the Exchange Act and Rules 13a-11 and 12b-20 promulgated thereunder with respect to the 8-K's filed on January 8, 2015 and February 18, 2015. As a result of the conduct described above, Greenquist caused Sonus's violations of Section 13(a) of the Exchange Act and Rules 13a-11 and 12b-20 promulgated thereunder with respect to the 8-K filed on January 8, 2015. As a result of the conduct described above, Swade caused Sonus's violations of Section 13(a) of the Exchange Act and Rules 13a-11 and 12b-20 promulgated thereunder with respect to the 8-K filed on February 18, 2015. As the successor registrant to Sonus, Ribbon has submitted its Offer and is a Respondent to this proceeding.

IV.

In view of the foregoing, the Commission deems it appropriate to impose the sanctions agreed to in Respondents' Offers.

Accordingly, it is hereby ORDERED that**:**

A. Respondents cease and desist from committing or causing any violations and any future violations of Section 17(a)(2) of the Securities Act and Section 13(a) of the Exchange Act and Rules 13a-11 and 12b-20 thereunder.

B. Within 14 days of the entry of this Order, Ribbon, as the corporate successor to Sonus, shall pay a civil money penalty of $1,900,000; Greenquist shall pay a civil money penalty of $30,000; Swade shall pay a civil money penalty of $40,000 to the Securities and Exchange

Commission for transfer to the general fund of the United States Treasury, subject to Exchange Act Section 21F(g)(3). If timely payment is not made, additional interest shall accrue pursuant to 31 U.S.C. §3717.

Payment must be made in one of the following ways:

(1) Respondents may transmit payment electronically to the Commission, which will provide detailed ACH transfer/Fedwire instructions upon request;

(2) Respondents may make direct payment from a bank account via Pay.gov through the SEC website at http://www.sec.gov/about/offices/ofm.htm; or

(3) Respondents may pay by certified check, bank cashier's check, or United States postal money order, made payable to the Securities and Exchange Commission and hand-delivered or mailed to:

Enterprise Services Center
Accounts Receivable Branch
HQ Bldg., Room 181, AMZ-341
6500 South MacArthur Boulevard
Oklahoma City, OK 73169

Payments by check or money order must be accompanied by a cover letter identifying the Respondent in these proceedings, and the file number of these proceedings; a copy of the cover letter and check or money order must be sent to Antonia Chion, Division of Enforcement, Securities and Exchange Commission, 100 F St., NE, Washington, DC 20549-5720.

Amounts ordered to be paid as civil money penalties pursuant to this Order shall be treated as penalties paid to the government for all purposes, including all tax purposes. To preserve the deterrent effect of the civil penalty, Respondents agree that in any Related Investor Action, they shall not argue that they are entitled to, nor shall they benefit by, offset or reduction of any award of compensatory damages by the amount of any part of a Respondent's payment of a civil penalty in this action ("Penalty Offset"). If the court in any Related Investor Action grants such a Penalty Offset, Respondents agree that they shall, within 30 days after entry of a final order granting the Penalty Offset, notify the Commission's counsel in this action and pay the amount of the Penalty Offset to the Securities and Exchange Commission. Such a payment shall not be deemed an additional civil penalty and shall not be deemed to change the amount of the civil penalty imposed in this proceeding. For purposes of this paragraph, a "Related Investor Action" means a private damages action brought against a Respondent by or on behalf of one or more investors based on substantially the same facts as alleged in the Order instituted by the Commission in this proceeding.

V.

It is further Ordered that, solely for purposes of exceptions to discharge set forth in Section 523 of the Bankruptcy Code, 11 U.S.C. §523, the findings in this Order are true and admitted by Respondents Greenquist and Swade, and further, any debt for disgorgement, prejudgment interest, civil penalty or other amounts due by these Respondents under this Order or any other judgment, order, consent order, decree or settlement agreement entered in connection with this proceeding, is a debt for the violation by these Respondents of the federal securities laws or any regulation or order issued under such laws, as set forth in Section 523(a)(19) of the Bankruptcy Code, 11 U.S.C. §523(a)(19).

By the Commission.

Brent J. Fields
Secretary