

**IN THE CIRCUIT COURT OF THE SECOND JUDICIAL CIRCUIT  
IN AND FOR LEON COUNTY, FLORIDA**

STATE OF FLORIDA,  
OFFICE OF THE ATTORNEY GENERAL,

Plaintiff,

v.

Case No. \_\_\_\_\_

IMERGENT, INC., and STORESONLINE, INC.

Defendants.

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**COMPLAINT**

Plaintiff STATE OF FLORIDA, OFFICE OF THE ATTORNEY GENERAL ("the Attorney General") sues Defendants IMERGENT, INC., and STORESONLINE, INC., ("IMERGENT and STORESONLINE") and alleges:

1. This is an action for damages on behalf of consumers, injunctive relief, civil penalties, attorney's fees and costs and other relief pursuant to the Florida Deceptive and Unfair Trade Practices Act ("FDUTPA"), Chapter 501, Part II, Florida Statutes (2007).

**PARTIES AND JURISDICTION**

2. The Attorney General is an enforcing authority of FDUTPA.
3. The Attorney General has determined that an enforcement action serves the public interest as required by Section 501.207.
4. IMERGENT and STORESONLINE are Delaware corporations, both with their principal place of business at 754 E. Technology Avenue, Orem, Utah 84097.
5. STORESONLINE is a wholly owned subsidiary of IMERGENT.

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Florida's long arm statute

6. This court has personal jurisdiction over IMERGENT and STORESONLINE pursuant to Florida's long arm statute, Section 48.193, Florida Statutes (2007).

7. At all times material to the allegations herein, IMERGENT operated, conducted, engaged in or carried on a business or business venture in Florida.

8. IMERGENT committed tortious acts in Florida.

9. At all times material to the allegations herein, STORESONLINE operated, conducted, engaged in or carried on a business or business venture in Florida.

10. STORESONLINE committed tortious acts in Florida.

11. STORESONLINE is the agent of IMERGENT and as such operated, conducted, engaged in or carried on a business or business venture and committed tortious acts in Florida.

Both Defendants transact business in Florida

12. As described more fully below, IMERGENT and STORESONLINE's business consists of making sales presentations to groups of consumers and then selling to some of these consumers products and services related to setting up websites.

13. When first engaging in this business, IMERGENT, a publicly traded company, established an entity called Galaxy Mall, Inc., that made presentations and sales until it was accused in news reports of deceptive business practices.

14. After Galaxy Mall came under suspicion for deceptive business practices, IMERGENT shut down Galaxy Mall and established in its place the entity known as STORESONLINE.

15. Using the name "STORESONLINE," marketers acting on behalf of both Defendants travel around the United States, including Florida, and foreign countries making sales presentations and selling products and services related to setting up websites.

16. Consumers attending the sales presentations are told and are given documents stating that the entity making the presentations and selling the offered products and services is STORESONLINE.

17. The business activities undertaken under the name "STORESONLINE" are the same in every significant particular in every jurisdiction, including Florida, in which these business activities are conducted.

18. IMERGENT has consistently acknowledged, and continues to acknowledge, that these business activities are the business activities of IMERGENT.

19. IMERGENT has acknowledged that the business activities undertaken under the name "STORESONLINE" are the business activities of IMERGENT in documents it filed with the Securities and Exchange Commission, including its annual report for the fiscal year ending June 30, 2007. In this annual report, entitled "IMERGENT - 10K - For 6/3007":

(a) IMERGENT describes in detail as its own business ("OUR BUSINESS") the business activities undertaken throughout the United States, including Florida, and in foreign countries under the name "STORESONLINE."

#### OUR BUSINESS

Our services start with a complimentary 90-minute informational "Preview Training Session" for those interested in extending business to the Internet. These Preview Training Sessions have proven to increase awareness of and excitement for the opportunities presented by the Internet. At these Preview Training Sessions, our instructors (i) preview the advantages of establishing a website on the Internet, (ii) answer in general terms many of the most common questions new or

prospective Internet merchants have, (iii) explain in general terms how to develop an effective internet strategy, and (iv) explain how to transform an existing “brick and mortar” company into a successful eCommerce enabled company.

At the Preview Training Session, the attending small business owner or entrepreneur is presented an opportunity to attend an Internet Training Workshop for a small fee and thereby become a customer of the Company.

Approximately one to two weeks after each Preview Training Session, we return to conduct an intensive eight-hour Internet Training Workshop which delivers Internet eCommerce and website implementation training to a subset of the small business owners and entrepreneurs who attended the Preview Training Session. At the Internet Training Workshop, attendees learn more of the details, requirements, demands, tips, and techniques needed to extend their business or product to the Internet. These training workshops provide a plain English explanation of computer/Internet/technical requirements and eCommerce tools, specific details and tips on how to promote and drive traffic to a website, and techniques to increase sales from a website.

(b) IMERGENT acknowledges doing business in numerous jurisdictions and interacting with government officials in these jurisdictions:

From time to time, we receive inquiries from federal, state, city and local government officials in the various jurisdictions in which we operate. We have been subject to claims by purchasers that our software is “defective” and difficult to use. ... [T]he persistence of such claims by regulatory agencies, in the news media, and on the World Wide Web, may have a substantial negative impact on our ability to transact business. The claims that a substantial number of our customers do not activate their web sites may impact the manner in which we conduct our seminars and may have a negative impact on our operations.

(c) IMERGENT acknowledges being subject to local personal jurisdiction because of its business activities.

We are subject to regulations applicable to businesses generally. In addition, because of our workshop sales format, we are subject to laws and regulations concerning sales and marketing practices....

(d) IMERGENT claims as its own employees all the employees of STORESONLINE.

As of August 8, 2007, we had 435 employees; 384 full time and 51 part time including 11 executives, 201 in sales, 31 in marketing and event planning, 20 in the development of our eCommerce solutions and IT, 18 in website production, 55 in event reservations, 53 in customer support and 46 in finance, legal and general administration. We also draw from a pool of more than 80 independent contractors as guest presenters, consultants, trainers, etc.

(e) The revenues, profits and other detailed financial figures pertaining to STORESONLINE and IMERGENT are integrated as one in IMERGENT's report to the SEC.

20. IMERGENT has acknowledged that the business activities undertaken under the name "STORESONLINE" are the business activities of IMERGENT by entering into agreements concerning deceptive practices at STORESONLINE presentations in jurisdictions including Australia, California, Louisiana, Texas and Utah and by defending in court business practices related to STORESONLINE presentations in California, North Carolina and other jurisdictions.

21. IMERGENT acknowledges that the business activities undertaken under the name "STORESONLINE" are the business activities of IMERGENT in statements made to all Attorneys General and Better Business Bureaus in the United States -- specifically, in a "nationwide" "open letter" posted on its website, in which the business activities undertaken under the name "STORESONLINE" are described as the business activities of IMERGENT and IMERGENT Chief Executive Officer Donald L. Danks states:

Dear General, Let me introduce myself. My name is Donald L. Danks, CEO of Imergent, Inc., [AMEX: IIG], a Delaware corporation, doing business in your state.

22. IMERGENT acknowledges that the business activities undertaken under the name "STORESONLINE" are the business activities of IMERGENT in many IMERGENT press releases posted on the IMERGENT website, which include the following representations:

(a) "[W]e [IMERGENT] were awarded the 2007 Service Excellence in Consumer Support Award by the Service & Support Professionals Association."

According to the website of the Service & Support Professionals Association, this award was not to IMERGENT but to STORESONLINE.

(b) "[T]he Company [IMERGENT] sells its proprietary StoresOnline Pro software and training services.... iMergent typically reaches its target audience through a concentrated direct marketing effort to fill Preview Sessions, in which a StoresOnline expert reviews the product opportunities and costs. These sessions lead to a follow-up Workshop Conference, where product and technology experts train potential users on the software and encourage them to make purchases."

(c) "[A] new version of iMergent's web site development software ... is being offered at all of iMergent's workshops worldwide."

(d) "Company [IMERGENT] Continues Doing Business in the State of Louisiana. ... The company also agreed to make certain disclosures regarding the software sold and certain disclosures related to sales representations made by the company."

(e) "[IMERGENT general counsel Jeffery] Korn added: '[An agreement between Utah and IMERGENT] shows the intent of the company to act in good faith to resolve any outstanding issues with any regulatory agency.' "

(f) "Company [IMERGENT] Continues to Conduct Business in Australia. ... [T]he company is proceeding with the scheduled workshops in Australia...."

(g) "Jeffrey Korn, general counsel of iMergent, stated, '... [O]ver 10,000 people from Illinois have attended our workshops....' "

STORESONLINE is merely the agent of IMERGENT

23. IMERGENT totally dominates and exercises daily operational control over STORESONLINE.

24. IMERGENT exercises such a high degree of control over STORESONLINE that STORESONLINE manifests no separate corporate interests of its own and functions solely to achieve the purposes of IMERGENT.

25. STORESONLINE is the instrumentality and alter ego of IMERGENT.

26. At all times material to the allegations in this complaint, STORESONLINE's presence in Florida was for the purpose of carrying on the business of IMERGENT.

27. IMERGENT has no business activities other than the business activities of STORESONLINE, and STORESONLINE has no business activities other than the business activities of IMERGENT.

28. IMERGENT has repeatedly acknowledged that it controls the operations of STORESONLINE:

(a) In agreements with Australia, California, Louisiana, Texas, Utah and other jurisdictions, IMERGENT has undertaken to modify in detail, and represented that it has the ability to modify in detail, the quotidian business activities of STORESONLINE.

(b) In statements by IMERGENT to the Securities and Exchange

Commission, IMERGENT acknowledges controlling the employees of STORESONLINE.

(c) In press releases, IMERGENT acknowledges a high degree of control over STORESONLINE and that STORESONLINE is its alter ego, manifested in part as follows:

(1) In three months of 2007, IMERGENT "held 291 workshops...."  
(2) IMERGENT "launched our newest product offering...."  
(3) IMERGENT engaged in a "strategy to get our software into the hands of 1,000 consumers weekly...."

(4) IMERGENT controlled sales presentations by "tak[ing] action to improve response rates at [our] preview conferences by restructuring preview sales management, modifying the preview conference presentation and enhancing speaker training."

(5) "IMERGENT STREAMLINES SALES FORCE AND OPERATIONS... [and] announced the streamlining of its sales team and administrative functions... [by adopting] new marketing tactics...."

(6) IMERGENT launched new sales teams to focus on "both domestic and international markets" including a Spanish-speaking sales team.

(7) IMERGENT "determined we needed specific expert speakers and a smaller number of sales teams to roll out [a new product]. Also, we intend to visit targeted markets less frequently than in the recent past to cultivate greater pent-up demand. Hence, we will need fewer speakers and have reduced the number of preview teams from 32 to approximately 18-20 and workshop teams



from nine to six. Additionally, we have decreased the event and travel support staff and general administrative staff accordingly."

(8) IMERGENT will make "future hires when appropriate" for the sales presentations.

29. The contacts between both Defendants and the State of Florida are pervasive and substantial and not isolated.

30. IMERGENT and STORESONLINE have derived significant amounts of money from their business activities in Florida.

31. Because their business activities in Florida are substantial and they have purposefully availed themselves of the privileges and benefits of doing business in Florida, IMERGENT and STORESONLINE could expect to be haled into court in Florida.

32. This court has jurisdiction pursuant to Section 501.207(3).

33. The deceptive conduct by IMERGENT and STOREONLINE alleged herein took place in Florida, including in the Second Judicial District.

34. The injurious activities of IMERGENT and STORESONLINE affect consumers in judicial circuits throughout Florida, including the Second Judicial District.

35. Venue in the Second Judicial District is proper.

### **DEFENDANTS' UNLAWFUL COURSE OF CONDUCT**

#### Overview

36. IMERGENT and STORESONLINE invite consumers to sales presentations in Florida at which they make false, deceptive and unfair representations in order to induce consumers to buy expensive website-creation products and services.

37. They tell the consumers, often senior citizens and disabled persons, that these products and services will enable them to set themselves up in new businesses that market merchandise provided by third parties.

38. They tell the consumers that the IMERGENT and STORESONLINE products and services are easy to use, even by consumers with little knowledge of computers, and will be backed by full-time assistance from IMERGENT and STORESONLINE.

39. Scores of Florida consumers have found that IMERGENT and STORESONLINE's products and services, which cost thousands of dollars, are very difficult or impossible to use.

40. When they seek the assistance promised by IMERGENT and STORESONLINE, consumers cannot obtain it, or are told that they cannot obtain it unless they pay additional thousands of dollars.

41. Many Florida consumers have reported problems using IMERGENT and STORESONLINE's products and services and obtaining assistance from IMERGENT and STORESONLINE to the Attorney General.

42. Many Florida consumers have told the Attorney General that they were deceived by IMERGENT and STORESONLINE.

#### Sales presentations

43. Teams of IMERGENT and STORESONLINE promoters periodically visit Florida cities to conduct "previews," presentations to which consumers -- whose names IMERGENT and STORESONLINE purchase from companies that sell consumer lists -- are lured with offers of free meals, free gifts and "free training."

44. IMERGENT and STORESONLINE tell consumers who attend the "previews" that they can become wealthy using IMERGENT and STORESONLINE's products and services on the Internet, and the consumers are encouraged to attend day-long, high-pressure "workshops," at which the same blandishments are repeated.

45. The IMERGENT and STORESONLINE products and services consist primarily of access to a website at which consumers may be able to use tools to build one or more websites of their own where they may be able to sell various goods provided by third parties.

46. IMERGENT and STORESONLINE instruct the consumers to purchase the right to set up several websites, telling the consumers that they can thus ensure a steady income; for example, they recommend marketing a product likely to be purchased in summer at one site, and a product likely to be purchased in winter at another site.

47. Using testimonials and company scripts, IMERGENT and STORESONLINE tell the consumers that after setting up the websites they can expect to expend no further significant effort and can, for example, go sailing in the Bahamas while the sites automatically bring in money.

48. IMERGENT and STORESONLINE charge several thousand dollars for their products and services, telling the consumers at the end of the all-day seminars that unless decide to purchase immediately the cost of the products and services will be three to 10 times greater.

49. To be profitable, the IMERGENT and STORESONLINE business model depends on false, deceptive and unfair representations concerning (a) consumers' ability to use the IMERGENT/STORESONLINE products and services to get websites up and running, (b) IMERGENT and STORESONLINE's assistance in finding third parties whose products the

consumers would sell on the consumers' websites and (c) the extent of technical support that IMERGENT and STORESONLINE would provide.

Misrepresentations at sales presentations

50. IMERGENT and STORESONLINE tell the consumers that people today, particularly older people, face extraordinary financial pressures; for example, a script used by IMERGENT and STORESONLINE states, "You've all heard those statistics that 94 percent of those who reach retirement are dead broke.... You have a 94-percent chance of going over the cliff."

51. IMERGENT and STORESONLINE tell consumers that they need not even own a computer in order to have success using IMERGENT and STORESONLINE's products and services.

52. A significant portion of IMERGENT and STORESONLINE's sales presentations consists of glowing testimonials by individuals described as successful customers.

53. Representations by IMERGENT and STORESONLINE concerning consumers' ability to use IMERGENT and STORESONLINE's products and services are deceptive.

54. IMERGENT and STORESONLINE fail to disclose clearly and conspicuously that building websites at the IMERGENT and STORESONLINE website and making them operational requires facility with computers.

55. Representations by IMERGENT and STORESONLINE concerning consumers' financial prospects, and their financial prospects if they purchase the IMERGENT and STORESONLINE products and services, are false, deceptive and unfair.

56. Some or all of the individuals making testimonials about success with IMERGENT and STORESONLINE's products and services or portrayed as examples of

successful IMERGENT or STORESONLINE customers are not in fact IMERGENT or STORESONLINE customers.

Offer of business opportunity

57. At their sales presentations in Florida, IMERGENT and STORESONLINE have offered a business opportunity.

58. IMERGENT and STORESONLINE represent that the money consumers can expect to make with IMERGENT and STORESONLINE' products and services will substantially exceed the cost of the purchase.

59. They tell the consumers that they will provide "the right tools and support for less money than it takes to run a typical yellow-page ad."

60. IMERGENT and STORESONLINE tell the consumers, "You will learn how to build a website income that can safely carry you through retirement at any age.... You can have multiple sources of independent income for yourself and your family."

61. IMERGENT and STORESONLINE tell consumers but that they will set them up in the business of marketing on the Internet.

62. IMERGENT and STORESONLINE tell consumers, "There are about a billion people online, and they are looking for almost anything to buy. The Internet allows you to reach that global market. ... What can you sell on the Internet? That's right -- just about anything, provided you know how to market."

63. They represent to the consumers that what they are selling constitutes a systematic means by which products or services provided by third parties can be promoted, advertised and sold.

64. IMERGENT AND STORESONLINE have failed to comply with requirements concerning disclosures, consumers' right to cancel and other standards imposed by law on entities offering business opportunities.

Representations about third parties

65. Most consumers who are invited to IMERGENT and STORESONLINE's sales presentations do not already have businesses of their own.

66. Most of the consumers who are invited to IMERGENT and STORESONLINE's sales presentations have no use for the IMERGENT and STORESONLINE products and services because they do not not already have businesses.

67. To induce consumers to buy their products and services, IMERGENT and STORESONLINE tell consumers that IMERGENT and STORESONLINE will enable them to find third parties whose products or services the consumers can sell.

68. IMERGENT and STORESONLINE tell the consumers that third-party companies will pay handsome commissions for being marketing on the websites of buyers of IMERGENT and STORESONLINE's products and services.

69. IMERGENT and STORESONLINE tell consumers, "If you're not sure what to sell with your business, no worries," because IMERGENT and STORESONLINE will help them come up with a product.

70. IMERGENT and STORESONLINE tell consumers, "We will also tell you what is being bought right now, so you can sell it too."

71. IMERGENT and STORESONLINE tell consumers that there are such "companies all over the world ... and they're looking for people like you and me."

72. IMERGENT and STORESONLINE claim to have an Affiliate Program of companies that will provide the third-party goods.

73. They say Wal-Mart and other "Big 500" corporations are among companies affiliated with IMERGENT and STORESONLINE.

74. IMERGENT and STORESONLINE deceive consumers concerning the extent to which third parties are available for partnerships with buyers of IMERGENT and STORESONLINE products and services.

75. IMERGENT and STORESONLINE deceive consumers concerning the extent of the assistance they will provide in finding companies with which the consumers can engage in partnerships.

76. IMERGENT and STORESONLINE fail to disclose clearly and conspicuously that their assistance in finding third parties is minimal, consisting essentially of merely telling consumers to look for partners on the Internet, and IMERGENT and STORESONLINE fail to disclose clearly and conspicuously to consumers that finding any partners in this manner may entail additional costs.

77. IMERGENT and STORESONLINE repeatedly use the logos of well known and successful companies such as Google, and make references to these companies, with which they have no affiliation, to create the mistaken impression that they are affiliated with or in partnerships with these companies.

IMERGENT and STORESONLINE promise comprehensive technical help

78. With explicit representations and by implication, IMERGENT and STORESONLINE lead buyers of their products and services to believe that IMERGENT and

STORESONLINE will provide free, full-time, comprehensive and expert assistance in the use of the products and services they sell.

79. IMERGENT and STORESONLINE's sales presentations are replete with representations that they will provide education, training and support sufficient to get the consumers' websites up and running.

80. IMERGENT and STORESONLINE promise their buyers "hosting, maintenance, updates, security, on-going education and 24 hours a day on-going support."

81. IMERGENT and STORESONLINE tell the consumers that, unlike others who charge for these services, they will provide design services, "search-engine optimization," online shopping carts, inventory-tracking mechanisms, the ability for the buyer to make changes to the website, security safeguards, reporting tools and support.

82. IMERGENT and STORESONLINE tell the consumers that they provide "Best of Breed Tools and Support."

83. IMERGENT and STORESONLINE tell the consumers that their support is free and available 24 hours a day by means of email and online chats, and available during business hours by telephone.

84. After the sales presentations, many buyers experience difficulties using IMERGENT and STORESONLINE's products and services, but when they contact IMERGENT and STORESONLINE for the promised assistance, they are unable to get it.

85. Buyers find that the customer service representatives of IMERGENT and STORESONLINE who answer the phone have no technical knowledge and thus cannot help them.



86. Contrary to their explicit and implicit representations, IMERGENT and STORESONLINE do not provide individualized assistance to consumers who are unable to get their websites up and running.

87. IMERGENT and STORESONLINE fail to disclose clearly and conspicuously that the technical support they provide is limited and that, for individualized attention, consumers may be required to expend significant additional sums of money.

88. IMERGENT and STORESONLINE have entered into contracts with at least 12 other companies under which, in return for commissions, IMERGENT and STORESONLINE inform the other companies that particular buyers are having trouble with the products and services; the companies then contact these buyers and offer them costly technical assistance.

89. The companies under contract to IMERGENT and STORESONLINE offer "coaching" and "mentoring" programs, which, consumers are told, will provide them with the assistance they need to render IMERGENT and STORESONLINE's products and services usable.

90. Companies that have agreements with IMERGENT and STORESONLINE, which charge thousands of dollars, do not provide sufficient technical assistance to consumers to get the IMERGENT/STORESONLINE websites up and running.

91. Consumers who have already been induced to pay IMERGENT and STORESONLINE thousands of dollars for the IMERGENT/STORESONLINE products and services are induced into paying the additional sums because they hope not to suffer a total loss.

92. Companies independent of IMERGENT and STORESONLINE, which provide no commissions to IMERGENT and STORESONLINE, have offered to assist buyers of IMERGENT and STORESONLINE' products and services, but IMERGENT and

STORESONLINE instruct consumers not to deal with these independent companies, whose offers of help IMERGENT and STORESONLINE tell consumers are "unlawful."

93. In responding to consumer inquiries, IMERGENT and STORESONLINE do not make sufficient numbers of customer representatives available to handle the volume of calls and other contacts from consumers.

IMERGENT and STORESONLINE's refund policy

94. IMERGENT and STORESONLINE fail to disclose clearly and conspicuously that consumers have a period of time in which to rescind their purchases of IMERGENT and STORESONLINE's products and services.

95. IMERGENT and STORESONLINE fail to provide sufficient time for consumers to rescind their purchases.

96. A statement in written materials provided by IMERGENT and STORESONLINE stating that refunds are available if buyers seek them within three days is inconspicuous.

97. IMERGENT and STORESONLINE do not orally tell consumers who buy their products and services of their right to rescind.

98. IMERGENT and STORESONLINE create disincentives for the consumers to become aware of or exercise their rights pursuant to the refund policy.

99. At the conclusion of the all-day seminars, IMERGENT and STORESONLINE tell the consumers who have purchased IMERGENT and STORESONLINE' products and services, many of whom are elderly, that they should rest a day before giving the matter any further thought, thus attempting to delay any discovery by the consumers that they have three days to rescind and increasing the chance that they will miss the deadline.

100. Some customers who learn of the refund policy and seek to take advantage of it are told by IMERGENT and STORESONLINE they still cannot get refunds within the stated time period or are unable to reach the Defendants within the time period because IMERGENT and STORESONLINE have not made a sufficient number of customer-service representatives available.

101. In isolated instances, IMERGENT and STORESONLINE agree after the three-day period to provide refunds; however, their policies in regard to post-three-day refunds are erratic and unreasonable, with consumers receiving only minimal portions of their money back.

**COUNT ONE**  
**DECEPTIVE AND UNFAIR TRADE PRACTICES**  
**BY IMERGENT**  
**IN VIOLATION OF CHAPTER 501, PART II, FLORIDA STATUTES**

102. The Attorney General re-alleges paragraphs 1 through 101.

103. “Unfair methods of competition, unconscionable acts or practices, and unfair or deceptive acts or practices in the conduct of any trade or commerce” are unlawful under Section 501.204(1) of the Florida Unfair and Deceptive Trade Practices Act, Chapter 501, Part II, Florida Statutes (2005).

104. At all times material hereto, IMERGENT engaged in "trade or commerce" as defined by Section 501.203(8), Florida Statutes.

105. IMERGENT engaged and continues to engage in deceptive, unfair and unconscionable trade practices in violation of the Florida Unfair and Deceptive Trade Practices Act by:

(a) representing to consumers directly and indirectly that IMERGENT products and services are easy to use.

(b) representing to consumers directly and indirectly that consumers need not even own a computer in order to have success with IMERGENT products and services.

(c) failing to disclose clearly and conspicuously that building websites at its website and making them operational requires facility with computers.

(d) telling consumers falsehoods concerning factual matters including but not limited to the financial prospects of older people in the United States.

(e) representing to consumers directly and indirectly that use of IMERGENT products and services often leads to financial independence.

(f) representing to consumers directly and indirectly that persons giving testimonials on behalf of IMERGENT are successful customers.

(g) representing to consumers directly and indirectly that IMERGENT products and services will be backed by comprehensive technical assistance from IMERGENT.

(h) failing to provide the assistance promised when buyers request it.

(i) failing to disclose clearly and conspicuously that the technical support IMERGENT provides is limited.

(j) failing to disclose clearly and conspicuously that IMERGENT does not provide individualized technical assistance to buyers sufficient to enable them to get websites up and running.

(k) failing to disclose clearly and conspicuously that, for individualized attention, consumers may be required to expend significant additional sums of money.

(l) directing consumers to other companies and representing that these companies can provide sufficient assistance when in fact these companies do not provide sufficient assistance.

(m) instructing buyers not to deal with independent companies that offer technical assistance.

(n) failing to make sufficient numbers of customer representatives available to consumers.

(o) representing to consumers directly and indirectly that IMERGENT will enable them to find third parties whose products or services the consumers can sell.

(p) representing to consumers directly and indirectly that third-party companies will pay handsome commissions to be marketed on IMERGENT buyers' websites.

(q) representing to consumers directly and indirectly that large numbers of companies are looking for persons who will market their goods on websites.

(r) failing to disclose clearly and conspicuously that IMERGENT's assistance in finding third parties is minimal.

(s) failing to disclose clearly and conspicuously that finding third parties whose goods they can market may entail additional costs.

(t) failing to disclose clearly and conspicuously that IMERGENT is not affiliated with companies whose logos are displayed by IMERGENT and to which IMERGENT makes references in promotions.

(u) failing to disclose clearly and conspicuously that consumers have a period of time in which to rescind their purchases of IMERGENT products and services and obtain refunds.

(v) failing to disclose orally at sales presentations that consumers have a period of time in which to rescind their purchases of IMERGENT products and services and obtain refunds.

(w) failing to provide sufficient time for consumers to rescind their purchases and obtain refunds.

(x) creating disincentives for consumers to become aware of or exercise their right to rescind their purchases and obtain refunds.

(y) preventing consumers from contacting IMERGENT in order to request refunds.

(z) providing only partial refunds to consumers requesting them.

106. IMERGENT engaged and continues to engage in unfair and deceptive practices in violation of the Florida Unfair and Deceptive Trade Practices Act by failing to comply with the Florida Sale of Business Opportunities Act, Section 559.80 et seq., Florida Statutes (2006), which prohibits misrepresentations by companies that offer consumers business opportunities.

**COUNT TWO**  
**DECEPTIVE AND UNFAIR TRADE PRACTICES**  
**BY STORESONLINE**  
**IN VIOLATION OF CHAPTER 501, PART II, FLORIDA STATUTES**

107. The Attorney General re-alleges paragraphs 1 through 101.

108. “Unfair methods of competition, unconscionable acts or practices, and unfair or deceptive acts or practices in the conduct of any trade or commerce” are unlawful under Section

501.204(1) of the Florida Unfair and Deceptive Trade Practices Act, Chapter 501, Part II, Florida Statutes (2005).

109. At all times material hereto, STORESONLINE engaged in "trade or commerce" as defined by Section 501.203(8), Florida Statutes.

110. STORESONLINE engaged and continues to engage in deceptive, unfair and unconscionable trade practices in violation of the Florida Unfair and Deceptive Trade Practices Act by:

(a) representing to consumers directly and indirectly that IMERGENT products and services are easy to use.

(b) representing to consumers directly and indirectly that consumers need not even own a computer or have Internet access in order to have success with STORESONLINE products and services.

(c) failing to disclose clearly and conspicuously that building websites at its website and making them operational requires facility with computers.

(d) telling consumers falsehoods concerning factual matters including but not limited to the financial prospects of older people in the United States.

(e) representing to consumers directly and indirectly that use of STORESONLINE products and services often leads to financial independence.

(f) representing to consumers directly and indirectly that persons giving testimonials on behalf of STORESONLINE are successful customers.

(g) representing to consumers directly and indirectly that STORESONLINE products and services will be backed by comprehensive technical assistance from STORESONLINE.

- (h) failing to provide the assistance promised when buyers request it.
- (i) failing to disclose clearly and conspicuously that the technical support STORESONLINE provides is limited.
- (j) failing to disclose clearly and conspicuously that STORESONLINE does not provide individualized technical assistance to buyers sufficient to enable them to get websites up and running.
- (k) failing to disclose clearly and conspicuously that, for individualized attention, consumers may be required to expend significant additional sums of money.
- (l) directing consumers to other companies and representing that these companies can provide sufficient assistance when in fact these companies do not provide sufficient assistance.
- (m) instructing buyers not to deal with independent companies that offer technical assistance.
- (n) failing to make sufficient numbers of customer representatives available to consumers.
- (o) representing to consumers directly and indirectly that STORESONLINE will enable them to find third parties whose products or services the consumers can sell.
- (p) representing to consumers directly and indirectly that third-party companies will pay handsome commissions to be marketed on STORESONLINE buyers' websites.



(q) representing to consumers directly and indirectly that large numbers of companies are looking for persons who will market their goods on websites.

(r) failing to disclose clearly and conspicuously that STORESONLINE's assistance in finding third parties is minimal.

(s) failing to disclose clearly and conspicuously that finding third parties whose goods they can market may entail additional costs.

(t) failing to disclose clearly and conspicuously that STORESONLINE is not affiliated with companies whose logos are displayed by STORESONLINE and to which STORESONLINE makes references in promotions.

(u) failing to disclose clearly and conspicuously that consumers have a period of time in which to rescind their purchases of STORESONLINE products and services and obtain refunds.

(v) failing to disclose orally at sales presentations that consumers have a period of time in which to rescind their purchases of STORESONLINE products and services and obtain refunds.

(w) failing to provide sufficient time for consumers to rescind their purchases and obtain refunds.

(x) creating disincentives for consumers to become aware of or exercise their right to rescind their purchases and obtain refunds.

(y) preventing consumers from contacting STORESONLINE in order to request refunds.

(z) providing only partial refunds to consumers requesting them.

111. STORESONLINE engaged and continues to engage in unfair and deceptive practices in violation of the Florida Unfair and Deceptive Trade Practices Act by failing to comply with the Florida Sale of Business Opportunities Act, Section 559.80 et seq., Florida Statutes (2006), which prohibits misrepresentations by companies that offer consumers business opportunities.

**PRAYER FOR RELIEF**

WHEREFORE, Plaintiff, State of Florida, Department of Legal Affairs, Office of the Attorney General respectfully requests that this court:

- (a) Enjoin IMERGENT and STORESONLINE from violating the Florida Unfair and Deceptive Trade Practices Act, Chapter 501, Part II, Florida Statutes.
- (b) Cancel all existing contracts or agreements with consumers in Florida and offer full refunds to all consumers in Florida who have purchased IMERGENT and STORESONLINE's products and services.
- (c) Require IMERGENT and STORESONLINE to comply with the Florida Sale of Business Opportunities Act, Section 559.80 et seq., Florida Statutes.
- (d) Order IMERGENT and STORESONLINE to pay civil penalties of \$10,000 for each violation of the Florida Deceptive and Unfair Trade Practices Act, and an additional \$5,000 for each violation involving an elderly or handicapped person.
- (e) Award reasonable attorney's fees and costs.

(f) Grant such other relief as this court deems just and proper.

Respectfully submitted,

BILL MCCOLLUM  
ATTORNEY GENERAL

A handwritten signature in black ink, appearing to read "Allison Finn", written over a horizontal line.

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