

STATE OF WASHINGTON
DEPARTMENT OF FINANCIAL INSTITUTIONS
SECURITIES DIVISION

IN THE MATTER OF DETERMINING
Whether there has been a violation
of the Business Opportunity Fraud Act
Washington by:

Imergent, Inc.; StoresOnline, Inc.; John J.
Poelman; Brandon Lewis; Donald Danks; Charles
Andrews; their agents and employees,

Respondents.

S-03-010-03-CO01

CONSENT ORDER AND ORDER VACATING
SUMMARY ORDER TO CEASE AND DESIST
NUMBER S-03-010-03-TO01 AS TO
IMERGENT, INC., STORESONLINE, INC.
JOHN J. POELMAN, BRANDON LEWIS,
DONALD DANKS AND CHARLES ANDREWS

CASE NUMBER S-03-010

INTRODUCTION

Pursuant to the Business Opportunity Fraud Act of Washington, RCW 19.110, the Securities Division of the Department of Financial Institutions and Imergent, Inc., StoresOnline, Inc., John J. Poelman, Brandon Lewis, Donald Danks, and Charles Andrews do hereby enter into this CONSENT ORDER in settlement of the matters set forth herein. Respondents do not admit the Findings of Fact and Conclusions of Law stated below.

FINDINGS OF FACT

I. Respondents

1. Imergent, Inc. ("Imergent") is a Delaware corporation with its principal place of business at 754 E. Technology Avenue, Orem, Utah 84097. Imergent is in the business of selling Internet merchant services through its Stores Online subsidiary.

ORIGINAL

1 optional \$150 hosting fee. It is alleged that respondents Imergent and StoresOnline told the Washington
2 resident that he could purchase expert website design from StoresOnline for an additional \$50 an hour.

3 9. In February 2002, Imergent and StoresOnline sold an Internet merchant services
4 program to the Washington resident and failed to disclose material information regarding the business
5 opportunity, including, but not limited to:

- 6 i. The contract failed to state “Do not sign this contract if any spaces for agreed
7 terms are blank. Do not sign this contract unless you receive a written
8 disclosure. You are entitled to a copy of this contract at the time you sign it.”
9
10 ii. The contract failed to state “Do not sign this contract unless you received a
11 written disclosure document from the seller at least forty-eight hours before
12 signing.”
13
14 iii. The contract failed to state “You are entitled to a copy of this contract at the
15 time you sign it.”
16
17 iv. The contract failed to notify the prospective purchaser that he has seven days
18 to cancel the contract for any reason.

19 10. In February 2002, Imergent and StoresOnline sold an Internet merchant services
20 program to the Washington resident and failed to provide a written disclosure document, including but
21 not limited to:

- 22 i. Business history
23 ii. Litigation history
24 iii. Current financial statements

1 11. On December 16, 2002, Imergent sent an email to a second Washington resident
2 which stated:

3 FREE DINNER CONFERENCE in OLYMPIA
4 VIP RESERVATIONS FOR TWO

5 Learn how to make money in the Olympia Area!
6 Enjoy Dinner hosted by the country's leading Internet Instructors!

7 Click here: iregnow.com
8 OR Call: 1-800-715-6152 ext. 2991

9 12. After following the link to register for the conference, the second Washington resident
10 found the following advertisement:

11 "Begin to learn the little known secrets to creating wealth on the Internet in as little as 90
12 minutes"

13 "When you use our complimentary, no obligation, 90 minute conference, you'll understand
14 how you can tap into our turnkey Internet cash flow systems"

15 "The conference will be presented by StoresOnline, Inc., widely recognized as the premier
16 Internet training organization in the country today. Discover the facts!"

17 13. The second Washington resident attended the StoresOnline seminar in Washington.
18 At the seminar, Andrews solicited the second Washington resident to attend another full day workshop
19 for \$35. At the seminar, Respondents, through their agent Andrews, told the second Washington
20 resident that they would provide him with Internet merchant services that would teach the second
21 Washington resident how to earn money by selling products on the World Wide Web. Imergent and
22 StoresOnline would provide "its customers the ability to (i) acquire a presence on the internet and (ii) to
23 advertise and sell their own products or services on the Internet." This system had three parts. First,
24 Respondents told the second Washington resident that they would show him how to build a website
25 using their template/software. Second, Respondents promised to provide the second Washington

1 resident with information about how to draw traffic to the website in order to market a product. Finally,
2 it is alleged that Respondents promised the second Washington resident that they would teach him to
3 market his website to other businesses that wished to sell their products on the Internet.

4 14. Respondents, through their agent Andrews solicited the second Washington resident to
5 become a StoresOnline Active Merchant by paying a \$2,400 maintenance fee.

6 15. Andrews allegedly told the second Washington resident that Andrews did not know of
7 an investor who had not earned their investment back in one year. Andrews told numerous stories of
8 investors who made their money back in less than 90 days.

10 III. Registration Status

11 16. Respondents Imergent and StoresOnline have not been and are not currently registered to
12 sell business opportunities in the state of Washington.

13
14 Based upon the above Findings of Fact, the following Conclusions of Law are made:

16 CONCLUSIONS OF LAW

17 1. The offer and/or sale of Internet merchant package, as described in the findings of fact,
18 allegedly constitutes the offer and/or sale of a business opportunity as defined in RCW 19.110.020(1).

19 2. The offer and/or sale of said business opportunities, as described in the findings of fact,
20 allegedly were made in violation of RCW 19.110.050, the registration provision of the Business
21 Opportunity Fraud Act.

1 IT IS FURTHER AGREED AND ORDERED that Respondents, Imergent, Inc., StoresOnline, Inc.,
2 John J. Poelman, Brandon Lewis, Donald Danks, and Charles Andrews, their agents and employees each
3 agree not to violate RCW 19.110.120, the anti-fraud section of the Business Opportunity Fraud Act of the
4 State of Washington.

5 IT IS FURTHER AGREED AND ORDERED that Respondents, Imergent, Inc., StoresOnline, Inc.,
6 John J. Poelman, Brandon Lewis, Donald Danks, and Charles Andrews, their agents and employees each
7 agree not to violate RCW 19.110.070, the disclosure document section of the Business Opportunity Fraud
8 Act of the State of Washington.

9 IT IS FURTHER AGREED AND ORDERED The Securities Division hereby vacates Summary
10 Order to Cease and Desist number S- 03-010-03-TO01 as to Respondents, Imergent, Inc., StoresOnline,
11 Inc., John J. Poelman, Brandon Lewis, Donald Danks, and Charles Andrews. No part of the Summary
12 Order or this Consent Order shall be used for any purpose by anyone hereinafter. No person or entity not
13 a party to this Consent Order may use this Consent Order or any part of this proceeding, including any
14 part of the vacated prior Summary Order, in any other proceeding.

15 IT IS FURTHER AGREED that prior to the entry of this Consent Order, Respondents, Imergent,
16 Inc., StoresOnline, Inc., John J. Poelman, Brandon Lewis, Donald Danks, and Charles Andrews shall
17 fully refund all funds received from the two specific Washington residents [REDACTED]

18 [REDACTED] who purchased products or services from StoresOnline, Inc. and filed written complaints with
19 [REDACTED] *Delimitation by: J.H. Dennis*
20 *FLD* the Securities Division prior to October 1, 2003. Respondents shall fully refund these funds within thirty
21 (30) days of entry of this Consent Order. Respondents shall then promptly provide the Securities
22 Division with written proof of these payments. [REDACTED] *Delimitation by: J.H. Dennis*
23 [REDACTED] *Delimitation by: J.H. Dennis*

1 [REDACTED] Negotiation of the check shall constitute

2 [REDACTED]

Delimitation by: J. Kennis

3 IT IS FURTHER AGREED that the Securities Division may, at its discretion, deliver a copy of this
4 order to every resident of the State of Washington who purchased products or services from Respondents.

5 IT IS FURTHER AGREED that Respondents, Imergent, Inc. and StoresOnline, Inc. shall be jointly
6 and severally liable for and shall pay the Securities Division one thousand five hundred dollars (\$1,500)
7 for its costs incurred in its investigation of this matter. Said payment must be made to the Division prior
8 to the entry of this Order.

9 IT IS FURTHER AGREED that should Respondents, Imergent, Inc. and StoresOnline, Inc. fail to
10 provide the required refunds and proof of payment of such refunds as required by the terms of this Consent
11 Order, the Securities Division reserves the right to reinstate Summary Order to Cease and Desist number S-
12 03-010-03-T001.

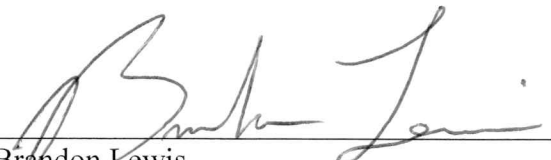
13 IT IS FURTHER AGREED that the Securities Division has jurisdiction to enter this Order.

14 IT IS FURTHER AGREED that in consideration of the foregoing Respondents, Imergent, Inc.,
15 StoresOnline, Inc., John J. Poelman, Brandon Lewis, Donald Danks, and Charles Andrews, each waive
16 their rights to a hearing in this matter and judicial review of this order.
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21 SIGNED this 15TH day of December, 2003.

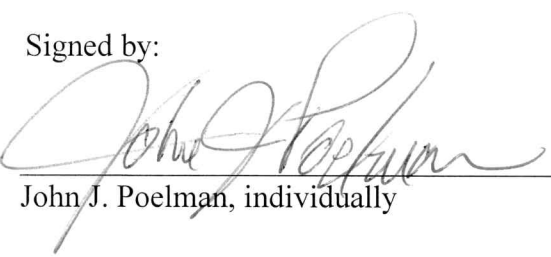
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23 Imergent, Inc.

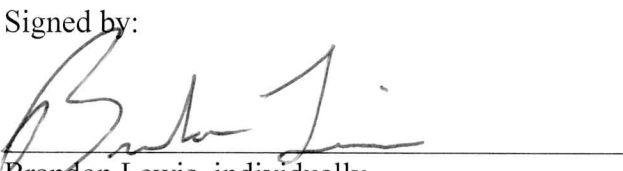
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By 
Brandon Lewis,
Chief Executive Officer ~~President, COO~~

Signed by:
StoresOnline, Inc.

By 
Brandon Lewis,
~~Chief Executive Officer~~ President, COO

Signed by:

John J. Poelman, individually


Signed by:

Brandon Lewis, individually

Signed by:


Donald Danks, individually

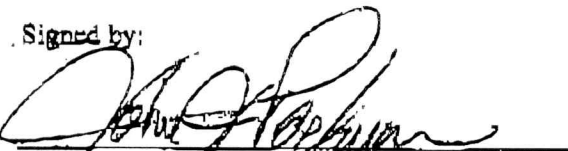
Signed by:


Charles Andrews, individually

1 By 
 2 Brandon Lewis,
 3 Chief Executive Officer ~~President, COO~~

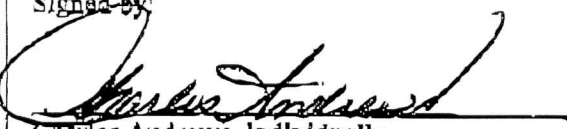
4 Signed by:
 5 StoresOnline, Inc.

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 7 By 
 8 Brandon Lewis,
 9 Chief Executive Officer ~~President, COO~~

10 Signed by:
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 12 John J. Pociornal, individually

14 Signed by:
 15 
 16 Brandon Lewis, individually

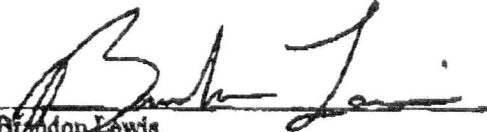
18 Signed by:
 19 _____
 20 Donald Danks, individually

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 24 Charles Andrews, individually

25 (FLDS18376.BKB:2/82005.03#001/1) CONSENT
 ORDER

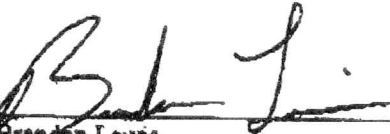
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DEPARTMENT OF FINANCIAL INSTITUTIONS
 Securities Division
 PO Box 9633
 Olympia, WA 98507-9633
 360-942-8760

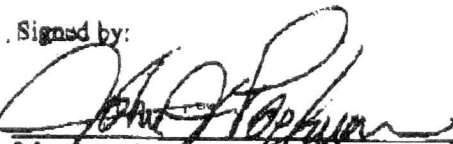
1 By 
 2 ~~Brandon Lewis,~~
 3 ~~Chief Executive Officer~~ ~~President, COO~~

4 Signed by:


5 StoresOnline, Inc.

6 
 7 By ~~Brandon Lewis,~~
 8 ~~Chief Executive Officer~~ ~~President, COO~~

9 Signed by:

10 
 11 ~~John J. Poelma,~~
 12 ~~individually~~

13 Signed by:

14 
 15 ~~Brandon Lewis, individually~~

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17 Donald Danks, individually


18 Signed by:

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 20 ~~Charles Andrews, individually~~

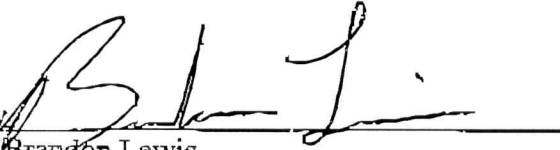
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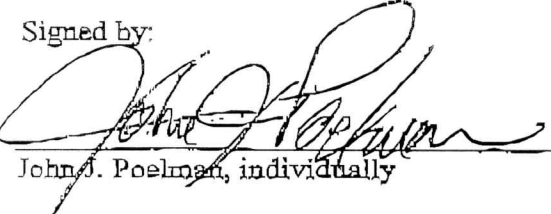
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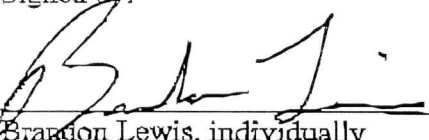
23 DEPARTMENT OF FINANCIAL INSTITUTIONS
 24 Securities Division
 25 PO Box 9033
 26 Olympia, WA 98507-9033
 27 360-962-8760

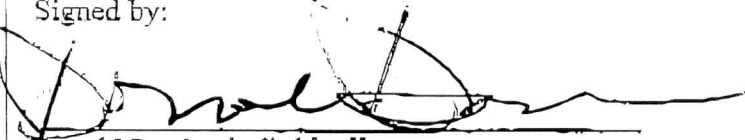
1 By 
2 Brandon Lewis,
3 ~~Chief Executive Officer~~ President, COO

4 Signed by:
5 StoresOnline, Inc.

6
7 By 
8 Brandon Lewis,
9 ~~Chief Executive Officer~~ President, COO

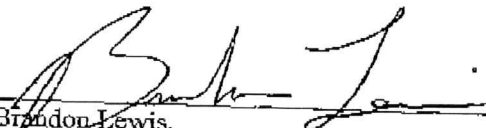
10 Signed by:
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12 John J. Poelman, individually

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16 Brandon Lewis, individually


18 Signed by:
19 
20 Donald Danks, individually

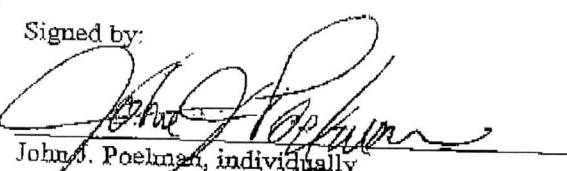
22 Signed by:
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24 Charles Andrews, individually
25 {FLD558376.BKB;2/62005.035001} CONSENT
ORDER

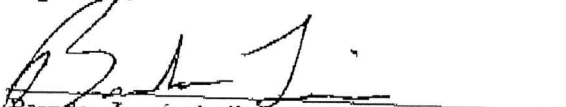
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By 
Brandon Lewis,
Chief Executive Officer ~~President, COO~~

Signed by:
StoresOnline, Inc.

By 
Brandon Lewis,
~~Chief Executive Officer~~ ~~President, COO~~

Signed by:

John Poelman, individually

Signed by:

Brandon Lewis, individually

Signed by: 

Donald Danks, individually

Signed by:

Charles Andrews, individually
(FLDS58376.BKB;2/62005.035001)/CONSENT
ORDER

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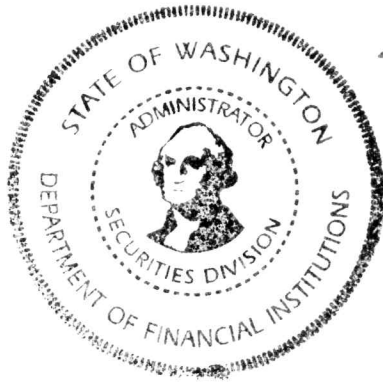
DEPARTMENT OF FINANCIAL INSTITUTIONS
Securities Division
PO Box 9033
Olympia, WA 98507-9033
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SIGNED and ENTERED this 19th day of January, 2004 *DRB*



Deborah R. Bortner
Securities Administrator



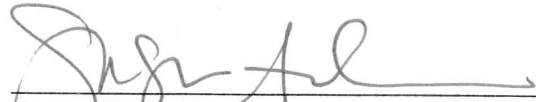
Approved by:

Presented by:

{FLD558376.BKB;2/62005.035001/} CONSENT
ORDER



Michael E. Stevenson
Chief of Enforcement



Susan H. Anderson
Financial Legal Examiner

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