

COPY

NO. 2005 CI 02791

THE STATE OF TEXAS
Plaintiff

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IN THE 57TH JUDICIAL

v.

iMERGENT, INC.,
STORESONLINE, INC. d/b/a
STORESONLINE.COM, INC.
f/k/a GALAXY MALL,
BRANDON LEWIS,
DONALD DANKS,

Defendants

DISTRICT COURT OF

BEXAR COUNTY, TEXAS

AGREED TEMPORARY INJUNCTION

On this 11th day of August, 2005, came on for hearing the above entitled and numbered cause, in which the State of Texas is Plaintiff and iMERGENT, INC., STORESONLINE, INC. d/b/a STORESONLINE.COM, INC f/k/a GALAXY MALL, BRANDON LEWIS, and DONALD DANKS, are Defendants. Both Plaintiff and Defendants appeared by and through their respective attorneys of record, at which time the parties announced ready for hearing.

It appears to the court after having read the pleadings and having heard and considered the agreement of the parties, that both Plaintiff and Defendants agree to the entry of this temporary injunction restraining Defendants from engaging in certain practices alleged to be unlawful. Imergent, Inc. and all Defendants have denied and continue to deny these allegations, but in the interest of avoiding the time, expense, and uncertainty of litigation, the State of Texas and Defendants desire to temporarily settle and compromise their mutual disputes and differences regarding OAG's allegations so that the parties can continue to exchange information in an attempt to reach a final permanent resolution.

It further appears to the court that by virtue of this agreement, Plaintiff is entitled to the temporary injunction as hereinafter granted, without bond, same being within its allegations and prayer. The court issues this injunction because the parties have agreed on these terms.

I. INJUNCTIVE TERMS

IT IS THEREFORE ORDERED by this court that the clerk of this court shall forthwith issue a Writ of Temporary injunction, WITHOUT BOND, applicable in the State of Texas against the following-named with the following force and effect:

TO: iMERGENT, INC., STORESONLINE, INC. d/b/a STORESONLINE.COM f/k/a GALAXY MALL, their officers, agents, servants, employees and any other person in active concert or participation with them who receive actual notice of this injunction by personal service or otherwise,

YOU AND EACH OF YOU ARE HEREBY TEMPORARILY ENJOINED FROM:

- A. Representing, expressly or implicitly, directly or indirectly, that coaching or mentoring services are included in the price of the StoresOnline product or services;
- B. Failing to specifically describe and distinguish between customer support services which are included in the price of the StoresOnLine software package and coaching/mentoring services (hereafter coaching services) provided by PMI or some other third party and which are not included in the StoresOnLine software package;
- C. Representing that a consumer need not have a computer or Internet access to purchase and use Defendants' product or services or effectively communicate with the Defendants' on-line customer support services or coaching services;
- D. Representing that Imergent support services of any kind are "24 x 7." unless there are sufficient personnel available, twenty four hours per day, seven days per week, to respond substantively to standard questions from an Imergent consumer support representative within five minutes of the time the request or question is sent by the consumer;
- E. Misrepresenting in any way, the relationship between Imergent Inc. and PMI or any other coaching service, including but not limited to: failing to describe the contractual or other relationship between Imergent and PMI and failing to indicate that a wholly separate company from Defendant Imergent, Inc. will provide the coaching services;
- F. Using testimonials and awards from Defendants' family members, employees, or agents or family members of the Defendants' employees or agents, or employees or family members of any other business entity associated with Defendants' products and services,

without disclosing in such a testimonial or advertisement, the family or business relationship;

- G. Using any testimonial after September 15, 2005, from any person who has not submitted a signed letter under penalty of perjury, to be kept on file at Defendant's home office, which shall include:
1. the name, address, and telephone number of the person providing the testimonial
 2. a statement indicating that the information provided in the testimonial or to be provided live at a presentation:
 - a. is not misleading,
 - b. is accurate and is based on the actual experience of the person providing the testimonial,
 - c. does not misrepresent any facts relating to the use of the Defendants' products or services, and
 - d. does not misrepresent, directly or indirectly, the income made from using Defendants' products and services.
- H. Using any testimonial that does not conform to the "Guides Concerning Use of Endorsements and Testimonials in Advertising", 16 C.F.R. Part 255 (2205);
- I. Providing a financial incentive, benefit, or anything of value to anyone, directly or indirectly, in exchange for the testimonial which advertises or promotes any of Defendants' services or products, without disclosing in that testimonial, the benefit or incentive provided;
- J. Selling faulty, non-working, defective, or otherwise inoperable software;
- K. Making any statement expressed or implied, which misrepresents the terms of this order or its attachments.

II. MANDATORY RELIEF

It is further ORDERED, ADJUDGED, and DECREED that Defendants iMERGENT, INC., STORESONLINE, INC. d/b/a STORESONLINE.COM f/k/a GALAXY MALL, shall:

- A. Provide to all consumers a written disclosure notice as set out in Attachment "A", to be signed by consumers before any transaction with consumers is commenced;

- B. Provide to all consumers a full and detailed description of the products or services that the Defendants' will sell, showing each corresponding price of the product or service as shown in Attachment "B", to be signed by the consumer before any transaction is commenced;
- C. Obtain from consumers a written contract for products or services sold to consumers, with Attachments A and B included in it, at the time of sale;
- D. Obtain the consumer's written consent, at the time of sale, authorizing the solicitation of additional purchases, by having the consumer sign the "opt-in" form shown as Attachment "C", prior to any additional solicitations from the Defendant(s) or any other party, entity or person, associated with the Defendants' products or services;
- E. Disclose that the coaching services are provided by PMI or any other third-party and are not included in the initial StoresOnline basic product/service package;
- F. Disclose the contractual relationship between SOL and PMI and that Defendants will refer the consumer's name to PMI or other third party for solicitation of additional purchases if the consumer signs the "opt-in" form;
- G. Require any coaching service selling support for Defendants' products and services to provide in writing to the consumer:
 - 1. the exact amount of time contracted for service and support,
 - 2. the specific areas of service and support which are covered.
 - 3. the number of allowable visits,
 - 4. the exact times of contact and availability,
 - 5. the specific areas of technical expertise, and
 - 6. a detailed description of the refund policy for the coaching service fees.
- H. Disclose to the Office of Attorney General, by registered-mail-return-receipt-requested, to the address shown below, the times, dates, and locations of all of the Defendants' planned workshops and seminars in Texas, at least twenty one (21) days in advance of the workshop or seminar for any Seminars commencing after August 15th 2005;
- I. Provide, within ten (10) days of the date of this order, a copy of this order to all of Defendants' sales employees, sales agents, partners, contractors, and consultants.
- J. Tape audible audio recordings from each live presentation, workshop, or seminar given by

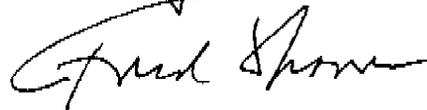
the Defendants in Texas and maintain and archive them for no less than six (6) months from the date of the original recording;

- K. Preserve all customer complaints in Texas, including, but not limited to, email, written complaints, business records, and incident reports for a period of two years; and
- L. Honor the three (3) day right of rescission set out in 16 C.F.R. § 429 and/or Tex. Bus. & Comm. Code § 30.002, *et seq.*

It is understood by the parties that they have not yet reached agreement on the issues of attorney fees, refunds for consumers who file complaints, and the final form of the consumer notices.

Trial on the merits before the court is set for the 11 day of October, 2005 at 9:00 a.m.

SIGNED and entered this 11 day of August, 2005.



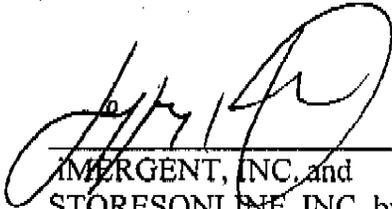
JUDGE PRESIDING

APPROVED AS TO FORM AND SUBSTANCE:



RAUL NORIEGA

Assistant Attorney General
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iMERGENT, INC. and
STORESONLINE, INC. by:
JEFFREY G. KORN, Secretary

JEFFREY G. KORN
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State Bar No. 24040262
Attorney for Defendants
iMergent, Inc., Storesonline, Inc.
Brandon Lewis, and Donald Danks

**NOTICE TO PURCHASERS
OF Stores Online SOFTWARE LICENSES**

If you are an experienced business person with an ongoing business and are an experienced computer user, you may have success with Stores Online web site building software and services. However, the individual success of current, on-going web sites built with Imergent software varies widely from complete failures to highly successful and profitable Internet businesses. Success is determined by having the right product, the right price, and the correct marketing. Some purchasers simply use this software to publish web sites for informational purposes such as to promote ideas, increase awareness, or provide specialized topical instruction. It is important for you to know that some purchasers of Stores Online software never publish a website.

If: (1) you do not have a computer, (2) do not have a general knowledge of using a computer (3) know little or nothing about e-commerce, (4) do not presently have a product to sell, (5) do not have a plan for an operating business, (6) do not have sufficient capital to start and operate a business apart from the cost of this software, or (7) fit one or any combination of the previous categories, it is highly recommended that you fix these weaknesses before beginning the process of building your first e-commerce website..

If you fit any one of these categories and nonetheless choose to purchase this software package, be aware that it may take an additional undetermined amount of time, depending on your skills and intelligence, to learn how to work with computers and the Internet; it may take additional time to find a supplier to drop ship products for you and it may take you still several weeks to several months more to compile all the information that will be needed for you to load into your website.

Signature

Date

Your Purchase Includes the Following Software and Hosting Services

For an explanation of these features, see page 9 of the Tab 6 Workshop Binder Handout, entitled "Features of Your Stores Online Storefront"

Software Features

<p>Web-based interface</p> <p>Two-disk training DVD</p> <p>Shopping cart with advanced fraud-deterrent/protection</p> <p>Internal order/invoice database</p> <p>Invoice export – QuickBooks compatible</p> <p>Modular building environment</p> <p>Navigation management</p> <p>Dynamic image optimization</p> <p>Dynamic logo creation/layout</p> <p>Internal site search engine</p> <p>Customer relationship management module</p> <p>Registration module</p> <p>Real-time preview capability</p> <p>Password-protected pages</p>	<p>Web-based autoresponders</p> <p>UPS Online tools</p> <p>Dynamic page and product creation/maintenance</p> <p>Traffic and sales reporting</p> <p>Order referral tracking</p> <p>Per-click budget calculation</p> <p>Keyword conversion rate reporting</p> <p>Incomplete-order tracking</p> <p>Compatibility with affiliate program</p> <p>Permission marketing/bulk-email list management</p> <p>Basic and complex ordering/business rules</p> <p>Unlimited images/products</p> <p>Quantity discounting</p>	<p>Discount code capability</p> <p>Email & fax order/purchase notification</p> <p>Product list management</p> <p>Product-list-import interface</p> <p>Featured products display</p> <p>Multiple currency support</p> <p>Multiple price set capabilities</p> <p>Product-on-sale settings</p> <p>Product description, features, and specifications management</p> <p>Printable coupon creation</p> <p>Viral selling tools</p> <p>Unlimited product variations</p> <p>*EBay management module</p>
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Hosting Features

<p>Online Merchant Services section</p> <p>Online help files and tutorials</p> <p>Up-to-date web promotion tutorials</p> <p>24x7 chat & email support</p> <p>11-hours-per-day phone support (Mon thru Fri)</p> <p>Keyword Analysis Tools</p> <p>Reverse Search Tool</p>	<p>Secure real-time credit card processing</p> <p>Domain hosting</p> <p>Email aliasing</p> <p>Online image library</p> <p>500 MB web-storage space</p> <p>FTP access</p> <p>Visa/MasterCard-compliant hosting environment</p>	<p>128-Bit SSL encryption</p> <p>Regular, monitored backups</p> <p>Redundant and load balancing web servers</p> <p>Redundant T3 connection</p> <p>Redundant uninterruptible power supply</p> <p>Backup diesel generator</p> <p>Firewall protection</p>
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*For individuals that purchase the Full Workshop offer. An additional \$399 is required to purchase the e-Bay module and training for individuals that purchase the Half Workshop Offer.



Stores Online Active Merchant Receipt

754 East Technology Avenue, Orem, UT 84097, Tel (801) 434-8582, Fax (801) 226-8848, E-Mail: help@myquickresponse.com

As a result of attending the full-day training workshop and my purchase of the special workshop offer, I confirm receipt of all Licenses, materials, and services. With my signature below, in addition, I also reaffirm and/or accept all the terms and conditions of the Workshop Guarantee and Agreement form as presented at the earlier preview conference and which is printed on the reverse of this document. I hereby accept the workshop offer instead of using my 90-day option as provided for in the Workshop Guarantee and Agreement. I understand the workshop offer allows me immediate access to all Internet marketing information, links, and techniques contained in the Merchant Services section as demonstrated in the workshop and/or available through normal Internet access, plus those things listed below. I understand that I am not obligated to activate a storefront with Stores Online but still have access to Merchant Services. I also understand with all of this information and materials listed below, I now have the option to immediately create websites using the Stores Online software with the License numbers and Passwords provided below, without any further assistance or even the knowledge of Stores Online, Inc. and I can then have these sites hosted anywhere on the Web. However, I understand that if I choose to host my Stores Online websites elsewhere, I will not have access to the database, shopping cart services, and many functional and design elements available in the Stores Online hosting platform. I affirm that I am of legal age, and I understand, agree, and acknowledge that this purchase is made for business purposes only. I understand any additional products or services purchased after the workshop are not required for my success and are optional. I reaffirm my agreement to all the terms and conditions, including Binding Arbitration, as specified on the Order Form. I acknowledge that Stores Online does not recommend I sell my storefront certificates, and offers no re-seller program. I again affirm my understanding that not all websites shown in Stores Online events are Stores Online sites, and all testimonials shared in all Stores Online events are not typical and my results may vary depending on my product, price, and marketing efforts. The only representations from Stores Online for which I have based my purchase decision on, are in writing and have been provided to me. Further, I understand and agree that given the specific nature of the Internet and business for which my products/services are used, and the fact that my success depends on my idea(s), products/services, prices, and how effectively I promote them, Stores Online, Inc. does not offer a joint venture or marketing program and offers no guarantees other than those provided on the back of the order form that I have signed. When I publish a site with Stores Online, I will use my credit card to pay for those services and will provide the card number at that time. Please maintain "On File" my signature below as authorization to charge my credit card for those services, if and when I indicate to do so.

Customer ID:

I would like a call from a third party vendor to discuss optional related products and services:

Yes _____ No _____

Initials