

# EXHIBIT E

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**BEFORE THE DIVISION OF CONSUMER PROTECTION  
OF THE DEPARTMENT OF COMMERCE  
OF THE STATE OF UTAH**

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IN THE MATTER OF:

**PACIFIC WEBWORKS INC AND  
CHRISTIAN LARSEN  
180 South 300 West, Suite 400  
Salt Lake City, UT 84101**

**DCP Case # 59159 et al**

59159 ✓

Respondents

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**ADMINISTRATIVE CITATION**

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PURSUANT TO THE AUTHORITY granted by UTAH CODE ANNOTATED §13-2-6(3), as amended, which empowers the Division of Consumer Protection to issue a citation upon any person reasonably believed to be engaged in the violation of any statute listed in UTAH CODE ANNOTATED §13-2-1, as amended, it appears, upon information and belief, that you are in violation of the *Consumer Sales Practices Act*, UTAH CODE ANN. §13-11-1 *et seq.* In particular, the Division of Consumer Protection alleges:

- 1- That the Respondents sold or offered product and or services to 174 consumers residing in Utah and other states during September 2002 through July 2007.
- 2- That the Respondents misused the word "Free" in their advertising by not listing at the outset of the advertisement, in clear and concise language, all obligations and liabilities that the consumers would be responsible for by taking the "Free" product or services.
- 3- That the Respondents used a negative option in their advertising without making the required disclosures and obtaining the appropriate consumer authorization and acceptance of the negative option.
- 4- That the Respondents charged consumers for product or services that the consumer did not authorize.

Count I: The above action is in violation of Consumer Sales Practices Act 13-11-4  
Deceptive Act or Practice by Supplier.

(2)... a supplier commits a deceptive act or practice if the supplier knowingly or  
intentionally:

(r) charges a consumer for a consumer transaction that has not previously been agreed to  
by the consumer;

(174 incidents charged on this count at \$2,500.00 per violation, for a potential fine of  
\$435,000.00).

Count II: The above action is also in violation of the Consumer Sales Practices Act Rules  
R152-11-2.B, which prohibits a supplier from sending goods or providing services to a  
consumer pursuant to a negative option plan.

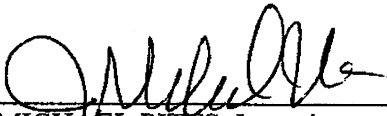
(174 incidents charged on this count at \$2,500.00 per violation for a potential fine of  
\$435,000.00).

Count III: The above action is also in violation of the Consumer Sales Practices Act Rules  
R152-11-4B. Disclosure of Conditions. A "free" or similar offer is deceptive unless all  
the terms, conditions, and obligations upon which receipt and retention of the "free" item  
are contingent are set forth clearly and conspicuously at the outset of the offer so as to  
leave no reasonable probability that the terms of the offer might be misunderstood.

(174 incidents charged on this count at \$2,500.00 per violation for a potential fine of  
\$435,000.00).

The above three counts carry a total potential fine of \$1,305,000.00.

THIS CITATION ISSUED THE 9<sup>th</sup> DAY OF AUGUST 2007

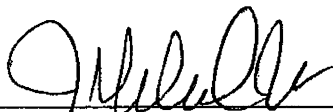
  
\_\_\_\_\_  
J. MICHAEL PITTS, Investigator  
Utah Division of Consumer Protection

**CERTIFICATE OF SERVICE**

THIS IS TO CERTIFY that the undersigned has this day served a true and exact copy of the above and foregoing Administrative Citation on the Respondents by hand delivering a copy of the citation to the Respondents at their usual mailing address:

CHRISTIAN LARSEN, PACIFIC WEBWORKS INC, 180 S 300 W, STE 400, SLC, UT 84101

THIS THE 9<sup>th</sup> DAY OF AUGUST 2007



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J. MICHAEL PITTS

## **IMPORTANT NOTICE - READ CAREFULLY**

This citation may be contested by filing a request for a hearing, in writing, within ten (10) days from receipt of this citation. Such hearing shall be conducted as an informal hearing under Title 63, Chapter 46b, Administrative Procedures Act. A citation which is not so contested becomes the final order of the Division and is not subject to further agency review. In addition to any fines which might be levied, a cease and desist order shall be entered against you. An intentional violation of a final cease and desist order is a third degree felony pursuant to UTAH CODE ANNOTATED §13-2-6(2), as amended. If you desire a hearing on this citation you may mail your request to:

Kevin Olsen— Director  
Utah Division of Consumer Protection  
160 East 300 South  
PO Box 146704  
Salt Lake City, UT 84114-6704

Please be advised that all inquiries, correspondence, or other contacts concerning this citation, with the exception of any written request for hearing as set out above, should be directed to the below named Division employee, designated by the Director of the Division of Consumer Protection pursuant to UTAH CODE ANNOTATED §13-2-6(3)(a)(iv) and §63-46b-3(2)(a)(i)(1953), as amended:

J. Michael Pitts – Investigator  
Utah Division of Consumer Protection  
160 E. 300 South  
PO Box 146704  
Salt Lake City, UT 84114-6704  
Telephone: (801) 530-6601