

1 3. At times Crisp represented himself to be the only owner and manager of EWP. However,
2 in documents filed with the State of Nevada, Larry Sommers is shown as EWP's organizer and Curtis
3 Broome and Doug McCoy are listed as the managers. The Internet website for EWP listed Crisp as
4 the Chief Executive Officer and Alexander as the Vice President of Business Development.

5 4. EWP was suspended by the Nevada Secretary of State and subsequently reinstated
6 in September 2003, when a filing fee was paid and a form entitled "Initial List of Managers or
7 Members and Resident Agent" was filed, which indicates Crisp is EWP's only manager and
8 member. On April 19, 2004, Crisp first filed documents with the California Secretary of State for
9 EWP. These documents state that the address for EWP is at 350 S. Center Street, Suite 500, Reno,
10 Nevada 89501 and describe EWP as "a technology company."

11 5. Crisp claims to be financial planner, multi-millionaire, owner of banks, hotels, and
12 shopping centers. Crisp represents he has monies held off shore with Hong Kong and Shanghai
13 Banking Corporation Limited. In fact, Crisp is the owner of various fictitious business names and
14 entities including, but not limited to, Crisp Marketing Alliance, CMA and Robert Crisp Enterprises,
15 Inc., a Nevada corporation. Crisp and CMA were sued by a collection agency and in January 1997
16 Crisp doing business as CMA filed for bankruptcy in Orange County. EWP's landlord in Irvine,
17 Business Center Drive, L.P., sued EWP for non-payment of the rent at that location.

18 6. Alexander was convicted for federal felonies involving tax evasion for the tax years 1992
19 and 1993. Alexander was released from federal prison on April 25, 2001.

20 7. Patricia Yamada, also known as Patti Yamada and Pat Yamada ("Yamada") serves as an
21 officer, director, member, or manager for EWP and other entities created by Crisp.

22 8. Crisp, Alexander, Yamada, EWorldPartners.com, EWorld Partners and EWorld Partners,
23 LLC (hereinafter "subjects") place advertisements in magazines, on the EWP website and in the
24 classified section of newspapers, including the San Jose Mercury News and the San Francisco
25 Chronicle. The ads state there are employment opportunities for programmers, salesmen, software
26 consultants, project managers, sales consultants, graphic artists, accountants and bookkeepers.
27 Individuals who responded to these advertisements are asked to send a resume and are scheduled for
28 job interviews.

1 9. Individuals, when informed about time and place for the job interview, are not
2 informed that they would be interviewed simultaneously with others, in a “group interview.”

3 10. EWP describes itself to jobs seekers and others as “dedicated to helping people build sales
4 channels” and EWP claims it “offers a suite of lead acquisition/management tools and services.” The
5 “group interview” of job seekers consists of a demonstration of EWP’s electronic business card
6 (“EBC”). Subjects explain that the EBC can be added to the signature file of a standard electronic
7 mail message (“e-mail”). Subjects stress an EBC personalizes one’s e-mail and can be a “link to
8 dynamic multimedia content, order forms, surveys . . . virtually anything.” Subjects inform
9 prospective employees that EWP will upload and store the content of the EBC on EWP’s servers and
10 that the software program associated with the EBC keeps track of “clicks” that allows the business
11 card owner to see who and when someone saw the EBC owner’s e-mail. Subjects tell prospective
12 employees that EWP’s EBC, retails for \$9.95 with a \$19.95 set-up fee but that “corporate and heavy
13 use pricing may differ.”

14 11. At the end of the first “group interview” prospective employees are asked to schedule a
15 follow-up interview to learn about the employment opportunities at EWP. The second interview
16 involves a meeting with between 10-20 prospective employees and usually take place in EWP’s
17 conference room. Yamada is the opening speaker for these second interviews and she explained
18 how Crisp and Alexander started the company and how she had known Crisp for over 20 years.
19 Following Yamada’s presentation, Crisp, Alexander or another EWP representative speak about
20 EWP’s business opportunities, not employment opportunities to prospective employees. The only
21 offers made at EWP’s second interviews involve becoming an “EWP Specialist.” Subjects explain
22 that an individual can become an EWP Specialist with an investment of \$595, \$1,495 or \$2,495.
23 Individuals who were interested are asked to complete a form entitled “Specialist Application for
24 Acceptance” wherein they apply for “Specialist Training and Admittance,” which requires the
25 “candidate” [applicant] to “attend an eight hour intensive course on the company technology and
26 strategic marketing channels” and to “pass a modest proficiency exam” before being “certified by
27 the company to do trainings (sic) on the company’s suite of software solutions.”

28 12. An individual applying to become an EWP Specialist is required to indicate the number

1 of EBC card licenses for which he is applying that the Specialist will then be entitled to sell to others.
2 An applicant by circling the letter "A" on EWP's Specialist Application form indicates he is
3 requesting 60,000 card licenses in exchange for a \$595 fee. The "B" option entitles an applicant to
4 150,000 card licenses for \$1,495. For \$2,495 and selection of the "C" option an applicant is entitled
5 to 250,000 cards. Applicants are informed they can use any major credit card to pay for the licenses
6 and that EWP's billing will appear on the Specialist's respective credit card statement as "Robert
7 Crisp Enterprises Inc." Even though becoming an EWP Specialist also entitled one to sell the EBC
8 and to recruit other EWP Specialists, EWP's representatives claim that EWP is not a multi-level
9 marketing plan.

10 13. Additionally, all Specialists are required to pay a monthly fee of \$9.59 for their own EBC.
11 The monthly fees are automatically charged to the respective credit card account of the Specialist,
12 regardless of whether the EBC is accessible or works for a Specialist. A Specialist is informed that if
13 someone clicks on his EBC and subsequently signed up with EWP for their own EBC, then the
14 Specialist will receive a commission, override or percentage of the revenue generated as a result of the
15 Specialist's "referral" of business to EWP. EWP also requires Specialists to pay miscellaneous fees
16 including a "set-up" fees and fees for design templates. EWP informs individuals who become
17 Specialists that they may also become a "Preferred Partner" or a "Partner in Progress" if they invested
18 additional sums of money.

19 14. Specialists interested in becoming a "Preferred Partner" or Partner in Progress are invited
20 to a third meeting, wherein EWP states it is "embarking on an aggressive business expansion. EWP
21 expects to open up at least twenty-five markets in the next 90-120 days." EWP indicates it "is
22 offering to a select group of people the opportunity to share in the business expansion program."
23 EWP provides the following description of the Preferred Partner and Partner in Progress program:

24 "The Company [EWP] will pay for hotel room only, and airfare . . . The
25 Company will also cover the costs of offices, conference rooms, ads, and
26 collateral materials. . . . A Preferred Partner in Progress (PPP) will invest
27 as little as \$25,000 and will receive a one-half share of the results of the
28 EWP rollout in each of five cities of his/her choosing. A 'Partner in
Progress' may invest as little as \$5,000 and receive a one-tenth share of
the results in each of five cities chosen."

1 “The Company [EWP] together with each ‘Preferred Partner’ will select a
2 team of two others to fill out his team provided that those he chooses must be
3 ‘qualified’ Partners in Progress themselves. . . PPP prefers to have direct
participation and becomes the Team Leader (sic).’

4 “The Team Leader places ads, arranges conference and interview venues
5 and coordinates the downloading of resumes, calling for interview
6 appointments, and does the Orientation. . . is responsible for reporting to
7 the company on results, collecting paperwork, and forwarding funds and
data to the company for processing.”

8 Upon becoming a partner EWP promises to multiply the partner’s existing Specialist licensing
9 agreement (Option A, B or C) by five times, increasing the number of licenses that can be sold. In
10 addition EWP promises that:

11 “A preferred partner gets one half of all new recruits and he/she can allot
12 them anyway he/she feels appropriate . . . [and] receive the “Certification
13 Bonus” and ‘Instructors Bonus’ if he/she actually does the Orientations.”

14 EWP states that Preferred Partners’ compensation is calculated on all organization levels below the
15 Preferred Partners. Individuals are informed that the income potential was in the “100 of thousands
16 of dollars per year and included a 5% bonus pool.”

17 15. Subjects also offered rights to foreign territories if one became a “Global Partner.”

18 16. Subjects’ offer and sale of Specialist and Partner interests or licenses constitute franchises
19 that require registration under the Franchise Investment Law.

20 17. Subjects’ offers and sales of Specialist and Partner interests or licenses are not registered
21 or exempt in violation of Corporations Code section 31110.

22 18. The offers or sales of franchises by subjects were made by means of written and oral
23 communications with included untrue statements of material fact and omitted to state materials
24 facts necessary in order to make the statements made, in the light of the circumstances under which
25 they were made, not misleading.

26 Based upon the foregoing findings, the California Corporations Commissioner is of the
27 opinion that Robert E. Crisp also known as Robert Crisp and Bob Crisp, Michael Reynolds
28 Alexander also know as Mike Reynolds, Patricia Yamada also known as Patti Yamada and Pat

1 Yamada, EWorld Partners.com, EWorld Partners and EWorld Partners, LLC offered or sold
2 franchises in California, that are subject to registration under the Franchise Investment Law, without
3 the offer first being registered or exempt, in violation of Corporations Code section 31110.

4 Based upon the foregoing findings, the California Corporations Commissioner is also of
5 the opinion that Robert E. Crisp also known as Robert Crisp and Bob Crisp, Michael Reynolds
6 Alexander also known as Mike Reynolds, Patricia Yamada also known as Patti Yamada and Pat
7 Yamada, EWorld Partners.com, EWorld Partners and EWorld Partners, LLC have offered and
8 sold franchises in California by means of written and oral communications, which included untrue
9 statements of material fact and which omitted to state material facts necessary in order to make
10 the statements made, in light of the circumstances under which they were made, not misleading,
11 in violation of Corporations Code section 31201.

12 Pursuant to section 31402 of the Corporations Code, Robert E. Crisp also known as Robert
13 Crisp and Bob Crisp, Michael Reynolds Alexander also known as Mike Alexander, Patricia Yamada
14 also known as Patti Yamada and Pat Yamada, EWorld Partners.com, EWorld Partners and EWorld
15 Partners, LLC are hereby ordered to desist and refrain from the further offer or sale of franchises of
16 EWorld Partners.com, EWorld Partners and Eworld Partners, LLC unless and until the offers have
17 been duly registered under the Franchise Investment Law or unless exempt.

18 This Order is necessary, in the public interest, for the protection of investors and consistent
19 with the purposes, policies and provisions of the Franchise Investment Law.

20 Dated: December 18, 2006,
21 Los Angeles, California

22 PRESTON DuFAUCHARD
23 California Corporations Commissioner

24
25 By _____
26 ALAN S. WEINGER
27 Lead Corporations Counsel
28 Enforcement Division