

STATE OF ILLINOIS  
SECRETARY OF STATE  
SECURITIES DEPARTMENT

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IN THE MATTER OF: GLOBAL TOUCH SYSTEMS, INC., )  
ITS OFFICERS, DIRECTORS, )  
EMPLOYEES, AFFILIATES, SUCCESSORS, ) File No. 0800045  
AGENTS AND ASSIGNS, )  
AND JOHN J. KAUFFMAN )  
)

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ORDER OF PROHIBITION

TO THE RESPONDENT: Global Touch Systems, Inc.  
John J. Kauffman  
202 Prospect Road, Suite 202  
Bloomington, Illinois 61704

WHEREAS, the record of the above captioned matter has been reviewed by the Secretary of State or his duly authorized representative;

WHEREAS, the rulings of the Hearing Officer on the admission of evidence and all motions are deemed to be proper and are hereby concurred with by the Secretary of State;

WHEREAS, the proposed Findings of Facts and Conclusions of Law and Recommendation of the Hearing officer, Jon K. Ellis, in the above-captioned matter have been read and examined;

WHEREAS, the following proposed Findings of Fact are correct and are adopted by the Secretary of State as follows:

1. The pleadings and Exhibits have been offered and received from the Department and a proper record of all proceedings has been made and preserved as required by law.
2. The Hearing Officer has ruled on all motions and objections timely made and submitted.
3. The Hearing Officer and the Secretary of State Securities Department have jurisdiction over the parties herein and subject matter dealt with herein, due and proper notice having been previously given as required by statute in this Matter.
4. As no Answers were filed, Respondents are therefore deemed to be in default.

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5. The Respondent Global Touch Systems, Inc. is a purported business entity, with a last known address of 202 Prospect Road, Suite 202, Bloomington, Illinois 61704.
6. At all times relevant, the Respondent John J. Kauffman was the CEO of Global Touch Systems, Inc.
7. On or about January 30, 2003, the Respondents Global Touch Systems, Inc., its officers, directors, employees, agents affiliates, successors and assigns, and John J. Kauffman, offered and sold to DO, an Illinois resident, 10,000 shares of Global Touch Systems Inc.'s stock which were issued to DO as consideration for a loan to Global Touch Systems, Inc. in the amount of \$10,000.00.
8. That Section 2.1 of the Act (815 ILCS 5/2.1) defines the term "Security" as "any note, stock, treasury stock, bond, debenture, evidence of indebtedness, certificate of interest or participation in any profit sharing agreement, collateral trust certificate, pre-organization certificate or subscription, transferable share, investment contract, investment fund share, face-amount certificate, voting trust certificate, certificate of deposit for a security, fractional undivided interest in oil, gas or other mineral lease, right or royalty, any put, call, straddle, option or privilege on any security, certificate of deposit, or group of index of securities(including any interest therein or based on the value thereof), or any put, call, straddle, option or privilege entered into on a national securities exchange relating to foreign currency, or, in general, any interest or instrument commonly known as a 'Security', or any certificate of interest or participation in, temporary or interim certificate for, receipt of, guarantee of, or warrant or right to subscribe to or purchase, any of the forgoing. 'Security' does not mean a mineral investment contract or mineral deferred delivery contract; provided, however, the Department shall have the authority to regulate these contracts as hereinafter provided."
9. Each of the above referenced shares of Global Touch Systems, Inc.'s stock is a security as that term is defined pursuant to Section 2.1 of the Act.
10. Section 5 of the Act provides, inter alia, that all securities except those exempt under Section 3 of the Act or those offered and sold in transactions exempt under Section

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4 of the Act shall be registered with the Secretary of State prior to their offer or sale in the State of Illinois.

11. Section 12.A of the Act provides, inter alia, that it shall be a violation of the Act for any person to offer or sell any securities except in accordance with the provisions of the Act.
12. Section 12.D of the act provides, inter alia, that it shall be a violation of the Act for any person to fail to file with the Secretary of State any document or application required to be filed under any provision of the Act or fail to comply with the terms of any order of the Secretary of state issued pursuant to Section 11 of the Act.
13. At all times relevant hereto, the Respondents Global Touch Systems, Inc., its officers, directors, employees, agents affiliates, successors and assigns, and John J. Kauffman, failed to file an application for registration of the above-referenced securities with the Secretary of State prior to their offer or sale in the State of Illinois.
14. Section 11.E(3) of the Act provides, inter alia, that if the Secretary of State shall find that any person is engaging or has engaged in the business of selling or offering for sale securities as a dealer or salesperson without prior thereto and at the time thereof having complied with the registration or notice filing requirements of this Act, the Secretary of State may by written order prohibit the person from offering or selling any securities in this State.
15. Section 11.E(4) of the Act provides, inter alia, that if the Secretary of State, after finding that any provision of the Act has been violated, may impose a fine as provided by rule, regulation or order not to exceed \$10,000.00 for each violation of the Act, as well as the costs of investigation and reasonable expenses.
16. By virtue of the foregoing, the Respondents Global Touch Systems, Inc., its officers, directors, employees, agents affiliates, successors and assigns, and John J. Kauffman, have violated Sections 12.A and 12.D of the Act, and are subject to a fine of up to \$10,000.00 per violation , costs of investigation, reasonable expenses, an order of censure, and an order which permanently prohibits the Respondents from offering or selling securities in the State of Illinois.

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17. The entry of a Final Order of Prohibition and a fine of up to \$10,000.00 per violation of the Act is proper in this matter, given the conduct of the Respondents as described in the pleadings and Secretary of State Exhibit Nos. 1-10.

WHEREAS, the following proposed Conclusions of Law are correct and are adopted by the Secretary of State as follows:

1. The actions, representations, and/or omissions of the Respondents made in connection with the failure to offer or sell any security in accordance with the provisions of the Act are violations of Section 12.A of the Act. The actions, representations, and/or omissions of the Respondents made in connection with the failure to file required documents with the Secretary of State are violations of Section 12.D of the Act.
2. By virtue of the foregoing, the Respondents are subject to an Order of permanent Prohibition in the State of Illinois, a fine not to exceed \$10,000.00 for each violation of the Act, and/or granting such other relief as may be authorized under the Act.
3. Because of the Findings of this Order, the pleadings and the Exhibits admitted as Secretary of State Exhibits Nos. 1-10, as well as the fact that the Respondents failed to answer the Notice of Hearing or appear at the hearing, the entry of a written Order of Prohibition pursuant to 815 ILCS 5/11.E(3) which permanently prohibits the offer or sale of securities by the Respondents in the State of Illinois is proper in this Matter.

NOW THEREFORE, IT IS HEREBY ORDERED THAT Respondents Global Touch Systems, Inc., its officers, directors, employees, agents affiliates, successors and assigns, and John J. Kauffman, are permanently prohibited from offering or selling securities in the State of Illinois:

ENTERED: This 29<sup>th</sup> day of April, 2008



Jesse White  
Secretary of State  
State of Illinois

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NOTICE: Failure to comply with the terms of this Order shall be a violation of the Section 12.D of the Act. Any person or entity who fails to comply with the terms of this Order of the Secretary of State, having knowledge of the existence of the Order, shall be guilty of a Class 4 felony.

This is a final order subject to administrative review pursuant to the Administrative Review Law, [735 ILCS 5/3-101 et seq.] and the Rules and Regulations of the Illinois Securities Act, [14 Ill. Admin. Code Ch. I, Section 130.1123]. Any action for Judicial Review must be commenced within thirty-five (35) days from the date a copy of this Order is served upon the party seeking review.

Attorney for the Secretary of State:  
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Illinois Securities Department  
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Harrisburg, Illinois 62946  
618-253-2007