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**STATE OF CALIFORNIA**  
**BUSINESS, TRANSPORTATION AND HOUSING AGENCY**  
**DEPARTMENT OF CORPORATIONS**

TO: James A. Litzinger, President  
Mike Diaz  
Authotecq Systems, Inc.  
3399 East 19<sup>th</sup> Street  
Signal Hill, CA 90755

**DESIST AND REFRAIN ORDER**  
**(For violations of section 25110 of the Corporations Code)**

The California Corporations Commissioner finds that:

1. At all relevant times, Authotecq Systems, Inc. (“ATS”) is a Delaware Corporation, formed in April 2003 with offices located at 3399 East 19<sup>th</sup> Street, Signal Hill, CA 90755.
2. At all relevant times, James A. Litzinger (“Litzinger”) is the President of ATS. Mike Diaz (“Diaz”) is a sales agent soliciting investors for ATS.
3. Beginning in or about May 2003 and continuing through the present, ATS, Litzinger and Diaz have offered or sold securities within the state of California in the form of Series A Preferred Stock in ATS through unsolicited phone calls. In ATS’s Private Offering Memorandum, dated May 15, 2003, 10,000,000 shares were being offered at \$.50 per share for a total offering of \$5,000,000, with \$750,000 of the proceeds to be used to pay financial advisor costs. In its Private Offering Memorandum, dated May 15, 2005, similar terms are offered, except financial advisor costs are listed as \$450,000. ATS indicates in its private offering memorandum that proceeds from the offering will be used for product launching, strengthening of channel programs, brand development, expanding sales and marketing efforts, and server side product enhancement.
4. The purported purpose of ATS is to provide an internet banking system, which protects the consumers credit card or ATM bank card when being used to purchase goods and services on-line.

1 5. The securities described above were offered or sold in the state of California. The Department  
2 of Corporations has not issued a permit or other form of qualification authorizing any person to offer  
3 and sell these securities in this state.

4 Based on the foregoing findings, the California Corporations Commissioner is of the opinion  
5 that the preferred stock offered or sold by ATS, Litzinger and Diaz are securities subject to  
6 qualification under the California Corporate Securities Law of 1968 and are being or have been  
7 offered or sold without being qualified.

8 Pursuant to Section 25532 of the Corporate Securities Law of 1968, Authotecq Systems, Inc.,  
9 James A. Litzinger and Mike Diaz are hereby ordered to desist and refrain from the further offer or  
10 sale in the State of California of securities, including, but not limited to preferred stock, unless and  
11 until qualification has been made under said law.

12 This Order is necessary, in the public interest, for the protection of investors and consistent  
13 with the purposes, policies, and provisions of the Corporate Securities Law of 1968.

14 Dated: January 4, 2006  
15 Los Angeles, California

16 WAYNE STRUMPFER  
17 Acting California Corporations Commissioner

18  
19 By: \_\_\_\_\_  
20 ALAN S. WEINGER  
21 Acting Deputy Commissioner  
22 Enforcement Division  
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