



U.S. Department of Justice

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Northern District of Illinois

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**SUBURBAN CHICAGO MAN AND CALIFORNIAN INDICTED
FOR ALLEGEDLY SWINDLING INVESTORS IN A \$5 MILLION
FRAUDULENT FINANCING SCHEME**

CHICAGO — A suburban Geneva investment salesman and the former president of four Las Vegas companies that purported to engage in businesses related to interactive kiosks, prepaid debit cards, and restaurant reservation software were indicted by a federal grand jury for allegedly fraudulently obtaining and using more than \$5 million from investors in the four companies. The 10-count indictment was returned by a federal grand jury Wednesday, Patrick J. Fitzgerald, United States Attorney for the Northern District of Illinois, and Robert D. Grant, Special Agent-in-Charge of the Chicago Office of the Federal Bureau of Investigation, announced today. They thanked the Illinois Department of Securities for assisting in the investigation.

Michael Crook, 52, of Los Angeles, was the president of Z Touch Systems, Inc., Global Payment Solutions, Inc., Bluko Information, Inc., and Smart Restaurant Solutions, Inc., all of which officed in the same location in Las Vegas. **Roderick Rieman**, 66, of Geneva, held himself out as a director of Z Touch, Global Payment and Bluko Information,

as well as the owner and operator of Innovative Financial Services, Inc., formerly an insurance and investment business in suburban St. Charles.

Both defendants were each charged with 10 counts of mail fraud and will be arraigned at a later date in U.S. District Court.

According to the indictment, as part of a fraudulent financing scheme between 2004 and August 2007, Crook and Rieman obtained over \$5 million from investors in the four companies by misrepresenting the expected return on investments, the risks associated with the investments, the existence and value of collateral, the use of proceeds, the source of funds used to make promised payments, the status of investments, and the financial condition and business transactions of the companies. The indictment alleges that the defendants misappropriated a part of the funds raised to make Ponzi-type payments to investors and to benefit companies and individuals other than those directly relating to the particular investment.

As an example of one of the fraudulent investments, the indictment alleges the defendants offered and sold investments in interactive kiosks called "ODIEs" (On Demand Interactive Environments), purportedly manufactured and sold by Z Touch. The investments offered an annual return of 18 percent in monthly payments, repayment of principal in 36 months and a security interest in a particular ODIE. Although the defendants offered and sold more than 250 of these investments, only a small number of ODIEs were ever built, none were successfully placed in businesses and no revenues were generated.

As a result of the scheme, according to the indictment, more than 100 investors in Z

Touch, Global Payment, Bluko Information and Smart Restaurant lost their entire investments, except for the Ponzi-type payments made to them as a part of the scheme.

Each count of mail fraud carries a maximum penalty of 20 years in prison and a \$250,000 fine, or the Court may impose an alternative maximum fine totaling twice the loss or twice the gain, whichever is greater. If convicted, restitution is mandatory and the Court must impose a reasonable sentence under the advisory United States Sentencing Guidelines.

The government is being represented by Assistant United States Attorney Edward G. Kohler.

The public is reminded that an indictment contains only charges and is not evidence of guilt. The defendants are presumed innocent and are entitled to a fair trial at which the government has the burden of proving guilt beyond a reasonable doubt.

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