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**STATE OF OREGON  
DEPARTMENT OF CONSUMER AND BUSINESS SERVICES  
DIVISION OF FINANCE AND CORPORATE SECURITIES**

**BEFORE THE DIRECTOR OF THE DEPARTMENT  
OF CONSUMER AND BUSINESS SERVICES**

In the Matter of:

S-08-0018

**GIGAPIX STUDIOS, INC., a  
California corporation, and  
CHRISTOPHER J. BLAUVELT, an  
individual,**

**ORDER TO CEASE AND DESIST,  
CONDITIONING OF EXEMPTIONS,  
ORDER ASSESSING CIVIL  
PENALTY AND CONSENT TO  
ENTRY OF ORDER**

**Respondents.**

**WHEREAS** the Director of the Department of Consumer and Business Services for the State of Oregon (hereinafter "the Director") has conducted an investigation of Gigapix Studios, Inc. ("Gigapix" or "Respondent Gigapix") and Christopher J. Blauvelt ("Blauvelt" or "Respondent Blauvelt") (collectively "Respondents"), and has determined that Respondents have engaged in activities constituting violations of provisions of Oregon Revised Statutes ("ORS") 59.005 to 59.451, 59.991 and 59.995 (hereinafter "the Oregon Securities Law"); and

**WHEREAS** Respondents wish to resolve and settle this matter with the Director;

**NOW THEREFORE**, as evidenced by the authorized signatures subscribed on this Order, Respondents hereby **CONSENT** to entry of this Order upon the Director's Findings of Fact and Conclusions of Law as stated hereinafter.

**FINDINGS OF FACT**

The Director **FINDS** that:

1. Respondent Gigapix is and was at all relevant times herein a for-profit California business corporation with principal offices located at 9333 Oso Avenue, Chatsworth, California 91311.

2. Respondent Blauvelt is and was at all relevant times herein the founder and

PAGE 1 of 6- ORDER TO CEASE AND DESIST, ORDER IMPOSING A CIVIL PENALTY AND CONSENT TO ENTRY OF ORDER — GIGAPIX STUDIOS, INC. and CHRISTOPHER J. BLAUVELT, S-08-0018

Division of Finance and Corporate Securities  
Labor and Industries Building  
350 Winter Street NE, Suite 410  
Salem, OR 97301-3881  
Telephone (503) 378-4387



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1 chief executive officer of Gigapix. Blauvelt, who is believed to be a California resident, has  
2 his principal business offices located at 9333 Oso Avenue, Chatsworth, California 91311.

3 3. Respondent Gigapix is in the business of creating computer generated imagery  
4 ("CGI") animation and operates a visual special effects studio formed by Blauvelt in 2002. In  
5 a private placement memorandum dated October 31, 2007, Gigapix claims its goal is to  
6 "create intellectual property opportunities in the entertainment industry."

7 4. On or about the first week of March 2008, Gigapix solicited by telephone  
8 Oregon resident #1 to purchase Gigapix common stock and warrants. On March 6, 2008,  
9 Gigapix mailed a packet of offering materials to Oregon resident #1. The materials included a  
10 cover letter signed by Blauvelt, a subscription agreement for the purchase of common stock,  
11 and a private placement memorandum dated October 31, 2007. Under the terms of the offer,  
12 Gigapix paired each share of common stock with a warrant that entitled the holder to purchase  
13 an additional share of common stock for \$1.00 per share if exercised before July 31, 2012.  
14 The subscription agreement claimed that that the solicitation offered was a "non-public  
15 offering [made] pursuant to the exemption from registration provided by Section 4(2) of the  
16 Securities Act of 1933, as amended, \* \* \* and/or Rule 506 of Regulation D promulgated  
17 thereunder."

18 5. Oregon resident #1 had no prior business relationship with Gigapix or  
19 Blauvelt. Oregon resident #1 had not requested any information from Gigapix or Blauvelt or  
20 expressed any interest in purchasing any security from Gigapix or Blauvelt.

21 6. The Oregon Securities Law permits the offering and sale of any federal  
22 covered security that is subject to section 18(b)(4)(D) of the Securities Act of 1933, as  
23 amended, only upon a filing of a notice with, and the payment of the required fee to, the  
24 Director of the Department of Consumer and Business Services as prescribed in ORS  
25 59.049(3). Pursuant to Rule 506, no public advertising or solicitation is permitted under the  
26 exception.

PAGE 2 of 6- ORDER TO CEASE AND DESIST, ORDER IMPOSING A CIVIL PENALTY AND CONSENT  
TO ENTRY OF ORDER — GIGAPIX STUDIOS, INC. and CHRISTOPHER J. BLAUVELT, S-08-0018





1 Securities Law. If Respondent Gigapix intends to raise funds using any exemption in ORS  
 2 59.025 or ORS 59.035 as a means of avoiding registration requirements imposed by the  
 3 Oregon Securities Law, Gigapix shall file a report with the Division of Finance and Corporate  
 4 Securities. The report shall be filed every calendar quarter in which funds are raised using an  
 5 exemption. The report shall list the name and mailing address of every Oregon investor along  
 6 with the date and amount of the investor's purchase. Reports are due no later than the tenth  
 7 calendar day of the month following the end of the quarter. If Gigapix has no qualifying sales  
 8 during any calendar quarter, it shall file a report so indicating. Failure to file the report, when  
 9 circumstances require Gigapix to do so, shall constitute a violation of this Order. These  
 10 conditions on the use of exemptions are effective from the date of this Order until August 1,  
 11 2011.

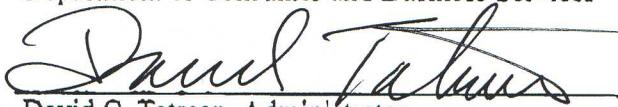
12 14. Respondents agree to provide their full cooperation and assistance to the  
 13 Director in any further investigations of allegations of the Oregon Securities Law arising from  
 14 or related to this matter.

15 15. The date of this Order is the day the Director signs the Order.

16 16. The entry of this Order in no way limits further remedies which may be  
 17 available to the Director under Oregon law.

18 Dated this 2nd day of September, 2008 at Salem, Oregon.

19 CORY STREISINGER, Director  
 20 Department of Consumer and Business Services

21 

22 David C. Tatman, Administrator  
 23 Division of Finance and Corporate Securities

24 CORPORATE CONSENT TO ENTRY OF ORDER  
 (for Gigapix Studios, Inc.)

25 I, Christopher J. Blauvelt, state that I am an officer of Gigapix Studios, Inc. and I am  
 26 authorized to act on its behalf; that I have read the foregoing Order and that I know and fully

Division of Finance and Corporate Securities  
 Labor and Industries Building  
 330 Winter Street NE, Suite 410  
 Salem, OR 97301-3881  
 Telephone (503) 378-4387



1 understand the contents hereof; that I and this entity have been advised of the right to a  
 2 hearing and of the right to be represented by counsel in this matter; that Gigapix Studios, Inc.,  
 3 voluntarily and without any force or duress, consents to the entry of this Order, expressly  
 4 waiving any right to a hearing in this matter; that Gigapix Studios, Inc., makes no admission  
 5 of liability with respect to the Findings of Fact in the foregoing Order; that Gigapix Studios,  
 6 Inc., executes this Consent as a settlement of the matters referred to in the foregoing Order;  
 7 that Gigapix Studios, Inc., understands that the Director reserves the right to take further  
 8 actions to enforce this Order or to take appropriate action upon discovery of other violations  
 9 of the Oregon Securities Law; and that Gigapix Studios, Inc., will fully comply with the terms  
 10 and conditions stated herein.

9 Gigapix Studios, Inc., further assures the Director that neither Gigapix Studios, Inc.,  
 10 nor its officers, directors, employees or agents will effect securities transactions in Oregon  
 11 unless such activities are in full compliance with chapter 59 of the Oregon Securities Revised  
 12 Statutes.

Gigapix Studios, Inc., understands that this Consent Order is a public document.

Dated this 14<sup>th</sup> day of AUGUST, 2008.

By:   
 Christopher J. Blauvelt  
 Chief Executive Officer

CORPORATE ACKNOWLEDGMENT

19 There appeared before me this 14<sup>th</sup> day of August, 2008, Christopher  
 20 J. Blauvelt, who was first duly sworn on oath, and stated that he is the Chief Executive  
 21 Officer of Gigapix Studios, Inc., and that he is authorized and empowered to sign this Consent  
 22 to Entry of Order on behalf of Gigapix Studios, Inc., and to bind Gigapix Studios, Inc. to the  
 23 terms hereof.

  
 Signature of Notary

My commission expires: \_\_\_\_\_

 DAMIAN LAMAR CHRISTIE  
 Commission # 1757818  
 Notary Public - California  
 Los Angeles County  
 My Comm. Expires Jul 19, 2011

25 ///  
 26 ///

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 Commission # 1757818  
 Notary Public - California  
 Los Angeles County  
 My Comm. Expires Jul 19, 2011

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CONSENT TO ENTRY OF ORDER  
(for Christopher J. Blauvelt individually)

I, Christopher J. Blauvelt, state that I am a resident of the State of California, that I have read the foregoing Order and that I know and fully understand the contents hereof; that I make no admission of liability with respect to the Findings of Fact in the foregoing Order; that I execute this consent as a settlement of the matter referred to in the Order; that I have been advised of my right to a hearing, and that I have been represented by counsel in this matter; that I voluntarily consent to the entry of this Order without any force or duress, expressly waiving any right to a hearing in this matter; that I understand that the Director reserves the right to take further actions against me to enforce this Order or to take appropriate action upon discovery of other violations of the Oregon Securities Law by me; and that I will fully comply with the terms and conditions stated herein.

I further assure the Director that I will not engage in the activities of a broker dealer, investment adviser, or mortgage broker, or act as a salesperson for any of these unless such activities are in full compliance with chapter 59 of the Oregon Revised Statutes.

I understand that this Consent Order is a public document.

Dated this 14<sup>th</sup> day of AUGUST, 2008.

Christopher J. Blauvelt

SUBSCRIBED AND SWORN to before me this 14<sup>th</sup> day of August, 2008.

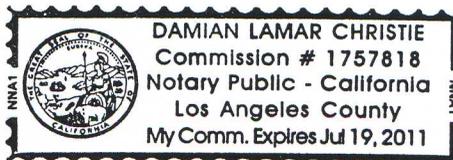
Signature of Notary

My commission expires: \_\_\_\_\_

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Telephone: (503) 378-4387



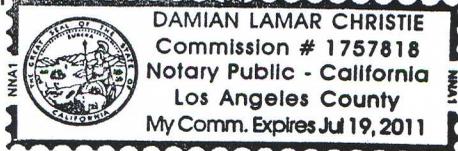
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State of California  
County of Los Angeles

Subscribed and sworn to (or affirmed) before me on this 14th  
day of August, 2008, by Christopher Blauvelt

proved to me on the basis of satisfactory evidence to be the  
person(s) who appeared before me.



(Seal)

Signature

A handwritten signature in black ink, appearing to read "Christopher Blauvelt", written over a horizontal line.

*Consent to Entry of order.*