

1 PRESTON DuFAUCHARD
California Corporations Commissioner
2 ALAN S. WEINGER
Acting Deputy Commissioner
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Senior Corporations Counsel
4 Department of Corporations
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7 BEFORE THE DEPARTMENT OF CORPORATIONS
8 OF THE STATE OF CALIFORNIA
9

10 In the Matter of THE CALIFORNIA) FILE NO. ALPHA
11 CORPORATIONS COMMISSIONER,)
12 Complainant,) STIPULATION TO FINAL ORDER THAT
13 vs.) GIGAPIX STUDIOS, INC., OZ3D LLC,
14) CHRISTOPHER BLAUVELT, AND GREG
15 GIGAPIX STUDIOS, INC., OZ3D LLC,) PUSATERI DESIST AND REFRAIN FROM
16 CHRISTOPHER BLAUVELT, and GREG) THE OFFER AND SALE OF UNQUALIFIED,
17 PUSATERI,) NON-EXEMPT SECURITIES IN VIOLATION
18 Respondents) OF CORPORATIONS CODE SECTION 25110
19) and FROM MISREPRESENTING AND
20) OMITTING MATERIAL FACTS IN
21) CONNECTION WITH THE OFFER AND
22) SALE OF SECURITIES IN VIOLATION OF
CORPORATIONS CODE SECTION 25401
23)
24)
25)
26)
27)
28)

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24 IT IS HEREBY STIPULATED BY AND BETWEEN RESPONDENTS GIGAPIX
25 STUDIOS, INC., OZ3D LLC, CHRISTOPHER BLAUVELT, AND GREG PUSATERI
26 (“RESPONDENTS”), AND PRESTON DuFAUCHARD, THE CALIFORNIA CORPORATIONS
27 COMMISSIONER (COMMISSIONER), AS FOLLOWS:

28 WHEREAS, on April 8, 2009, the COMMISSIONER issued a Desist and Refrain Order
against Gigapix Studios, Inc., OZ3D LLC, Christopher Blauvelt, and Greg Pusateri for: 1) the offer

1 and sale of securities that were in the opinion of the COMMISSIONER unqualified, non-exempt
2 securities in violation of Corporations Code section 25110; and 2) the misrepresentation and
3 omission of material facts in connection with the offer and sale of securities that were in the opinion
4 of the COMMISSIONER in violation of Corporations Code section 25401. Attached hereto as
5 **Exhibit A** and incorporated by reference is a true and correct copy of the Desist and Refrain Order
6 dated April 8, 2009.

7 WHEREAS, Respondents, without admitting or denying such charges, seek to resolve the
8 concerns of the COMMISSIONER by entering into this Stipulation regarding such Order.

9 WHEREAS, the COMMISSIONER finds that this action is appropriate in the public interest
10 and consistent with the purposes fairly intended by the policy and provisions of this law.

11 NOW, THEREFORE, the parties hereby stipulate and agree as follows:

12 1. Respondents hereby acknowledge that the COMMISSIONER is ready, willing and
13 able to grant a hearing in relation to the above mentioned Order, which Respondents have a right to;
14 Respondents hereby voluntarily waive their right to a hearing in relation to the Desist and Refrain
15 Order for violations of Corporations Code section 25110, for offering and selling unqualified, non-
16 exempt securities and for violations of Corporations Code section 25401, for misrepresenting and
17 omitting material facts in connection with the offer and sale of securities. In waiving their right to a
18 hearing, Respondents admit no violation, liability, fault or breach of any statute, regulation or order;

19 2. In return, the COMMISSIONER amends paragraph 8 of the above-mentioned Order
20 to read as follows:

21 “In connection with the offer and sale of these securities, Gigapix, OZ3D, Blauvelt, or
22 Pusateri, made, or caused to be made, misrepresentations of material fact or omitted to state material
23 facts necessary in order to make the statements made, in the light of the circumstances under which
24 they were made, not misleading. These misrepresentations and omissions were the following:

25 (a) Gigapix, OZ3D, Blauvelt, and Pusateri omitted to inform investors that the State of
26 Wisconsin, Division of Securities, issued an Order of Prohibition against Gigapix and Blauvelt in
27 2005, prohibiting Gigapix and Blauvelt from offering securities to citizens in the State of Wisconsin
28 without obtaining a license.

(b) Gigapix misrepresented to investors that the Private Placement Memorandum sent to

1 prospective investors contained no misrepresentations or omissions of material fact when in fact
2 Gigapix omitted to inform investors in the Private Placement Memorandum that the State of
3 Wisconsin, Division of Securities, issued an Order of Prohibition against Gigapix and Blauvelt in
4 2005, prohibiting Gigapix and Blauvelt from offering securities to citizens in the State of Wisconsin
5 without obtaining a license.”

6 3. Nothing in the above-mentioned Order is intended to prevent Respondents from
7 offering and selling any security pursuant to a qualification or to any exemption from the
8 qualification requirement under the Corporations Code.

9 4. Respondents acknowledge that pursuant to Corporations Code section 25255,
10 remedies for violations of the California Corporate Securities Law of 1968 (“CSL”) (Corporations
11 Code section 25000, et seq.) are not exclusive and may be sought and employed in any combination
12 to enforce that law. Therefore, it is further stipulated that this agreement does not preclude the
13 COMMISSIONER from seeking additional remedies against Respondents for violating the Order or
14 any law under the COMMISSIONER’S jurisdiction not related to this investigation. These remedies
15 include, but are not limited to, administrative actions, civil injunctive and ancillary relief and making
16 a criminal referral pursuant to California law;

17 5. Respondents acknowledge that nothing in this Stipulation shall preclude the
18 COMMISSIONER, or his agents or employees, to the extent authorized by law, from assisting or
19 cooperating in any investigation and/or action brought by any other federal, state or county agency.
20 Respondents further agree that this Stipulation shall not bind or otherwise prevent any other federal,
21 state or county agency from the performance of its duties;

22 6. Respondents enter into this Stipulation voluntarily and without coercion and
23 acknowledge that no promises, threats or assurances have been made by the COMMISSIONER or
24 any officer, or agent thereof, about this Stipulation; and

25 7. Respondents and the COMMISSIONER agree that this Stipulation may be executed
26 in one or more separate counterparts, each of which when so executed, shall be deemed an original.
27 A fax signature shall be deemed the same as an original signature. Such counterparts shall together
28 constitute and be one and the same instrument.

8. Each signator hereto covenants that he/she possesses all necessary capacity and

1 authority to sign and enter into this Stipulation.

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3 Dated: 5/13/09

PRESTON DUFAUCHARD
California Corporations Commissioner

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5 By _____
6 ALAN S. WEINGER
7 Acting Deputy Commissioner

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9 Dated: 5/13/09

By _____
GREG PUSATERI, an individual

10
11 Dated: 5/13/09

12 By _____
13 CHRISTOPHER BLAUVELT, an individual
14 and on behalf of GIGAPIX STUDIOS, INC. and
OZ3D LLC

15
16 APPROVED AS TO FORM AND CONTENT:

17 By _____
18 MICHAEL A. OSWALD, ESQ.
19 Oswald & Yap LLP
20 Attorneys for GIGAPIX STUDIOS, INC., OZ3D LLC,
CHRISTOPHER BLAUVELT, and GREG PUSATERI

21
22 By _____
23 JOHNNY VUONG, ESQ.
24 California Corporations Commissioner
Corporations Counsel