

1 PRESTON DuFAUCHARD  
California Corporations Commissioner  
2 ALAN S. WEINGER  
Acting Deputy Commissioner  
3 JOHNNY VUONG (CA BAR NO. 249570)  
Senior Corporations Counsel  
4 Department of Corporations  
320 West 4<sup>th</sup> Street, Suite 750  
5 Los Angeles, CA 90013  
Telephone: (213) 576-7585 Fax: (213) 576-7181  
6

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 )

23  
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.

2  
3 Dated: 5/13/09

PRESTON DUFAUCHARD  
California Corporations Commissioner

4  
5 By \_\_\_\_\_  
6 ALAN S. WEINGER  
7 Acting Deputy Commissioner

8  
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