

STATE OF ALABAMA
ALABAMA SECURITIES COMMISSION

IN THE MATTER OF:)
)
) ADMINISTRATIVE ORDER
GIGAPIX STUDIOS, INC) NO. CD – 2010- 0036
CHRISTOPHER J. BLAUVELT)
)
RESPONDENTS)

CEASE AND DESIST ORDER

The Alabama Securities Commission ("Commission"), having authority to administer and provide for the enforcement of all provisions of Title 8, Chapter 6, Code of Alabama 1975, the Alabama Securities Act ("Act"), upon due consideration of the subject matter hereof, and having confirmed information of the offers for sale and/or sale of securities, into, within or from the state of Alabama, has determined as follows:

RESPONDENTS

1. **GIGAPIX STUDIOS, INC ("GIGAPIX")** is a California based, motion picture computer graphic studio corporation, with a business address of 9333 Oso Avenue, Chatsworth, CA 91311.

2. **CHRISTOPHER J. BLAUVELT ("BLAUVELT")** at all times relevant was listed as the Chief Executive Officer and Director of GIGAPIX with a business address of 9333 Oso Avenue, Chatsworth, CA 91311.

STATEMENT OF FACTS

3. The Commission is in receipt of information that on or about June, 2007, a representative of **GIGAPIX** who identified herself as "Jackie" "cold called" an Alabama resident and engaged in the offer and/or sale of unregistered securities, offering for sale shares of Common Stock and Warrants in **GIGAPIX**.

4. When interviewed by Commission staff about the investment, the Alabama resident stated that there was no prior business relationship with **RESPONDENTS**. Shortly after the "cold call," the Alabama resident received offering documents in the mail which show that **GIGAPIX** is in the business of creating computer generated imagery animation and operates a visual special effects studio. These offering documents revealed that **BLAUVELT** is the CEO and Director of **GIGAPIX**.

5. The Offering Memorandum describes the investment offered to the Alabama resident as: "Units" sold to investors who satisfy certain suitability standards for a cash price of \$1.00 per "Unit." Each "Unit" consists of one share of Common Stock and four Warrants to purchase shares of Common Stock. Each Warrant is exercisable for one share of Common Stock at an exercise price of \$1.00 and expires on July 31, 2011.

6. On or about August, 2007, the Alabama resident dispatched a personal check from a Regions account in the amount of \$10,000.00 to **GIGAPIX**. For this investment the Alabama resident received 10,000 shares of **GIGAPIX** and 40,000 warrants. The warrants guaranteed that the Alabama resident could purchase additional shares at a later date for \$1.00 a share no matter what the public offering would be.

7. A review of the files of the Commission conducted on April 7, 2010, disclosed that **RESPONDENTS** were neither registered nor exempt from registration to offer and/or sell securities and that no security was registered as being offered by **RESPONDENTS**.

CONCLUSIONS OF LAW

8. Section 8-6-2 (10), Code of Alabama 1975, enumerates "stock" as a security. The stock offered by **GIGAPIX** and purchased by the Alabama investor is a security under the Act.

9. Section 8-6-2(2), Code of Alabama 1975, defines “agent” as any individual who represents a dealer or an issuer in effecting or attempting to effect sales of securities. **BLAUVELT** by soliciting and effecting sales of securities to an Alabama resident is a security “Agent” as defined by the Act.

10. Pursuant to Section 8-6-3(a), Code of Alabama 1975, it is unlawful for any person to transact business in this state as a Dealer or Agent for securities unless he is registered under this article. The definition of Agent in Section 8-6-2(2), Code of Alabama 1975, includes any individual who represents a Dealer or an Issuer in effecting or attempting to effect sales of securities. **BLAUVELT** acted as an Agent of **GIGAPIX** and transacted business in Alabama without benefit of registration in violation of Section 8-6-3(a).

11. Pursuant to Section 8-6-4, Code of Alabama 1975, states: “It is unlawful for any person to offer or sell any security in this state unless it is registered under this article; the security is exempt from registration under Section 8-6-10; or the transaction is exempt under Section 8-6-11.” The securities offered and sold by **RESPONDENTS** were neither registered nor exempt from registration in Alabama in violation of Section 8-6-11.

This Order is appropriate in the public interest for the protection of investors and is consistent with the purposes of the Alabama Securities Act.

This Order does not prevent the Commission from seeking such other civil or criminal remedies that are available to it under the Alabama Securities Act.

Additionally, if the allegations set forth herein are found to be true, through administrative adjudication, failure of the **RESPONDENTS** to make a timely request for hearing, or default of the **RESPONDENTS**, it is the intention of the Commission to impose sanctions upon the **RESPONDENTS**. Such sanctions may include, inter alia, an administrative assessment imposed on **RESPONDENTS**, an additional administrative

assessment for investigative costs arising from the investigation of the violation(s) described herein against **RESPONDENTS**, and a permanent order to bar **RESPONDENTS** from participation in any securities related industry in the state of ALABAMA.

ACCORDINGLY, IT IS HEREBY ORDERED that **RESPONDENTS** immediately **CEASE AND DESIST** from further offers or sales of any security into, within or from the State of Alabama.

Entered at Montgomery, Alabama, this 1st day of July, 2010.



ALABAMA SECURITIES COMMISSION
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(334) 242-2984

BY:

A handwritten signature in black ink, appearing to read "Joseph P. Borg", is written over the printed name. The signature is stylized with long, sweeping strokes.

JOSEPH P. BORG

Director