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**TATE OF WASHINGTON
DEPARTMENT OF FINANCIAL INSTITUTIONS
SECURITIES DIVISION**

IN THE MATTER OF DETERMINING
Whether there has been a violation of the
Securities Act of Washington by:

BlueRay Technologies, LLC;
BlueStar Technologies, Inc.; BlueStar Digital
Technologies, Inc.; Erick Hansen;
Matthew Richmond; Brandie Miller; Sean Michael,

Respondents.

Order No.: S-09-478-11-TO01

SUMMARY ORDER TO CEASE AND DESIST,
AND NOTICE OF INTENT TO IMPOSE FINES,
AND CHARGE COSTS

THE STATE OF WASHINGTON TO:

**BlueRay Technologies, LLC
BlueStar Technologies, Inc.
BlueStar Digital Technologies, Inc.
Erick Hansen
Matthew Richmond
Brandie Miller
Sean Michael**

STATEMENT OF CHARGES

Please take notice that the Securities Administrator of the state of Washington has reason to believe that Respondents, BlueRay Technologies, LLC; BlueStar Technologies, Inc.; BlueStar Digital Technologies, Inc.; Erick Hansen; Matthew Richmond; Brandie Miller; and Sean Michael, have each violated the Securities Act of Washington and that their violations justify the entry of an order against the Respondents to cease and desist from such violations pursuant to RCW 21.20.390. The Securities Administrator finds that a delay in ordering the Respondents to cease and desist from such violations would be hazardous to the investors and to the public and that a Summary Order to Cease and Desist should be entered immediately.

The Securities Administrator finds as follows:

TENTATIVE FINDINGS OF FACT

Respondents

1. BlueRay Technologies, LLC ("BlueRay, LLC") is a California limited liability company formed on December 5, 2006. BlueRay, LLC conducted business from 5301 Beethoven Street, Suite 130, Los Angeles, California 90066 and 1119 W. 1st Avenue, Spokane, Washington 99201.

1 2. BlueStar Technologies, Inc. ("BlueStar, Inc.") is a Washington corporation formed on July 2, 2007.
2 BlueStar, Inc. was formerly known as BlueRay Technologies, Inc. until September 2008. The name change
3 purportedly occurred to avoid conflicts with Sony. Its principal place of business is 1119 W. 1st Avenue, Spokane,
4 Washington 99201.

5 3. BlueStar Digital Technologies, Inc. ("BlueStar Digital") is a Nevada corporation formed on May 5,
6 2009. Its principal place of business is 1119 W. 1st Avenue, Spokane, Washington 99201.

7 4. Erick Hansen ("Hansen") is believed to reside in Washington. Hansen was the founder, President, and
8 CEO of BlueRay Technologies, LLC, BlueStar Technologies, Inc., and BlueStar Digital Technologies, Inc.

9 5. Matthew Richmond ("Richmond") held the title of "Investor Relations" at BlueRay Technologies,
10 LLC. Richmond solicited at least one investor for BlueRay, LLC.

11 6. Brandie Miller ("Miller") held the title of "Investor Relations" at BlueRay Technologies, LLC. Miller
12 solicited at least one investor for BlueRay, LLC.

13 7. Sean Michael ("Michael") is the VP Global Development of BlueStar Digital Technologies, Inc.
14 Michael solicited at least one investor for BlueStar Digital.

15 Other Related Entities

16 8. Blue Ray Technologies, Inc. ("Blue Ray Tech, Inc.") is a suspended California corporation formed on
17 April 14, 2004. Hansen was the Chairman of Blue Ray Tech, Inc.

18 9. Pacific First West LLC ("Pacific First West") is an inactive Washington limited liability company
19 formed on March 27, 2007. Hansen was the managing member of Pacific First West.

20 10. BlueRay Technology Shareholders, LLC ("BlueRay Technology Shareholders") is a revoked Nevada
21 limited liability company formed on May 9, 2007. Hansen was the manager of BlueRay Technology Shareholders.

22 11. BlueStar Technologies & Manufacturing, LLC ("BlueStar T & M") is a Washington limited liability
23 company formed on July 27, 2007. BlueStar T & M was formerly known as BlueRay Technologies & Manufacturing,
24 LLC until September 2008. Its principal place of business is 1119 W. 1st Avenue, Spokane, Washington 99201.
25 Hansen is the managing member of BlueStar T & M.

Nature of the Conduct

Introduction

12. Beginning no later than December 2006, Respondent Hansen offered and sold investments in various companies he formed and controlled in an effort to raise funds to manufacture and produce Blu-ray Discs, products, and hardware. Blu-ray Disc is a high-density optical disc that is able to hold up to five times the capacity of a traditional DVD. The technology was developed by the Blu-ray Disc Founders, which included Sony. In 2005, the Blu-ray Disc Founders announced the creation of the Blu-ray Disc Association. Blu-ray Disc format and logo licensing can be obtained through the Blu-ray Disc Association License Office. As of September 12, 2011, none of the entities listed in Paragraphs 1 through 3, and Paragraphs 8 through 11 above (collectively, “BlueStar entities”) appears on the licensee lists on the Blu-ray Disc Association License Office’s website.

13. Respondent Hansen initially offered and sold interests in BlueRay, LLC. Around March 2008, BlueRay, LLC engaged in a second round offering of its Class B units in an attempt to raise additional capital, purportedly to purchase additional equipment.

14. Respondent Hansen also engaged in several other offerings throughout the years. Although the companies through which Respondent Hansen conducted the offerings changed, the purpose for which he was raising funds generally remained the same: to manufacture and produce Blu-ray Discs and products. In 2007, he offered and sold stock in BlueStar, Inc. In 2010, he solicited capital for BlueStar Digital and also offered investors the opportunity to exchange their BlueRay, LLC interests and BlueStar, Inc. stock for BlueStar Digital stock.

15. The solicitation for investments and ongoing offers continued into 2011. As recently as August 2011, Respondent Michael contacted at least one investor by telephone and represented that BlueStar Digital would be “going public” within seven days in an effort to solicit funds for the company.

BlueRay, LLC Offerings

Initial BlueRay, LLC Offering

1 16. In 2006, Respondent Hansen formed BlueRay, LLC and began an offering of its limited liability
2 company interests (“LLC interests”). These LLC interests were sold pursuant to a private placement memorandum
3 dated November 15, 2006 (“PPM”).

4 17. BlueRay, LLC was purportedly formed to finance the start-up and operations for BlueRay
5 Technologies, Inc., which was to manufacture Blu-ray Discs and Blu-ray hardware. The PPM represented that
6 BlueRay Technologies, Inc., which was purportedly incorporated in California on June 23, 2006, was the manager of
7 BlueRay, LLC. However, that is inconsistent with the information found on the California Secretary of State’s website,
8 as there are no records indicating that such an entity was properly formed and registered with the California Secretary
9 of State on that date. It is unknown whether Blue Ray Tech, Inc., discussed in Paragraph 8 above and which was
10 formed in April 2004, was the purported manager of BlueRay, LLC.

11 18. From approximately December 2006 through April 2008, BlueRay, LLC conducted a nationwide
12 offering of its LLC interests in an attempt to raise \$4 million from the sale of 160 units of LLC interests. Each unit,
13 which consisted of 2,500 shares or LLC interests, cost \$25,000 to purchase. For each unit of BlueRay, LLC purchased,
14 investors were also to receive 2,500 common stock warrants in its purported manager, BlueRay Technologies, Inc.

15 19. BlueRay, LLC offered and sold approximately \$4.7 million worth of LLC interests to approximately
16 107 investors, including about \$399,700 to approximately 10 Washington residents. Most investors completed a
17 purchaser questionnaire and signed a subscription agreement which provided that the LLC interests were being offered
18 pursuant to the PPM dated November 15, 2006. Investors typically received a “Member Certificate” which provided
19 that the investor was a member of BlueRay Technologies, LLC, “a Limited Liability Company organized under the
20 Laws of the State of California.” The certificates were signed by Hansen for “BlueRay Technologies, Inc., Manager.”

21 20. At least two Washington residents learned of the investment opportunity through unsolicited telephone
22 calls from representatives of BlueRay, LLC. The Washington residents did not have a prior pre-existing relationship
23 with the representatives or BlueRay, LLC. At least one Washington residents received numerous telephone calls from
24 BlueRay, LLC soliciting his investment.
25

1 21. The other Washington resident was told during the initial solicitation telephone call that BlueRay,
2 LLC was the first manufacturer of Blu-ray Discs in the United States, and that all manufacturing would occur in
3 Spokane, Washington, where the company was currently in the process of building a manufacturing plant. The
4 Washington resident was informed that his investment would be used to purchase equipment and make the plant
5 operational. Subsequently, the Washington resident received an email from Respondent Richmond, which included a
6 link to an "Investor Information Website." The website, which could be accessed with a username and password,
7 purportedly contained information on the company's business plan and return on investment projections. Respondent
8 Richmond attached a copy of the PPM and subscription documents to the email. He also provided the Washington
9 resident with a tour of the company's plant in Spokane. Respondent Richmond represented that the company could
10 produce "an astronomical number of DVDs" and "would be the next great DVD manufacturer in the world." The
11 Washington resident decided to invest after the tour of the plant.

12 22. According to BlueRay, LLC's Profit and Loss Statement, the company had a net loss of \$1,003,992.10
13 for the period from January through December 2008. For the period from January through September 2009, the Profit
14 and Loss Statement showed a net loss of \$639,746.86.

15 *BlueRay, LLC "Class B unit" offering*

16 23. Starting no later than spring 2008, BlueRay, LLC started an offering of its "Class B units,"
17 purportedly to acquire additional production line equipment. BlueRay, LLC raised approximately \$340,000 from
18 selling Class B units to approximately 12 investors, including about \$75,000 from at least three Washington residents.
19 Investors who purchased Class B units signed subscription agreements that were virtually identical to the subscription
20 agreements signed by investors in the initial offering. The subscription agreements represented that the units were
21 being offered pursuant to the PPM dated November 15, 2006. Neither the subscription agreement nor the PPM
22 disclosed how the rights of investors holding Class B units differed from the rights of other investors.

23 24. At least one Washington resident learned of the investment opportunity through numerous unsolicited
24 telephone calls from Respondent Miller. The Washington resident did not have a prior pre-existing relationship with
25 Respondent Miller or BlueRay, LLC. The Washington resident was not told how Class B units differed from any other

1 units offered by BlueRay, LLC. The Washington resident viewed five-year profit projections on BlueRay, LLC's
2 website, which he was able to access with a password and username.

3 *BlueStar, Inc. stock offering and warrants*

4 BlueStar, Inc. stock offering

5 25. Beginning no later than August 2007, Respondent Hansen began offering and selling stock in
6 BlueStar, Inc. At least four Washington residents purchased \$225,000 worth of stock in BlueStar, Inc. Most of the
7 Washington residents were members of the local community who were solicited by Respondent Hansen. They were
8 typically told that their investment would be used to manufacture Blu-ray Discs, or purchase equipment and machinery
9 to produce discs.

10 26. Respondent Hansen provided one Washington resident with a tour of the plant. He represented that the
11 company had the capability to manufacture approximately 100,000 discs per day and expected to generate profits of
12 two to three cents per disc. He failed to provide this Washington resident with any financial statements or offering
13 materials. Respondent Hansen represented to another Washington resident, who invested in August 2007, that the
14 company was supposed to "go public" within the next three years, and the Washington resident could expect a 600% to
15 1100% return on his investment if things continued in the direction they were headed. He failed to provide any
16 reasonable basis for this projection.

17 27. In a letter to an investor, dated November 2, 2009, BlueStar, Inc. indicated that it had not yet
18 generated any revenue or profit, but it was "very close to turning major profits."

19 BlueStar, Inc. warrants

20 28. For each unit of BlueRay, LLC purchased, investors typically received 2,500 common stock warrants
21 in BlueRay Technologies, Inc., its purported manager. Beginning no later than December 2008, approximately 39
22 investors, including approximately six Washington residents, exercised their warrants at \$1 per share and purchased
23 approximately \$220,500 worth of stock. At least one investor was told that the company needed additional funds to
24 continue operations.

1 29. One Washington investor met with Respondent Hansen in Spokane prior to exercising his warrants.
2 During this meeting, Respondent Hansen solicited the Washington investor to exercise his warrants by telling him
3 about the contracts the company had entered into, including a contract with Michael Jackson's family.

4 30. Upon exercising their warrants, investors typically received stock certificates issued by BlueStar, Inc.,
5 which represented that the investor was a "member of BlueStar Technologies, Inc.; organized under the Laws of the
6 State of Washington." It appears that the investor's BlueRay, LLC interests were converted into BlueStar, Inc. stock
7 upon exercising the warrants, as the number of shares listed on the investor's BlueStar, Inc. stock certificate appears to
8 represent the total combined number of BlueRay, LLC interests and BlueStar, Inc. stock owned by the investor.
9 Respondent Hansen and BlueStar, Inc. failed to disclose to at least two investors that such a conversion would occur
10 upon exercising the warrants. They further failed to disclose how the conversion would affect the investor's rights,
11 including but not limited to the payment of any dividends.

12 *BlueStar Digital offerings*

13 *BlueStar Digital offering and transfer request*

14 31. Around July 2010, at least one investor received a newsletter from BlueStar, Inc. soliciting capital for
15 BlueStar Digital. The newsletter did not explain the relationship between BlueStar, Inc. and BlueStar Digital, but
16 represented that BlueStar Digital was in the "final phases of opening its doors to production and normal daily
17 operations" and solicited \$450,000 for "final startup expenses" for the company. The newsletter offered investors who
18 had previously executed warrants the opportunity to exercise the warrants again for a period of 90 days from the date
19 of the newsletter. It is unknown how many investors received this newsletter, or if BlueStar Digital raised any funds in
20 this offering.

21 32. Additionally, around September 2010, investors were requested to transfer their BlueRay, LLC
22 interests and BlueStar, Inc. stock to BlueStar Digital, which was to be the "umbrella company" of all entities. BlueStar
23 Digital would then purportedly issue new stock certificates to all investors.

24 *BlueStar Digital ongoing offers*

1 33. On or about August 12, 2011, an investor received a telephone call from Respondent Michael
2 soliciting additional funds for BlueStar Digital. During this telephone call, Respondent Michael represented that the
3 company had new contracts in place and would begin production soon. According to Respondent Michael, Respondent
4 Hansen was willing to sell the investor some of his own shares at a reduced price as a reward for “sticking with the
5 company.” Respondent Michael further represented that the company would be “going public” within seven days.

6 34. A few days later, Respondent Michael sent the investor an email which included several attachments,
7 including a subscription agreement for BlueStar Digital and wiring instructions. In the email, Respondent Michael
8 stated that “[e]veryone is all so excited for the company’s recent success’s [sic] which are proving to be so timely,
9 being named now ‘the only independent American Blu ray manufacturer in the United States’ by Sony, Philips,
10 Panasonic[,] Samsung, Etc..” Respondent Michael explained that, for an additional \$10,000 investment, an investor
11 who had originally invested \$40,000 to purchase 4,000 shares would be granted an additional 30,000 shares of
12 BlueStar Digital. He encouraged the investor to “make [his] decision soon as possible to expedite [his] certificate.”

13 *Litigation involving BlueStar entities*

14 35. In or around January 2008, a Washington corporation filed a lawsuit in Washington State Superior
15 Court against BlueRay Technologies, Inc., BlueStar, Inc., and BlueStar T & M, alleging breach of contract. The
16 plaintiff alleged that the defendants failed to pay for electrical work plaintiff had performed. In March 2009, a
17 judgment in the amount of \$75,997.39 was entered in favor of the plaintiffs. As of August 30, 2011, the judgment has
18 not been satisfied.

19 36. In or around April 2008, a BlueStar, Inc. shareholder filed a complaint in Washington State Superior
20 Court for the production of corporate records. It is believed that in or about May 2008, a decision was made in favor of
21 defendants.

22 37. On or about May 27, 2008, the California Corporations Commissioner issued a Complaint for
23 Injunctive Relief; Civil Penalties; and Ancillary Relief against Respondent Hansen, Respondent Richmond, Bob
24 Reynolds, BlueRay, LLC, and Blue Ray Tech, Inc., alleging the offer and sale of unqualified, non-exempt securities;
25 misrepresentation or omission of material facts; and violation of prior desist and refrain order issued by the

1 Commissioner. On or about November 10, 2008, a Settlement Agreement to Entry of Final Judgment of Permanent
2 Injunction and Other Ancillary Relief was entered as to Respondent Hansen, BlueRay, LLC, and Blue Ray Tech, Inc.,
3 and on or about December 11, 2008, a Stipulation to Entry of Final Judgment of Permanent Injunction and Other
4 Ancillary Relief was entered. Defendants were ordered to make rescission offers to all California investors, which
5 included an offer of a full refund of the investor's investment and an amount equal to 10.5% of the original investment.

6 38. In or around October 2008, a Washington corporation filed a lawsuit in Washington State Superior
7 Court against Pacific First West and Respondent Hansen. The plaintiff alleged that Pacific First West and Respondent
8 Hansen failed to pay for remodeling work plaintiff had performed on the building located at 1119 W. 1st Avenue in
9 Spokane. In or around January 2009, a default judgment in the amount of \$276,683.74 was entered in favor of the
10 plaintiff. The judgment was satisfied in December 2009.

11 39. In or around March 2009, a Washington investor filed a lawsuit in Washington State Superior Court
12 against BlueStar T & M, BlueStar, Inc., and Respondent Hansen for the production of corporate documents. A
13 summary judgment was entered in the investor's favor on or about November 13, 2009. According to the investor,
14 Respondent Hansen was ordered to pay the investor's attorney fees in three payments. However, as of January 2011,
15 Respondent Hansen had only made two payments. On or about April 29, 2011, the Washington investor filed another
16 lawsuit against BlueStar T & M, BlueStar, Inc., and Respondent Hansen in Washington State Superior Court. The
17 lawsuit alleged fraud and violation of the Washington Consumer Protection Act. The plaintiff alleged that as of the
18 date of the suit, BlueStar, Inc. and BlueStar T & M failed to produce a single disc.

19 Misrepresentations and Omissions

20 40. Respondents failed to provide material information to all investors regarding investing in BlueRay,
21 LLC, BlueStar, Inc., and BlueStar Digital, including but not limited to: current financial statements; specific use of
22 proceeds; a complete description of Respondent Hansen's business experience and background; the general and
23 specific risks involved, including the risks of investing in a start-up company with limited operating history; whether
24 the BlueStar entities had procured all necessary licenses to produce, manufacture, distribute, or sell Blu-ray discs; the
25

1 nature of the relationship among the various BlueStar entities; and any litigation involving the companies and/or its
2 principals.

3 41. The PPM indicated that Respondent Hansen distributed a feature film in 1992 as head of Hansen
4 Entertainment, Inc., but failed to disclose that on February 2, 1999, the California Department of Corporations
5 (“California DOC”) issued two Desist and Refrain Orders against Respondent Hansen and Hansen Entertainment, Inc.
6 The first Desist and Refrain Order was for offering and selling unqualified, non-exempt securities. The second Desist
7 and Refrain Order was for selling securities by means of any written or oral communication which includes an untrue
8 statement of a material fact or omits to state a material fact. According to the California DOC, Respondent Hansen
9 failed to request an administrative hearing to challenge the allegations and findings in the Desist and Refrain Orders,
10 and the Orders are now final.

11 42. Respondents failed to disclose to all investors that a company Respondent Hansen was President and
12 CEO of, Optical Disc Media, Inc., which was purportedly in the business of producing DVD discs, filed for Chapter 11
13 bankruptcy in 2002. The case was converted to Chapter 7 in 2003. In February 2006, a \$60,000 judgment was entered
14 against Respondent Hansen in an adversary proceeding.

15 43. Respondents failed to provide all investors with a complete description of all litigation involving
16 Respondent Hansen and/or the BlueStar entities, as set forth in Paragraphs 35 through 39 above. One Washington
17 resident met with Respondent Hansen in-person prior to exercising his warrants in December 2008, as described in
18 Paragraph 29 above. At that time, Respondent Hansen failed to disclose any of the litigation described in Paragraphs
19 35 through 38 above. Additionally, as described in Paragraphs 33 and 34 above, Respondent Michael solicited funds
20 from an investor in August 2011. Respondent Michael failed to disclose the litigation described in Paragraphs 35
21 through 39 above.

22 44. At least one investor received a letter from Respondent Hansen, dated March 12, 2008, announcing
23 that the company had created a new investment structure and soliciting additional funds to purchase mastering
24 equipment for \$3 million and additional “Blu-ray lines” at \$1.5 million each. In the same letter, Respondent Hansen
25 represented that a 100-year-old building had been purchased, and the building was “100% owned by the Members of

1 the LLC.” That statement was misleading because, according to the Spokane County Assessor’s Office, the property
2 was never owned by BlueRay, LLC. The property was purchased by Pacific First West on or about April 19, 2007. On
3 or about May 21, 2009, Pacific First West transferred its interest in the property via quitclaim deed to BlueRay
4 Technology Shareholders. BlueRay Technology Shareholders subsequently sold the property for \$1,870,000 on or
5 about December 3, 2009.

6 45. Respondents Hansen and BlueStar, Inc. failed to provide material information to all investors in
7 connection with the exercise of the warrants and conversion of BlueRay, LLC interests to BlueStar, Inc. stock as
8 described in Paragraphs 28 through 30 above, including but not limited to: financial statements, risks, and a full
9 representation of company history and prior performance information.

10 46. Respondents Hansen and BlueStar Digital failed to provide material information regarding the offer to
11 transfer BlueRay, LLC interests and BlueStar, Inc. shares to shares in BlueStar Digital, including but not limited to:
12 financial statements, risks, and a full representation of company history and prior performance information.

13 Failure to Comply with Regulation D Rule 506

14 47. BlueRay, LLC claimed an exemption from registration for an offering of \$4,000,000 of limited
15 liability interests under federal Regulation D Rule 506 and WAC 460-44A-506 with a notice filing submitted to the
16 Securities Administrator on February 20, 2007. Regulation D Rule 506 prohibits the issuer or any person acting on
17 behalf of the issuer from offering or selling the securities by any form of general solicitation. BlueRay, LLC and its
18 agents offered and sold the LLC interests by unsolicited telephone calls, a form of general solicitation.

19 Registration Status

20 48. BlueRay Technologies, LLC is not currently registered to sell its securities in the State of Washington
21 and has not previously been so registered.

22 49. BlueStar Technologies, Inc. is not currently registered to sell its securities in the State of Washington
23 and has not previously been so registered.

24 50. BlueStar Digital Technologies, Inc. is not currently registered to sell its securities in the State of
25 Washington and has not previously been so registered.

1 51. Erick Hansen is not currently registered as a securities salesperson or broker-dealer in the State of
2 Washington and has not previously been so registered.

3 52. Matthew Richmond is not currently registered as a securities salesperson or broker-dealer in the State
4 of Washington and has not previously been so registered.

5 53. Brandie Miller is not currently registered as a securities salesperson or broker-dealer in the State of
6 Washington and has not previously been so registered.

7 54. Sean Michael is not currently registered as a securities salesperson or broker-dealer in the State of
8 Washington and has not previously been so registered.

9 Based upon the Tentative Findings of Fact, the following Conclusions of Law are made:

10 **CONCLUSIONS OF LAW**

11 1. The offer and/or sale of the investments described above constitute the offer and/or sale of a security
12 as defined in RCW 21.20.005(10) and (12).

13 2. The unsolicited telephone calls described above violate the prohibition of general solicitation of
14 Regulation D, Rule 502(c). Therefore, BlueRay Technologies, LLC failed to meet the requirements to claim the
15 exemption available under federal Regulation D Rule 506 and WAC 460-44A-506.

16 3. The offer and/or sale of said securities violated RCW 21.20.140 because Respondents, BlueRay
17 Technologies, LLC; BlueStar Technologies, Inc.; and BlueStar Digital Technologies, Inc. were not registered to sell
18 securities in the State of Washington.

19 4. Respondents Erick Hansen, Matthew Richmond, Brandie Miller, and Sean Michael violated RCW
20 21.20.040 by offering and/or selling said securities while not being registered as a securities salesperson or broker-
21 dealer in the State of Washington.

22 5. The offer and/or sale of said securities was made in violation of RCW 21.20.010 because, as set forth
23 in the Tentative Findings of Fact, Respondents, BlueRay Technologies, LLC; BlueStar Technologies, Inc.; BlueStar
24 Digital Technologies, Inc.; Erick Hansen; Matthew Richmond; Brandie Miller; and Sean Michael, engaged in an act,
25 practice, or course of business which operated as a fraud or deceit upon people, and made misstatements of material

1 facts or omitted to state material facts necessary in order to make the statements made, in light of the circumstances
2 under which they were made, not misleading.

3 **EMERGENCY**

4 The Securities Administrator finds that an emergency exists, that continued violations of RCW 21.20.040,
5 RCW 21.20.140, and RCW 21.20.010 constitutes a threat to the investing public, and that a summary order to cease
6 and desist from those violations are in the public interest and necessary for the protection of the investing public.

7 **SUMMARY ORDER**

8 Based upon the foregoing:

9 NOW, THEREFORE, IT IS HEREBY SUMMARILY ORDERED that Respondents, BlueRay Technologies,
10 LLC; BlueStar Technologies, Inc.; BlueStar Digital Technologies, Inc.; Erick Hansen; Matthew Richmond; Brandie
11 Miller; Sean Michael, their agents and employees each shall cease and desist from offering or selling securities in any
12 manner in violation of RCW 21.20.140, the section of the Securities Act of Washington requiring registration.

13 IT IS FURTHER SUMMARILY ORDERED that Respondents, BlueRay Technologies, LLC; BlueStar
14 Technologies, Inc.; BlueStar Digital Technologies, Inc.; Erick Hansen; Matthew Richmond; Brandie Miller; Sean
15 Michael, their agents and employees each shall cease and desist from violation of RCW 21.20.010, the anti-fraud
16 section of the Securities Act of Washington.

17 IT IS FURTHER SUMMARILY ORDERED that Respondents, Erick Hansen, Matthew Richmond, Brandie
18 Miller, Sean Michael, their agents and employees each shall cease and desist from violation of RCW 21.20.040, the
19 section of the Securities Act of Washington that requires registration of securities salespersons and broker-dealers.

20 **NOTICE OF INTENT TO IMPOSE FINES**

21 Pursuant to RCW 21.20.395, and based upon the Tentative Findings of Fact and Conclusions of Law, the
22 Securities Administrator intends to order that Respondents, BlueRay Technologies, LLC; BlueStar Technologies, Inc.;
23 BlueStar Digital Technologies, Inc.; and Erick Hansen, shall be jointly and severally liable for and pay a fine of
24 \$40,000.

25 **NOTICE OF INTENT TO RECOVER COSTS**

Pursuant to RCW 21.20.390(5), and based upon the Tentative Findings of Fact and Conclusions of Law, the Securities Administrator intends to order that Respondents, BlueRay Technologies, LLC; BlueStar Technologies, Inc.; BlueStar Digital Technologies, Inc.; Erick Hansen; Matthew Richmond; Brandie Miller; and Sean Michael, shall be jointly and severally liable for and pay the Securities Division the costs, fees, and other expenses incurred in the conduct of the administrative investigation and hearing of this matter of not less than \$7,000.

AUTHORITY AND PROCEDURE

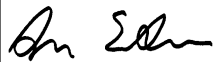
This Order is entered pursuant to the provisions of RCW 21.20.390 and is subject to the provisions of Chapter 34.05 RCW. The Respondents may each make a written request for a hearing as set forth in the NOTICE OF OPPORTUNITY TO DEFEND AND OPPORTUNITY FOR HEARING accompanying this Order. If a Respondent does not request a hearing in the allowed time, the Securities Administrator intends to adopt the above Tentative Findings of Fact and Conclusions of Law as final, enter a permanent cease and desist order as to that Respondent, and impose the fine and/or charge costs, as sought in this Summary Order.

Signed and Entered this 26th day of October, 2011.



William M. Beatty
Securities Administrator

Approved by:



Suzanne E. Sarason
Chief of Enforcement

Presented by:



Jiyoung C. Kwon
Financial Legal Examiner