

# SECURITIES AND EXCHANGE COMMISSION

## FORM 4

Statement of changes in beneficial ownership of securities

Filing Date: **2006-08-03** | Period of Report: **2006-08-01**  
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### ISSUER

#### DigitalFX International Inc

CIK: **1095691** | IRS No.: **650358792** | State of Incorporation: **FL** | Fiscal Year End: **1231**  
SIC: **7373** Computer integrated systems design

Mailing Address  
3035 EAST PATRICK LANE  
SUITE 9  
LAS VEGAS NV 89120

Business Address  
3035 EAST PATRICK LANE  
SUITE 9  
LAS VEGAS NV 89120  
7029389271

### REPORTING OWNER

#### Ellins Craig

CIK: **1366150**  
Type: **4** | Act: **34** | File No.: **000-27551** | Film No.: **061003629**

Mailing Address  
3035 EAST PATRICK LANE  
SUITE 9  
LAS VEGAS NV 89120

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702-938-9300

# FORM 4

## UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

### OMB APPROVAL

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### STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

1. Name and Address of Reporting Person <b>Ellins Craig</b>			2. Issuer Name and Ticker or Trading Symbol <b>DigitalFX International Inc [DFXN]</b>			5. Relationship of Reporting Person(s) to Issuer (Check all applicable) <input checked="" type="checkbox"/> Director <input checked="" type="checkbox"/> 10% Owner <input checked="" type="checkbox"/> Officer (give title below) <input type="checkbox"/> Other (specify below) <b>Chairman, CEO &amp; President</b>		
(Last)	(First)	(Middle)	3. Date of Earliest Transaction (Month/Day/Year) <b>08/01/2006</b>			6. Individual or Joint/Group Filing (Check applicable line) <input checked="" type="checkbox"/> Form Filed by One Reporting Person <input type="checkbox"/> Form Filed by More than One Reporting Person		
C/O DIGITALFX INTERNATIONAL, INC., 3035 EAST PATRICK LANE, SUITE 9			4. If Amendment, Date Original Filed(Month/Day/Year)					
(Street) <b>LAS VEGAS, NV 89120</b>								
(City)	(State)	(Zip)						

**Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned**

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)		4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)			5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price			
Common Stock	08/01/2006		J <sup>(1)</sup>		4,223,315	A	\$ 0 <sup>(1)</sup>	4,223,315	D	
Common Stock	08/01/2006		J <sup>(2)</sup>		4,223,315	A	\$ 0 <sup>(2)</sup>	4,223,315	I <sup>(2)</sup>	By Spouse
Common Stock	08/02/2006		J <sup>(3)</sup>		4,223,315	D	\$ 0 <sup>(3)</sup>	0	D	
Common Stock	08/02/2006		J <sup>(3)</sup>		4,223,315	D	\$ 0 <sup>(3)</sup>	0	I <sup>(3)</sup>	By Spouse
Common Stock	08/02/2006		J <sup>(3)</sup>		17,558,169	A	\$ 0 <sup>(3)</sup>	17,558,169	I <sup>(3)</sup>	By VM Investors, LLC

**Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)**

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)		5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)		6. Date Exercisable and Expiration Date (Month/Day/Year)		7. Title and Amount of Securities Underlying Derivative Security (Instr. 3 and 4)	8. Price of Derivative Security (Instr. 5)	9. Number of Derivative Securities Beneficially Owned Following Reported Transaction(s) (Instr. 4)	10. Ownership Form of Derivative Security: Direct (D) or Indirect (I) (Instr. 4)	11. Nature of Indirect Beneficial Ownership (Instr. 4)	
				Code	V	(A)	(D)	Date Exercisable	Expiration Date						Title
Series A Convertible Preferred Stock	(1)	08/01/2006		J <sup>(1)</sup>			202,588	(1)	(1)	Common Stock	(1)	\$ 0 <sup>(1)</sup>	0	D	

Series A Convertible Preferred Stock	(2)	08/01/2006	1 (2)	202,588	(2)	(2)	Common Stock	(2)	\$ 0 (2)	0	1 (2)	By Spouse
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#### Explanation of Responses:

1. The Reporting Person obtained the securities on June 15, 2006, which were convertible into common stock at a rate of 1,024.340735 shares for each share of preferred stock immediately and automatically upon the filing and acceptance of an amendment to the Issuer's Articles of Incorporation increasing the authorized number of shares of common stock and effecting a 1-for-50 reverse stock split of the common stock. On August 1, 2006, upon the filing and acceptance of such an amendment to the Issuer's Articles of Incorporation, the securities automatically converted into an aggregate of 4,223,315 shares of common stock on a post-split basis.
2. The Reporting Person's spouse obtained the securities on June 15, 2006, which were convertible into common stock at a rate of 1,024.340735 shares for each share of preferred stock immediately and automatically upon the filing and acceptance of an amendment to the Issuer's Articles of Incorporation increasing the authorized number of shares of common stock and effecting a 1-for-50 reverse stock split of the common stock. On August 1, 2006, upon the filing and acceptance of such an amendment to the Issuer's Articles of Incorporation, the securities automatically converted into an aggregate of 4,223,315 shares of common stock on a post-split basis. The Reporting Person may be deemed to beneficially own shares held by his spouse, but disclaims beneficial ownership of such shares except to the extent of his pecuniary interest therein.
3. The Reporting Person and the Reporting Person's spouse each contributed 4,223,315 shares of common stock to VM Investors, LLC in consideration of the receipt of membership interests in VM Investors, LLC. VM Investors, LLC acquired an additional 9,111,539 shares of common stock on August 2, 2006 in exchange for the issuance of additional membership interests. As the manager of VM Investors, LLC, the Reporting Person may be deemed to beneficially own shares held by VM Investors, LLC, but disclaims beneficial ownership of such shares except to the extent of his pecuniary interest therein.

#### Signatures

/s/ Craig Ellins

\*\* Signature of Reporting Person

08/03/2006

Date

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

\* If the form is filed by more than one reporting person, see Instruction 4 (b)(v).

\*\* Intentional misstatements or omissions of facts constitute Federal Criminal Violations See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, see Instruction 6 for procedure.

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