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UNITED STATES SECURITIES AND EXCHANGE COMMISSION Washington, D.C. 20549 FORM D

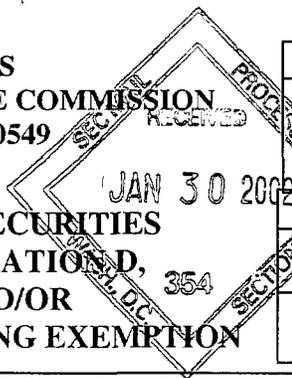


Table with OMB APPROVAL, SEC USE ONLY, and DATE RECEIVED sections.

U.S. POST OFFICE DELAYED

NOTICE OF SALE OF SECURITIES PURSUANT TO REGULATION D, SECTION 4(6), AND/OR UNIFORM LIMITED OFFERING EXEMPTION

Name of Offering () check if this is an amendment and name has changed, and indicate change.)

Series 1 Preferred Financing

Filing Under (Check box(es) that apply): Rule 504 Rule 505 Rule 506 Section 4(6) ULOE

Type of Filing: New Filing Amendment

A. BASIC IDENTIFICATION DATA

1. Enter the information requested about the issuer

Name of Issuer () check if this is an amendment and name has changed, and indicate change.)

Monterey Design Systems, Inc.

02012768

Address of Executive Offices: (Number and Street, City, State, Zip Code)

894 Ross Drive, Suite 200, Sunnyvale, CA 94089

Telephone Number (Including Area Code)

(408) 747-7370

Address of Principal Business Operations (if different from Executive Offices)

Telephone Number (Including Area Code)

21-39521

Brief Description of Business Software Development and Sales

Type of Business Organization

- corporation limited partnership, already formed other (please specify) business trust limited partnership, to be formed

PROCESSED

FEB 11 2002

THOMSON FINANCIAL

Actual or Estimated Date of Incorporation or Organization: 1 1 9 6

Actual Estimated

Jurisdiction of Incorporation or Organization: (Enter two-letter U.S. Postal Service abbreviation for State: CN for Canada; FN for other foreign jurisdiction)

D E

GENERAL INSTRUCTIONS

Federal: Who Must File: When to File: Where to File: Copies Required: Information Required: Filing Fee: State:

ATTENTION

Failure to file notice in the appropriate states will not result in a loss of the federal exemption. Conversely, failure to file the appropriate federal notice will not result in a loss of an available state exemption unless such exemption is predicated on the filing of a federal notice.

A. BASIC IDENTIFICATION DATA

2. Enter the information requested for the following:

- Each promoter of the issuer, if the issuer has been organized within the past five years;
- Each beneficial owner having the power to vote or dispose, or direct the vote or disposition of, 10% or more of a class of equity securities of the issuer;
- Each executive officer and director of corporate issuers and of corporate general and managing partners of partnership issuers; and
- Each general and managing partner of partnership issuers.

Check Box(es) that Apply: Promoter Beneficial Owner Executive Officer Director General and/or Managing Partner

Full Name (Last name first, if individual)
Benkoski, Jacques, PhD

Business or Residence Address (Number and Street, City, State, Zip Code)
c/o Monterey Design Systems, Inc., 894 Ross Drive, Sunnyvale, CA 94089

Check Box(es) that Apply: Promoter Beneficial Owner Executive Officer Director General and/or Managing Partner

Full Name (Last name first, if individual)
Boyle, Douglas, PhD

Business or Residence Address (Number and Street, City, State, Zip Code)
c/o Monterey Design Systems, Inc., 894 Ross Drive, Sunnyvale, CA 94089

Check Box(es) that Apply: Promoter Beneficial Owner Executive Officer Director General and/or Managing Partner

Full Name (Last name first, if individual)
Cullen, Aidan

Business or Residence Address (Number and Street, City, State, Zip Code)
c/o Monterey Design Systems, Inc., 894 Ross Drive, Sunnyvale, CA 94089

Check Box(es) that Apply: Promoter Beneficial Owner Executive Officer Director General and/or Managing Partner

Full Name (Last name first, if individual)
Koford, James, PhD

Business or Residence Address (Number and Street, City, State, Zip Code)
c/o Monterey Design Systems, Inc., 894 Ross Drive, Sunnyvale, CA 94089

Check Box(es) that Apply: Promoter Beneficial Owner Executive Officer Director General and/or Managing Partner

Full Name (Last name first, if individual)
Aronson, Bernard

Business or Residence Address (Number and Street, City, State, Zip Code)
c/o Synplicity, 935 Stewart Drive, Sunnyvale, CA 94089

Check Box(es) that Apply: Promoter Beneficial Owner Executive Officer Director General and/or Managing Partner

Full Name (Last name first, if individual)
Marren, Bernard

Business or Residence Address (Number and Street, City, State, Zip Code)
c/o OPTI Inc., 3393 Octavius Drive, Santa Clara, CA 95054

Check Box(es) that Apply: Promoter Beneficial Owner Executive Officer Director General and/or Managing Partner

Full Name (Last name first, if individual)
Schuele, Al

Business or Residence Address (Number and Street, City, State, Zip Code)
c/o Sevin Rosen, 169 University Avenue, Palo Alto, CA 94301

Check Box(es) that Apply: Promoter Beneficial Owner Executive Officer Director General and/or Managing Partner

Full Name (Last name first, if individual)
Foundation Capital, L.P. and affiliated entities

Business or Residence Address (Number and Street, City, State, Zip Code)
c/o Foundation Capital, 70 Willow Road, Menlo Park, CA 94025

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A. BASIC IDENTIFICATION DATA

2. Enter the information requested for the following:

- Each promoter of the issuer, if the issuer has been organized within the past five years;
- Each beneficial owner having the power to vote or dispose, or direct the vote or disposition of, 10% or more of a class of equity securities of the issuer;
- Each executive officer and director of corporate issuers and of corporate general and managing partners of partnership issuers; and
- Each general and managing partner of partnership issuers.

Check Box(es) that Apply: Promoter Beneficial Owner Executive Officer Director General and/or Managing Partner

Full Name (Last name first, if individual)

RHO Management Trust Company

Business or Residence Address (Number and Street, City, State, Zip Code)

152 W. 57th St. 23rd Floor, New York, NY 10019

Check Box(es) that Apply: Promoter Beneficial Owner Executive Officer Director General and/or Managing Partner

Full Name (Last name first, if individual)

SVM Star Ventures and affiliated entities

Business or Residence Address (Number and Street, City, State, Zip Code)

Possartstrasses 9D-81679 Munich, Germany

Check Box(es) that Apply: Promoter Beneficial Owner Executive Officer Director General and/or Managing Partner

Full Name (Last name first, if individual)

Intel 64 Fund, Inc.

Business or Residence Address (Number and Street, City, State, Zip Code)

c/o Intel Corporation, 2200 Mission College Boulevard S RN6-46, Santa Clara, CA 95052-8119

Check Box(es) that Apply: Promoter Beneficial Owner Executive Officer Director General and/or Managing Partner

Full Name (Last name first, if individual)

Infineon Technologies

Business or Residence Address (Number and Street, City, State, Zip Code)

P.O. Box 800949, D-81609, Munich, Germany

Check Box(es) that Apply: Promoter Beneficial Owner Executive Officer Director General and/or Managing Partner

Full Name (Last name first, if individual)

DB UK Finance PLC

Business or Residence Address (Number and Street, City, State, Zip Code)

1 Great Winchester Street, London EC2N 2DB

Check Box(es) that Apply: Promoter Beneficial Owner Executive Officer Director General and/or Managing Partner

Full Name (Last name first, if individual)

Bechtolsheim, Andreas

Business or Residence Address (Number and Street, City, State, Zip Code)

1140 Hamilton Avenue, Palo Alto, California 94301

Check Box(es) that Apply: Promoter Beneficial Owner Executive Officer Director General and/or Managing Partner

Full Name (Last name first, if individual)

Fidelity Investments and affiliated entities

Business or Residence Address (Number and Street, City, State, Zip Code)

82 Devonshire Street, E20E, Boston, Massachusetts 02109

Check Box(es) that Apply: Promoter Beneficial Owner Executive Officer Director General and/or Managing Partner

Full Name (Last name first, if individual)

Clipper Bay & Co.

Business or Residence Address (Number and Street, City, State, Zip Code)

c/o State Street Bank and Trust Company, 1 Heritage Drive - JPB-3N, North Quincy, MA 02171

(use blank sheet, or copy and use additional copies of this sheet, as necessary)

A. BASIC IDENTIFICATION DATA

2. Enter the information requested for the following:

- Each promoter of the issuer, if the issuer has been organized within the past five years;
- Each beneficial owner having the power to vote or dispose, or direct the vote or disposition of, 10% or more of a class of equity securities of the issuer;
- Each executive officer and director of corporate issuers and of corporate general and managing partners of partnership issuers; and
- Each general and managing partner of partnership issuers.

Check Box(es) that Apply: Promoter Beneficial Owner Executive Officer Director General and/or Managing Partner

Full Name (Last name first, if individual)
LSI Logic Corporation

Business or Residence Address (Number and Street, City, State, Zip Code)
1551 McCarthy Blvd., MS D-106, Milpitas, California 95035

Check Box(es) that Apply: Promoter Beneficial Owner Executive Officer Director General and/or Managing Partner

Full Name (Last name first, if individual)
US Venture Partners and affiliated entities

Business or Residence Address (Number and Street, City, State, Zip Code)
2180 Sand Hill Road, Suite 300, Menlo Park, CA 94025

Check Box(es) that Apply: Promoter Beneficial Owner Executive Officer Director General and/or Managing Partner

Full Name (Last name first, if individual)
Information Technology Ventures and affiliated entities

Business or Residence Address (Number and Street, City, State, Zip Code)
100 Hamilton Avenue, Suite 400, Palo Alto, CA 94301

Check Box(es) that Apply: Promoter Beneficial Owner Executive Officer Director General and/or Managing Partner

Full Name (Last name first, if individual)
Sevin Rosen Funds and affiliated entities

Business or Residence Address (Number and Street, City, State, Zip Code)
c/o Sevin Rosen, 169 University Avenue, Palo Alto, CA 94301

Check Box(es) that Apply: Promoter Beneficial Owner Executive Officer Director General and/or Managing Partner

Full Name (Last name first, if individual)

Business or Residence Address (Number and Street, City, State, Zip Code)

Check Box(es) that Apply: Promoter Beneficial Owner Executive Officer Director General and/or Managing Partner

Full Name (Last name first, if individual)

Business or Residence Address (Number and Street, City, State, Zip Code)

Check Box(es) that Apply: Promoter Beneficial Owner Executive Officer Director General and/or Managing Partner

Full Name (Last name first, if individual)

Business or Residence Address (Number and Street, City, State, Zip Code)

Check Box(es) that Apply: Promoter Beneficial Owner Executive Officer Director General and/or Managing Partner

Full Name (Last name first, if individual)

Business or Residence Address (Number and Street, City, State, Zip Code)

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B. INFORMATION ABOUT OFFERING

1. Has the issuer sold, or does the issuer intend to sell, to non-accredited investors in this offering?..... Yes No
 Answer also in Appendix, Column 2, if filing under ULOE.
2. What is the minimum investment that will be accepted from any individual?..... \$ N/A
3. Does the offering permit joint ownership of a single unit?..... Yes No
4. Enter the information requested for each person who has been or will be paid or given, directly or indirectly, any commission or similar remuneration for solicitation of purchasers in connection with sales of securities in the offering. If a person to be listed is an associated person or agent of a broker or dealer registered with the SEC and/or with a state or states, list the name of the broker or dealer. If more than five (5) persons to be listed are associated persons of such a broker or dealer, you may set forth the information for that broker or dealer only.

Full Name (Last name first, if individual)

Business or Residence Address (Number and Street, City, State, Zip Code)

Name of Associated Broker or Dealer

States in Which Person Listed Has Solicited or Intends to Solicit Purchasers

(Check "All States" or check individual States)..... All States

[AL]	[AK]	[AZ]	[AR]	[CA]	[CO]	[CT]	[DE]	[DC]	[FL]	[GA]	[HI]	[ID]
[IL]	[IN]	[IA]	[KS]	[KY]	[LA]	[ME]	[MD]	[MA]	[MI]	[MN]	[MS]	[MO]
[MI]	[NE]	[NV]	[NH]	[NJ]	[NM]	[NY]	[NC]	[ND]	[OH]	[OK]	[OR]	[PA]
[RI]	[SC]	[SD]	[TN]	[TX]	[UT]	[VT]	[VA]	[WA]	[WV]	[WI]	[WY]	[PR]

Full Name (Last name first, if individual)

Business or Residence Address (Number and Street, City, State, Zip Code)

Name of Associated Broker or Dealer

States in Which Person Listed Has Solicited or Intends to Solicit Purchasers

(Check "All States" or check individual States)..... All States

[AL]	[AK]	[AZ]	[AR]	[CA]	[CO]	[CT]	[DE]	[DC]	[FL]	[GA]	[HI]	[ID]
[IL]	[IN]	[IA]	[KS]	[KY]	[LA]	[ME]	[MD]	[MA]	[MI]	[MN]	[MS]	[MO]
[MI]	[NE]	[NV]	[NH]	[NJ]	[NM]	[NY]	[NC]	[ND]	[OH]	[OK]	[OR]	[PA]
[RI]	[SC]	[SD]	[TN]	[TX]	[UT]	[VT]	[VA]	[WA]	[WV]	[WI]	[WY]	[PR]

Full Name (Last name first, if individual)

Business or Residence Address (Number and Street, City, State, Zip Code)

Name of Associated Broker or Dealer

States in Which Person Listed Has Solicited or Intends to Solicit Purchasers

(Check "All States" or check individual States)..... All States

[AL]	[AK]	[AZ]	[AR]	[CA]	[CO]	[CT]	[DE]	[DC]	[FL]	[GA]	[HI]	[ID]
[IL]	[IN]	[IA]	[KS]	[KY]	[LA]	[ME]	[MD]	[MA]	[MI]	[MN]	[MS]	[MO]
[MI]	[NE]	[NV]	[NH]	[NJ]	[NM]	[NY]	[NC]	[ND]	[OH]	[OK]	[OR]	[PA]
[RI]	[SC]	[SD]	[TN]	[TX]	[UT]	[VT]	[VA]	[WA]	[WV]	[WI]	[WY]	[PR]

C. OFFERING PRICE, NUMBER OF INVESTORS, EXPENSES AND USE OF PROCEEDS

1. Enter the aggregate offering price of securities included in this offering and the total amount already sold. Enter "0" if answer is "none" or "zero." If the transaction is an exchange offering, check this box and indicate in the columns below the amounts of the securities offered for exchange and already exchanged.

Type of Security	Aggregate Offering Price	Amount Already Sold
Debt.....	\$ _____	\$ _____
Equity.....	\$ _____	\$ _____
<input type="checkbox"/> Common <input checked="" type="checkbox"/> Preferred		
Convertible Securities (including warrants).....	\$18,705,539.72	\$18,705,539.72
Partnership Interests.....	\$ _____	\$ _____
Other (Specify _____)	\$ _____	\$ _____
Total.....	\$18,705,539.72	\$18,705,539.72

Answer also in Appendix, Column 3, if filing under ULOE.

2. Enter the number of accredited and non-accredited investors who have purchased securities in this offering and the aggregate dollar amounts of their purchases. For offerings under Rule 504, indicate the number of persons who have purchased securities and the aggregate dollar amount of their purchases on the total lines. Enter "0" if answer is "none" or "zero."

	Number Investors	Aggregate Dollar Amount of Purchases
Accredited Investors.....	23	\$18,705,539.72
Non-accredited Investors.....	_____	\$ _____
Total (for filings under Rule 504 only).....	N/A	N/A

Answer also in Appendix, Column 4, if filing under ULOE.

3. If this filing is for an offering under Rule 504 or 505, enter the information requested for all securities sold by the issuer, to date, in offerings of the types indicated, in the twelve (12) months prior to the first sale of securities in this offering. Classify securities by type listed in Part C - Question 1.

Type of Offering	Type of Security	Dollar Amount Sold
Rule 505.....	N/A	\$ N/A
Regulation A.....	N/A	\$ N/A
Rule 504.....	N/A	\$ N/A
Total.....	N/A	\$ N/A

4. a. Furnish a statement of all expenses in connection with the issuance and distribution of the securities in this offering. Exclude amounts relating solely to organization expenses of the issuer. The information may be given as subject to future contingencies. If the amount of an expenditure is not known, furnish an estimate and check the box to the left of the estimate.

Transfer Agent's Fees.....	<input type="checkbox"/>	\$ _____ -0-
Printing and Engraving Costs.....	<input type="checkbox"/>	\$ _____ -0-
Legal Fees.....	<input checked="" type="checkbox"/>	\$88,500.00
Accounting Fees.....	<input type="checkbox"/>	\$ _____ -0-
Engineering Fees.....	<input type="checkbox"/>	\$ _____ -0-
Sales Commissions (specify finders' fees separately).....	<input type="checkbox"/>	\$ _____ -0-
Other Expenses (identify) _____	<input type="checkbox"/>	\$ _____ -0-
Total.....	<input checked="" type="checkbox"/>	\$88,500.00

C. OFFERING PRICE, NUMBER OF INVESTORS, EXPENSES AND USE OF PROCEEDS

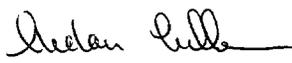
b. Enter the difference between the aggregate offering price given in response to Part C - Question 1 and total expenses furnished in response to Part C - Question 4.a. This difference is the "adjusted gross proceeds to the user." \$18,617,039.72

5. Indicate below the amount of the adjusted gross proceeds to the issuer used or proposed to be used for each of the purposes shown. If the amount for any purpose is not known, furnish an estimate and check the box to the left of the estimate. The total of the payments listed must equal the adjusted gross proceeds to the issuer set forth in response to Part C - Question 4.b above.

	<input type="checkbox"/>	Payments to Officers, Directors and Affiliates	<input type="checkbox"/>	Payments to Others
Salaries and fees.....	<input type="checkbox"/>	\$ -0-	<input type="checkbox"/>	\$ -0-
Purchase of real estate.....	<input type="checkbox"/>	\$ -0-	<input type="checkbox"/>	\$ -0-
Purchase, rental or leasing and installation of machinery and equipment.....	<input type="checkbox"/>	\$ -0-	<input type="checkbox"/>	\$ -0-
Construction or leasing of plant buildings and facilities.....	<input type="checkbox"/>	\$ -0-	<input type="checkbox"/>	\$ -0-
Acquisition of other businesses (including the value of securities involved in this offering that may be used in exchange for the assets or securities of another issuer pursuant to a merger).....	<input type="checkbox"/>	\$ -0-	<input type="checkbox"/>	\$ -0-
Repayment of indebtedness.....	<input type="checkbox"/>	\$ -0-	<input type="checkbox"/>	\$ -0-
Working capital.....	<input type="checkbox"/>	\$ -0-	<input checked="" type="checkbox"/>	\$18,617,039.72
Other (specify): _____	<input type="checkbox"/>	\$ -0-	<input type="checkbox"/>	\$ -0-
	<input type="checkbox"/>	\$ -0-	<input type="checkbox"/>	\$ -0-
Column Totals.....	<input type="checkbox"/>	\$ -0-	<input type="checkbox"/>	\$ -0-
Total Payments Listed (column totals added).....			<input checked="" type="checkbox"/>	\$18,617,039.72

D. FEDERAL SIGNATURE

The issuer has duly caused this notice to be signed by the undersigned duly authorized person. If this notice is filed under Rule 505, the following signature constitutes an undertaking by the issuer to furnish to the U.S. Securities and Exchange Commission, upon written request of its staff, the information furnished by the issuer to any non-accredited investor pursuant to paragraph (b)(2) of Rule 502.

Issuer (Print or Type) MONTEREY DESIGN SYSTEMS, INC.	Signature 	Date 12/27/01
Name of Signer (Print or Type) Aidan Cullen	Title of Signer (Print or Type) Chief Financial Officer	

ATTENTION

Intentional misstatements or omissions of fact constitute federal criminal violations. (See 18 U.S.C. 1001.)