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

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

21-41967

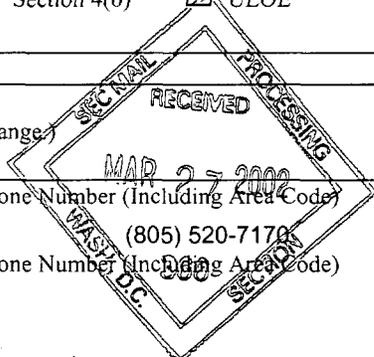
Table with columns: SEC USE ONLY, Prefix, Serial, DATE RECEIVED

Name of Offering () check if this is an amendment and name has changed, and indicate change. Sale of Series B Redeemable Convertible Participating Preferred Stock, issuance of Redeemable Convertible Promissory Note, issuance of Warrant to purchase Series B Redeemable Convertible Participating Preferred Stock and issuance of Warrant to purchase common stock

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. CNM Network, Inc. (the "Company")

Address of Executive Offices (Number and Street, City, State, Zip Code) Telephone Number (Including Area Code) 1900 Los Angeles Avenue, Second Floor, Simi Valley, CA 93065 (805) 520-7170



Brief Description of Business Provider of Voice over Internet Protocol (VoIP) communications services to individuals and businesses through Internet Protocol communications and Virtual Private Networks.

Type of Business Organization (X) corporation () limited partnership, already formed () other (please specify): () business trust () limited partnership, to be formed

PROCESSED APR 12 2002 THOMSON FINANCIAL

Actual or Estimated Date of Incorporation or Organization: Month Year (0 5) (9 6) (X) 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) (C) (A)

GENERAL INSTRUCTIONS

Federal: Who Must File: All issuers making an offering of securities in reliance on an exemption under Regulation D or Section 4(6), 17 CFR 230.501 et seq. or 15 U.S.C. 77d(6). When To File: A notice must be filed no later than 15 days after the first sale of securities in the offering. Where to File: U.S. Securities and Exchange Commission, 450 Fifth Street, N.W., Washington, D.C. 20549. Copies Required: Five (5) copies of this notice must be filed with the SEC, one of which must be manually signed. Information Required: A new filing must contain all information requested. Filing Fee: There is no federal filing fee.

State: This notice shall be used to indicate reliance on the Uniform Limited Offering Exemption (ULOE) for sales of securities in those states that have adopted ULOE and that have adopted this form.

ATTENTION Failure to file notice in the appropriate states will not result in 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)
Rice, Charles

Business or Residence Address (Number and Street, City, State, Zip Code)
c/o CNM Network, Inc., 1900 Los Angeles Avenue, Second Floor, Simi Valley, CA 93065

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

Full Name (Last name first, if individual)
Benson, Dr. Douglas L.

Business or Residence Address (Number and Street, City, State, Zip Code)
c/o CNM Network, Inc., 1900 Los Angeles Avenue, Second Floor, Simi Valley, CA 93065

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

Full Name (Last name first, if individual)
deOng, Jon

Business or Residence Address (Number and Street, City, State, Zip Code)
c/o CNM Network, Inc., 1900 Los Angeles Avenue, Second Floor, Simi Valley, CA 93065

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

Full Name (Last name first, if individual)
Murtagh, Laura

Business or Residence Address (Number and Street, City, State, Zip Code)
c/o CNM Network, Inc., 1900 Los Angeles Avenue, Second Floor, Simi Valley, CA 93065

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

Full Name (Last name first, if individual)
Lattin, Kenneth

Business or Residence Address (Number and Street, City, State, Zip Code)
c/o CNM Network, Inc., 1900 Los Angeles Avenue, Second Floor, Simi Valley, CA 93065

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

Full Name (Last name first, if individual)
Rice, Charles, as Trustee of the Rice Short-Term Irrevocable Trust dated December 9, 1999

Business or Residence Address (Number and Street, City, State, Zip Code)
c/o CNM Network, Inc., 1900 Los Angeles Avenue, Second Floor, Simi Valley, CA 93065

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

Full Name (Last name first, if individual)
Grden, Robert, as Trustee of the Rice Short-Term Irrevocable Trust dated December 9, 1999

Business or Residence Address (Number and Street, City, State, Zip Code)
c/o CNM Network, Inc., 1900 Los Angeles Avenue, Second Floor, Simi Valley, CA 93065

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)
Bryan, J. Shelby

Business or Residence Address (Number and Street, City, State, Zip Code)
c/o CNM Network, Inc., 1900 Los Angeles Avenue, Second Floor, Simi Valley, CA 93065

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

Full Name (Last name first, if individual)
Rice Short-Term Irrevocable Trust dated December 9, 1999

Business or Residence Address (Number and Street, City, State, Zip Code)
c/o CNM Network, Inc., 1900 Los Angeles Avenue, Second Floor, Simi Valley, CA 93065

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

Full Name (Last name first, if individual)
Arena Capital Investment Fund, LP

Business or Residence Address (Number and Street, City, State, Zip Code)
540 Madison Avenue, 25th Floor, New York, New York 10022

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

Full Name (Last name first, if individual)
Doll Capital Management

Business or Residence Address (Number and Street, City, State, Zip Code)
Building 3, Suite 225, 3000 Sand Hill Road, Menlo Park, California 94025

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

Full Name (Last name first, if individual)
McLean, Stephen

Business or Residence Address (Number and Street, City, State, Zip Code)
c/o Arena Capital, 540 Madison Avenue, 25th Floor, New York, New York 10022

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

Full Name (Last name first, if individual)
Arena, Vincent

Business or Residence Address (Number and Street, City, State, Zip Code)
c/o CNM Network, Inc., 1900 Los Angeles Avenue, Second Floor, Simi Valley, CA 93065

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

Full Name (Last name first, if individual)
Armstrong, Gerald

Business or Residence Address (Number and Street, City, State, Zip Code)
c/o Arena Capital, 540 Madison Avenue, 25th Floor, New York, New York 10022

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)

Mesker, Chris as Trustee of the Rice Short-Term Irrevocable Trust dated December 9, 1999

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

c/o CNM Network, Inc., 1900 Los Angeles Avenue, Second Floor, Simi Valley, CA 93065

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

Full Name (Last name first, if individual)

Ravin Venture Capital Fund, LLC

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

320 West Wilson, Suite 107, Glendale, CA 91203

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)

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)

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
 Yes No
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)
 N/A

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

Name of Associated Broker or Dealer
 N/A

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]
[MT]	[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]
[MT]	[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]
[MT]	[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]

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

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	\$ 5,000,000*	\$ 5,000,000*
Equity	\$ 20,000,000	\$ 16,956,698
<input type="checkbox"/> Common <input checked="" type="checkbox"/> Preferred		
Convertible Securities (including warrants)	\$ 206,202**	\$ 0**
Partnership Interests	\$ 0	\$ 0
Other (Specify _____)	\$ 0	\$ 0
Total	\$ 25,206,202	\$ 21,956,698

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

*Represents the Redeemable Convertible Promissory Note, which is convertible into Series C Preferred Stock, which in turn is convertible into common stock pursuant to the terms of the Company's Articles of Incorporation.

**Represents the Warrant to purchase common stock and the Warrant to purchase Series B Preferred Stock, which is convertible into common stock pursuant to the terms of the Company's Articles of Incorporation. The Company did not receive any funds for the issuance of the warrants. In addition, such warrants have not been exercised as of the date hereof.

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	3	\$ 21,956,698*
Non-accredited Investors	0	\$ 0
Total (for filings under Rule 504 only)	N/A	\$ N/A

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

*Excludes the value attributed to the above described warrants issued by the Company for which the Company did not receive any funds. In addition, such warrants have not been exercised as of the date hereof.

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"/>	\$ _____
Printing and Engraving Costs	<input checked="" type="checkbox"/>	\$ 5,000
Legal Fees	<input checked="" type="checkbox"/>	\$ 250,000
Accounting Fees	<input type="checkbox"/>	\$ _____
Engineering Fees	<input type="checkbox"/>	\$ _____
Sales Commissions (specify finders' fees separately)	<input type="checkbox"/>	\$ _____
Other Expenses (identify) <u>Finder's Fee</u>	<input checked="" type="checkbox"/>	\$ 350,000
Total	<input type="checkbox"/>	\$ 605,000

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 issuer." \$ 21,351,698

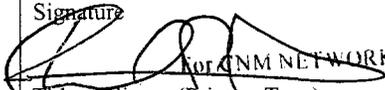
5. Indicate below the amount of the adjusted gross proceeds to the issuer used or proposed to be used for each of the purposes shown. If the amount for any purpose is not known, furnish an estimate and check the box to the left of the estimate. The total of the payments listed must equal the adjusted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

		Payments to Officers, Directors, & Affiliates		Payments To Others
Salaries and fees	<input checked="" type="checkbox"/>	\$ 720,000	<input checked="" type="checkbox"/>	\$ 2,880,000
Purchase of real estate	<input type="checkbox"/>	\$ _____	<input type="checkbox"/>	\$ _____
Purchase, rental or leasing and installation of machinery and equipment	<input type="checkbox"/>	\$ _____	<input checked="" type="checkbox"/>	\$ 7,800,000
Construction or leasing of plant buildings and facilities	<input type="checkbox"/>	\$ _____	<input checked="" type="checkbox"/>	\$ 600,000
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"/>	\$ _____	<input type="checkbox"/>	\$ _____
Repayment of indebtedness	<input type="checkbox"/>	\$ _____	<input checked="" type="checkbox"/>	\$ 1,250,000
Working capital	<input type="checkbox"/>	\$ _____	<input checked="" type="checkbox"/>	\$ 7,101,698
Other (specify): <u>Sales & Marketing</u>	<input type="checkbox"/>	\$ _____	<input checked="" type="checkbox"/>	\$ 1,000,000
.....	<input type="checkbox"/>	\$ _____	<input type="checkbox"/>	\$ _____
.....	<input type="checkbox"/>	\$ _____	<input type="checkbox"/>	\$ _____
Column Totals	<input checked="" type="checkbox"/>	\$ 720,000	<input checked="" type="checkbox"/>	\$ 20,631,698
Total Payments Listed (column totals added)	<input checked="" type="checkbox"/>	\$ 21,351,698		

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)
CNM Network, Inc.

Signature 	Date October 20, 2001
Title of Signer (Print or Type) Chairman of the Board, President and Chief Executive Officer	

Name of Signer (Print or Type)
Charles Rice

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

E. STATE SIGNATURE

1. Is any party described in 17 CFR 230.262 presently subject to any of the disqualification provisions of such rule? Yes No

See Appendix, Column 5, for state response

- 2. The undersigned issuer hereby undertakes to furnish to any state administrator of any state in which this notice is filed, a notice on Form D (17 CFR 239.500) at such times as required by state law.
- 3. The undersigned issuer hereby undertakes to furnish to the state administrators, upon written request, information furnished by the issuer to offerees.
- 4. The undersigned issuer represents that the issuer is familiar with the conditions that must be satisfied to be entitled to the Uniform limited Offering Exemption (ULOE) of the state in which this notice is filed and understands that the issuer claiming the availability of this exemption has the burden of establishing that these conditions have been satisfied.

The issuer has read this notification and knows the contents to be true and has duly caused this notice to be signed on its behalf by the undersigned duly authorized person.

Issuer (Print or Type)
CNM Network, Inc.

Signature	Date
	October 20, 2001
Title (Print or Type)	
Chairman of the Board, President and Chief Executive Officer	

Name (Print or Type)
Charles Rice

Instruction:

Print the name and title of the signing representative under his signature for the state portion of this form. One copy of every notice on Form D must be manually signed. Any copies not manually signed must be photocopies of the manually signed copy or bear typed or printed signatures.

APPENDIX

1	2		3	4				5	
	Intend to sell to non-accredited investors in State (Part B-Item 1)			Type of security and aggregate offering price offered in state (Part C-Item 1)	Type of investor and amount purchased in State (Part C-Item 2)				Disqualification under State ULOE (if yes, attach explanation of waiver granted) (Part E-Item 1)
State	Yes	No		Number of Accredited Investors	Amount	Number of Non-Accredited Investors	Amount	Yes	No
AL									
AK									
AZ									
AR									
CA		X	Series B Preferred Stock	1	\$1,956,698	0	0		X
CO									
CT									
DE									
DC									
FL									
GA									
HI									
ID									
IL									
IN									
IA									
KS									
KY									
LA									
ME									
MD									
MA									
MI									
MN									
MS									
MO									

APPENDIX

1	2		3	4				5	
	Intend to sell to non-accredited investors in State (Part B-Item 1)			Type of security and aggregate offering price offered in state (Part C-Item 1)	Type of investor and amount purchased in State (Part C-Item 2)				Disqualification under State ULOE (if yes, attach explanation of waiver granted) (Part E-Item 1)
State	Yes	No		Number of Accredited Investors	Amount	Number of Non-Accredited Investors	Amount	Yes	No
MT									
NE									
NV									
NH									
NJ									
NM									
NY		X	Series B Preferred Stock, Redeemable Convertible Promissory Note and Warrant to purchase Series B Preferred Stock	1	\$20,000,000*	0	0		X
NC									
ND									
OH									
OK									
OR									
PA									
RI									
SC									
SD									
TN									
TX									
UT									
VT									
VA		X	Warrant to purchase Common Stock	1	\$0*	0	0		X
WA									
WV									
WI									
WY									
PR									

*The Company did not receive any funds with respect to the issuance of the warrant to purchase Series B Preferred Stock and the warrant to purchase common stock.