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SEC 1972 (6/99)

Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

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 state exemption unless such exemption is predicated on the filing of a federal notice.

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

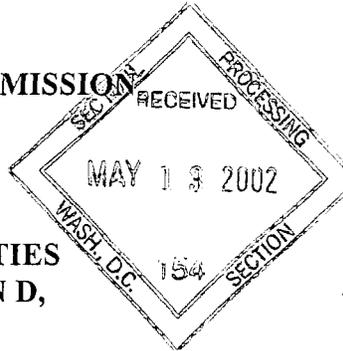
FORM D

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

PROCESSED

JUN 04 2002

THOMSON FINANCIAL



OMB APPROVAL
OMB Number: 3235-0076
Expires: May 31, 2002
Estimated average burden hours per response... 1

SEC USE ONLY	
Prefix	Serial
DATE RECEIVED	

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

Convertible Notes and Warrants

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

Type of Filing: [x] New Filing [ ] Amendment

A. BASIC IDENTIFICATION DATA

1. Enter the information requested about the issuer

Workstream Inc.

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

495 March Road, Suite 300, Kanata, Ont. K2K 3G1

Address of Executive Offices (Number and Street, City, State, Zip Code) Telephone Number (Including Area Code)

Address of Principal Business Operations (Number and Street, City, State, Zip Code) Telephone Number (Including Area Code) (if different from Executive Offices)

Workstream Inc. is a provider of Web-enabled tools and professional services for Human Capital Management.

Brief Description of Business:

Type of Business Organization

[x] corporation [ ] limited partnership, already formed [ ] other (please specify): [ ] business trust [ ] limited partnership, to be formed



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

Full Name (Last name first, if individual)

Mullarkey Michael

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

1050 West Deernath Road, Lake Forest, Illinois 60045

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

Full Name (Last name first, if individual)

Halloran Arthur

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

19 Alder Lane, Basking Ridge, New Jersey 08738

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

Full Name (Last name first, if individual)

Ehbs Matthew

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

635 Richmond Road, Unit 42, Ottawa, Ont. K2A 0G8

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

Full Name (Last name first, if individual)

Gerrior Michael

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

189 Crichton Street, Ottawa, Ont. K1M 1W1

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

Full Name (Last name first, if individual)

Danis Thomas

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

8025 Bonhomme, Ant. 2004, St. Louis, MO 63105

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

Full Name (Last name first, if individual)

Manso Cholo

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

15 Spring Cress Drive, Nenean, Ont. K2R 1A5

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

Full Name (Last name first, if individual)

Haggard, Paul

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

11010 Southwest 38<sup>th</sup> Drive, Davie, Florida, 33328

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

Full Name (Last name first, if individual)

ScotiaCapital Inc.

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

Scotia Plaza, 40 King Street, Toronto, Ont, M5W 2X6

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

Full Name (Last name first, if individual)

Cede & Co. (East Account)

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

P.O. Box 20, Bowling Green Station, New York, NY, 10004

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 [X]

Answer also in Appendix, Column 2, if filing under ULOE.

2. What is the minimum investment that will be accepted from any individual?.....

\$ none

3. Does the offering permit joint ownership of a single unit?.....

Yes [ ] No [X]

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)

Sands Brothers & Co. Ltd

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

90 Park Avenue New York, NY 10016

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] [X] [IN] [ ] [IA] [ ] [KS] [ ] [KY] [ ] [LA] [ ] [ME] [ ] [MD] [ ] [MA] [ ] [MI] [ ] [MN] [ ] [MS] [ ] [MO] [ ] [MT] [ ] [NE] [ ] [NV] [ ] [NH] [ ] [NJ] [ ] [NM] [ ] [NY] [X] [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)

Not applicable

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)

Not applicable

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 .....	\$0	\$0
Equity .....	\$	\$
<input type="checkbox"/> Common <input type="checkbox"/> Preferred		
Convertible Securities (including warrants) .....	\$4,000,000	\$1,500,000
Partnership Interests .....	\$0	\$0
Other (Specify _____).	\$0	\$0
Total .....	<u>\$4,000,000</u>	<u>\$1,500,000</u>

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 .....	<u>2</u>	<u>\$1,500,000</u>
Non-accredited Investors .....	<u>0</u>	<u>\$0</u>
Total (for filings under Rule 504 only) .....	<u>0</u>	<u>\$0</u>

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, the twelve (12) months prior to the first sale of securities in this offering. Classify securities by type listed in Part C-Question 1.

Not applicable

Type of offering	Type of Security	Dollar Amount Sold
Rule 505 .....	0	\$ 0
Regulation A .....	0	\$ 0
Rule 504 .....	0	\$ 0
Total .....	0	\$ 0

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"/>	\$30,000
Accounting Fees .....	<input type="checkbox"/>	\$0
Engineering Fees .....	<input type="checkbox"/>	\$0
Sales Commissions (specify finders' fees separately) .....	<input checked="" type="checkbox"/>	\$200,000
Other Expenses (identify) .....	<input type="checkbox"/>	\$0
Total .....	<input checked="" type="checkbox"/>	\$230,000

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." .....

\$3,770,000

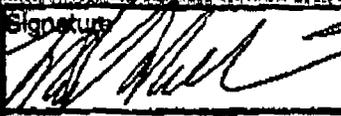
5. Indicate below the amount of the adjusted gross proceeds to the issuer used or proposed to be used for each of the purposes shown. If the amount for any purpose is not known, furnish an estimate and check the box to the left of the estimate. The total of the payments listed must equal the adjusted 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 type="checkbox"/> \$0 _____	<input type="checkbox"/> \$ _____
Purchase of real estate .....	<input type="checkbox"/> \$0 _____	<input type="checkbox"/> \$ _____
Purchase, rental or leasing and installation of machinery and equipment .....	<input type="checkbox"/> \$0 _____	<input type="checkbox"/> \$ _____
Construction or leasing of plant buildings and facilities.....	<input type="checkbox"/> \$0 _____	<input type="checkbox"/> \$ _____
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"/> \$ _____
Repayment of indebtedness .....	<input type="checkbox"/> \$0 _____	<input type="checkbox"/> \$ _____
Working capital .....	<input type="checkbox"/> \$0 _____	<input checked="" type="checkbox"/> \$3,770,000
Other (specify) _____	<input type="checkbox"/> \$0 _____	<input type="checkbox"/> \$ _____
_____	<input type="checkbox"/> \$ _____	<input type="checkbox"/> \$ _____
_____	<input type="checkbox"/> \$0 _____	<input checked="" type="checkbox"/> \$3,770,000
Column Totals .....		
Total Payments Listed (column totals added) .....		<input checked="" type="checkbox"/> \$3,770,000

Form D

**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) Workstream Inc.	Signature 	Date May 1, 2002
Name of Signer (Print or Type) Michael Mullarkey	Title of Signer (Print or Type) Chief Executive Officer	

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

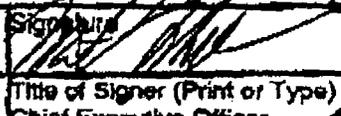
**E. STATE SIGNATURE**

1. Is any party described in 17 CFR 230.202 presently subject to any of the disqualification provisions of such rule? .....  Yes  No

See Appendix, Column 3, for state response.

- 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.
- The undersigned issuer hereby undertakes to furnish to the state administrators, upon written request, information furnished by the issuer to offerees.
- 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) Workstream Inc.	Signature 	Date May 1, 2002
Name of Signer (Print or Type) Michael Mullarkey	Title of Signer (Print or Type) Chief Executive Officer	

**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 State	2 Intend to sell to non-accredited investors in State (Part B-Item 1)		3 Type of security and aggregate offering price offered in state (Part C-Item 1)	4 Type of investor and amount purchased in State (Part C-Item 2)				5 Disqualification under State ULOE (if yes, attach explanation of waiver granted) (Part E-Item 1)	
	Yes	No		Number of Accredited Investors	Amount	Number of Non-Accredited Investors	Amount	Yes	No
AL	<input type="checkbox"/>	<input type="checkbox"/>						<input type="checkbox"/>	<input type="checkbox"/>
AK	<input type="checkbox"/>	<input type="checkbox"/>						<input type="checkbox"/>	<input type="checkbox"/>
AZ	<input type="checkbox"/>	<input type="checkbox"/>						<input type="checkbox"/>	<input type="checkbox"/>
AR	<input type="checkbox"/>	<input type="checkbox"/>						<input type="checkbox"/>	<input type="checkbox"/>
CA	<input type="checkbox"/>	<input type="checkbox"/>						<input type="checkbox"/>	<input type="checkbox"/>
CO	<input type="checkbox"/>	<input type="checkbox"/>						<input type="checkbox"/>	<input type="checkbox"/>
CT	<input type="checkbox"/>	<input type="checkbox"/>						<input type="checkbox"/>	<input type="checkbox"/>
DE	<input type="checkbox"/>	<input type="checkbox"/>						<input type="checkbox"/>	<input type="checkbox"/>
DC	<input type="checkbox"/>	<input type="checkbox"/>						<input type="checkbox"/>	<input type="checkbox"/>
FL	<input type="checkbox"/>	<input type="checkbox"/>						<input type="checkbox"/>	<input type="checkbox"/>
GA	<input type="checkbox"/>	<input type="checkbox"/>						<input type="checkbox"/>	<input type="checkbox"/>
HI	<input type="checkbox"/>	<input type="checkbox"/>						<input type="checkbox"/>	<input type="checkbox"/>
ID	<input type="checkbox"/>	<input type="checkbox"/>						<input type="checkbox"/>	<input type="checkbox"/>
IL	<input type="checkbox"/>	<input type="checkbox"/>						<input type="checkbox"/>	<input type="checkbox"/>
IN	<input type="checkbox"/>	<input type="checkbox"/>						<input type="checkbox"/>	<input type="checkbox"/>
IA	<input type="checkbox"/>	<input type="checkbox"/>						<input type="checkbox"/>	<input type="checkbox"/>
KS	<input type="checkbox"/>	<input type="checkbox"/>						<input type="checkbox"/>	<input type="checkbox"/>
KY	<input type="checkbox"/>	<input type="checkbox"/>						<input type="checkbox"/>	<input type="checkbox"/>
LA	<input type="checkbox"/>	<input type="checkbox"/>						<input type="checkbox"/>	<input type="checkbox"/>
ME	<input type="checkbox"/>	<input type="checkbox"/>						<input type="checkbox"/>	<input type="checkbox"/>
MD	<input type="checkbox"/>	<input type="checkbox"/>						<input type="checkbox"/>	<input type="checkbox"/>
MA	<input type="checkbox"/>	<input type="checkbox"/>						<input type="checkbox"/>	<input type="checkbox"/>
MI	<input type="checkbox"/>	<input type="checkbox"/>						<input type="checkbox"/>	<input type="checkbox"/>
MN	<input type="checkbox"/>	<input type="checkbox"/>						<input type="checkbox"/>	<input type="checkbox"/>
MS	<input type="checkbox"/>	<input type="checkbox"/>						<input type="checkbox"/>	<input type="checkbox"/>
MO	<input type="checkbox"/>	<input type="checkbox"/>						<input type="checkbox"/>	<input type="checkbox"/>
MT	<input type="checkbox"/>	<input type="checkbox"/>						<input type="checkbox"/>	<input type="checkbox"/>
NE	<input type="checkbox"/>	<input type="checkbox"/>						<input type="checkbox"/>	<input type="checkbox"/>
NV	<input type="checkbox"/>	<input type="checkbox"/>						<input type="checkbox"/>	<input type="checkbox"/>
NH	<input type="checkbox"/>	<input type="checkbox"/>						<input type="checkbox"/>	<input type="checkbox"/>
NJ	<input type="checkbox"/>	<input type="checkbox"/>						<input type="checkbox"/>	<input type="checkbox"/>
NM	<input type="checkbox"/>	<input type="checkbox"/>						<input type="checkbox"/>	<input type="checkbox"/>
NY	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Convertible Notes and Warrants - \$1,500,000	2	\$1,500,000	0	0	<input type="checkbox"/>	<input checked="" type="checkbox"/>
NC	<input type="checkbox"/>	<input type="checkbox"/>						<input type="checkbox"/>	<input type="checkbox"/>
ND	<input type="checkbox"/>	<input type="checkbox"/>						<input type="checkbox"/>	<input type="checkbox"/>

OH	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>						<input type="checkbox"/>	<input type="checkbox"/>
OK	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>						<input type="checkbox"/>	<input type="checkbox"/>
OR	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>						<input type="checkbox"/>	<input type="checkbox"/>
PA	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>						<input type="checkbox"/>	<input type="checkbox"/>
RI	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>						<input type="checkbox"/>	<input type="checkbox"/>
SC	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>						<input type="checkbox"/>	<input type="checkbox"/>
SD	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>						<input type="checkbox"/>	<input type="checkbox"/>
TN	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>						<input type="checkbox"/>	<input type="checkbox"/>
TX	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>						<input type="checkbox"/>	<input type="checkbox"/>
UT	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>						<input type="checkbox"/>	<input type="checkbox"/>
VT	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>						<input type="checkbox"/>	<input type="checkbox"/>
VA	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>						<input type="checkbox"/>	<input type="checkbox"/>
WA	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>						<input type="checkbox"/>	<input type="checkbox"/>
WV	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>						<input type="checkbox"/>	<input type="checkbox"/>
WI	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>						<input type="checkbox"/>	<input type="checkbox"/>
WY	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>						<input type="checkbox"/>	<input type="checkbox"/>
PR	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>						<input type="checkbox"/>	<input type="checkbox"/>