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FORM D



United States  
Securities and Exchange Commission  
Washington, DC 20549

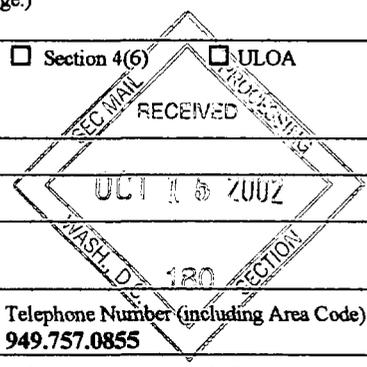
OMB APPROVAL  
OMB Number: 3235-0076  
Expires: Dec. 31, 1996  
Estimated average burden  
Hours per response .... 16.0

**FORM D**  
**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.)  
**September 2002 - Nonqualified Stock Options to Tom Pascoe**

Filing under (check boxes that apply):  Rule 504  Rule 505  Rule 506  Section 4(6)  ULOA

Type of filing:  New filing  Amendment



**A. BASIC IDENTIFICATION DATA**

1. Enter the information requested amount the issuer

Name of Issuer  (Check if this is an amendment and name has changed, and indicate change.)  
**HiEnergy Technologies, Inc.**

Address of Executive Offices (Number and Street, City, State, Zip Code)  
**1601 Alton Parkway, Unit B, Irvine, California 92606**

Telephone Number (including Area Code)  
**949.757.0855**

Address of Principal Business Operations (if different from Executive Offices) (Number and Street, City, State, Zip Code)  
**As above.**

Telephone Number (including Area Code)  
**As above.**

Brief Description of Business

**HiEnergy Technologies, Inc. is engaged in the development of technology designed to remotely, expediently and non-intrusively decipher the chemical formula and location of concealed substances.**

Type of Business Organization

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

**PROCESSED**  
**OCT 24 2002**

Actual or Estimated Date of Incorporation or Organization: Month   Year    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)

**THOMSON FINANCIAL**

**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. A notice is deemed filed with the U.S. Securities and Exchange Commission (SEC) on the earlier of the date it is received by the SEC at the address given below or, if received at that address after the date on which it is due, on the date it was mailed by United States registered or certified mail to that address.

*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. Any copies not manually signed must be photocopies of the manually signed copy or bear typed or printed signatures.

*Information Required:* A new filing must contain all information requested. Amendments need only report the name of the issuer and offering, any changes thereto, the information requested in Part C, and any material changes from the information previously supplied in Parts A and B. Part E and the Appendix need not be filed with the SEC.

*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. Issuers relying on ULOE must file a separate notice with the Securities Administrator in each state where sales are to be, or have been made. If a state requires the payment of a fee as a precondition to the claim for the exemption, a fee in the proper amount shall accompany this form. This notice shall be filed in the appropriate states in accordance with state law. The Appendix to the notice constitutes a part of this notice and must be completed.

**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 boxes that apply:  Promoter  Beneficial Owner  Executive Officer  Director  General and/or Managing Partner

Full Name (Last name first, if individual)

**Maglich, Dr. Bogdan C.**

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

**1601 Alton Parkway, Unit B, Irvine, California 92606**

Check boxes that apply:  Promoter  Beneficial Owner  Executive Officer  Director  General and/or Managing Partner

Full Name (Last name first, if individual)

**Pascoe, Thomas**

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

**1601 Alton Parkway, Unit B, Irvine, California 92606**

Check boxes that apply:  Promoter  Beneficial Owner  Executive Officer  Director  General and/or Managing Partner

Full Name (Last name first, if individual)

**Levy, Michal**

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

**1601 Alton Parkway, Unit B, Irvine, California 92606**

Check boxes that apply:  Promoter  Beneficial Owner  Executive Officer  Director  General and/or Managing Partner

Full Name (Last name first, if individual)

**Gilbert, Greg**

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

**4342 Dudley Blvd., Suite 200-400, Sacramento, California 95652**

Check boxes that apply:  Promoter  Beneficial Owner  Executive Officer  Director  General and/or Managing Partner

Full Name (Last name first, if individual)

**Alden, Richard F.**

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

**11340 West Olympic Blvd., Suite 280, Los Angeles, California 90064**

Check boxes that apply:  Promoter  Beneficial Owner  Executive Officer  Director  General and/or Managing Partner

Full Name (Last name first, if individual)

**Al Zuhair, Harb**

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

**1601 Alton Parkway, Unit B, Irvine, California 92606**

Check boxes that apply:  Promoter  Beneficial Owner  Executive Officer  Director  General and/or Managing Partner

Full Name (Last name first, if individual)

**Alter, Barry**

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

**488 Melrose Avenue, Toronto, Ontario M5M 2A2 CANADA**

Check boxes that apply:  Promoter  Beneficial Owner  Executive Officer  Director  General and/or Managing Partner

Full Name (Last name first, if individual)

**Wood, Suzanne**

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

**Suite 210, 580 Hornby Street, Vancouver, B.C. V6C 3B6 CANADA**

**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 connections 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)  
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)  
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]
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[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)  
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]

(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 the 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 type="checkbox"/> Preferred		
Convertible Securities (including warrants) .....	\$ See (1) below.	\$ See (1) below.
Partnership Interests .....	\$ _____	\$ _____
Other (Specify _____) .....	\$ _____	\$ _____
Total .....	\$ See (1) below.	\$ See (1) below.

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 .....	1	\$ See (1) below.
Non-accredited Investors .....	_____	\$ _____
Total (for filings under Rule 504 only) .....	_____	\$ _____

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 .....	_____	\$ _____
Regulation A .....	_____	\$ _____
Rule 504 .....	_____	\$ _____

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 type="checkbox"/>	\$ _____
Legal Fees .....	<input type="checkbox"/>	\$ _____
Accounting Fees .....	<input type="checkbox"/>	\$ _____
Engineering Fees .....	<input type="checkbox"/>	\$ _____
Sales Commissions (specify finders' fees separately) .....	<input type="checkbox"/>	\$ _____
Other Expenses (identify) Document delivery and offering coordination .....	<input type="checkbox"/>	\$ _____
Total .....	<input checked="" type="checkbox"/>	\$ See (1) below.

(1) See Note (2) on page 5 of 8.

**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." .....

\$ See (2) below.

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	Payment to Others
Salaries and fees .....	<input type="checkbox"/> \$ _____	<input type="checkbox"/> \$ _____
Purchase of real estate .....	<input type="checkbox"/> \$ _____	<input type="checkbox"/> \$ _____
Purchase, rental or leasing and installation of machinery and equipment ...	<input type="checkbox"/> \$ _____	<input type="checkbox"/> \$ _____
Construction or leasing of plant buildings and facilities .....	<input type="checkbox"/> \$ _____	<input type="checkbox"/> \$ _____
Acquisition of other businesses (including the value or 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 type="checkbox"/> \$ _____
Working capital .....	<input type="checkbox"/> \$ _____	<input type="checkbox"/> \$ _____
Other (specify): .....	<input type="checkbox"/> \$ _____	<input type="checkbox"/> \$ _____
Column Totals .....	<input type="checkbox"/> \$ _____	<input type="checkbox"/> \$ _____

Total Payments Listed (column totals added) .....

\$ See (2) below.

**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 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) <b>HiEnergy Technologies, Inc.</b>	Signature 	Date <b>10/11/02</b>
Name of Signer (Print or Type) <b>Tom Pascoe</b>	Title of Signer (Print or Type) <b>President and CEO</b>	

(2) In connection with his employment agreement, the Board of HiEnergy granted Tom Pascoe, President and CEO, a nonqualified stock option with terms as summarized below. Because of the timing of cash receipts, if any, in respect of the options is uncertain, HiEnergy has not earmarked the proceeds for payment of expenses or any other specific use.

**Exercise Price of Options:** The exercise price to purchase an underlying share shall be fixed on the date six months after the date of grant as the lesser of (a) \$1.00 per share; or (b) for any offering that closes within six months of the date of grant, the following percentage of the price per unit of the issuer's equity securities (or the price per share at which a series of the issuer's preferred stock is convertible into the issuer's common stock): (i) for preferred with warrants, 70%, (ii) for preferred without warrants, 80%, (iii) for common with warrants, 90%, and (iv) for common, without warrants, 100%.

**Number of Options:** The option grants the reporting person the right to purchase common shares in an amount equal to ten percent (10%) of the issuer's outstanding common stock on a fully diluted basis, based on the issuer's equity structure on the earlier of (a) the final closing of its offering of its Series A Convertible Preferred Stock, provided that such final closing has occurred by September 30, 2002, or (b) September 30, 2002.

**Vesting of Options:** With respect to 75% of the underlying shares, the option shall vest one-twelfth (1/12) with respect to such shares on each of the dates that is the following number of months after the Date of Grant: 3, 6, 9, 12, 15, 18, 21, 24, 27, 30, 33, 36. With respect to 25% of the underlying shares, the option shall vest with respect to such shares, on the earlier of (a) the date when the closing sale price of the issuer's common stock has equaled or exceeded \$1.75 on every trading day in a period of 90 consecutive calendar days, (b) the date immediately preceding a sale of the issuer (whether by merger, share exchange or sale of assets) for \$1.75 per share of common stock or more, or (c) if the issuer's common stock ceases to be publicly traded, on the date following the closing of an offering at a deemed price per share of common stock of \$1.75 or more, using the same percentage-based pricing structure as used to establish the exercise price of the options.

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