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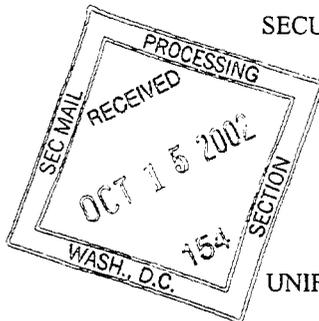
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FORM D

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

OMB Approval

Civil Number: 3235-0076  
Expires: May 30, 2002  
Estimated average burden  
hours per response..... 16.00



FORM D

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

SEC USE ONLY	
Prefix	Serial
DATE RECEIVED	

Name of Offering ( check if this is an amendment and name has changed, and indicate change.) Units, each unit consisting of a \$100,000 Principal Amount 8% Secured Convertible Note due 2003 convertible into Common Stock of the Issuer at a price of \$.10 per share

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

Type of Filing:  New Filing:  Amendment

PROCESSE

A. BASIC IDENTIFICATION DATA

I. Enter the information requested about the issuer

OCT 24 2002

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

Digital Interiors, Inc.

THOMSON FINANCIAL

Address of Principal Business Operations (Number and Street, City, State, Zip Code)  
2525 Collier Canyon Road, Livermore, CA 94551

Telephone Number (Including Area Code)  
(925) 373-0438

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

Telephone Number (Including Area Code)

Brief Description of Business Provide networking solutions that connect home security systems, audio systems, video services, televisions, utilities, personal computers and the Internet

Type of Business Organization

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

Actual or Estimated Date of Incorporation or Organization: Month Year  Actual Estimated  
| 0 | 7 | | 9 | 7 |

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

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

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.

**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)

Witmer, Don

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

2525 Collier Canyon Road, Livermore, CA 94551

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

Full Name (Last name first, if individual)

Wise, Robert

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

2525 Collier Canyon Road, Livermore, CA 94551

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

Full Name (Last name first, if individual)

Stemm, Daryl

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

2525 Collier Canyon Road, Livermore, CA 94551

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

Full Name (Last name first, if individual)

Schmidt, Mark D.

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

2525 Collier Canyon Road, Livermore, CA 94551

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

Full Name (Last name first, if individual)

Bobba, Vijay

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

2525 Collier Canyon Road, Livermore, CA 94551

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

Full Name (Last name first, if individual)

Clasen, Robert B.

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

2525 Collier Canyon Road, Livermore, CA 94551

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

Full Name (Last name first, if individual)

LeFevre, Thomas H.

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

2525 Collier Canyon Road, Livermore, CA 94551

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

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**A. BASIC IDENTIFICATION DATA**

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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

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

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Full Name (Last name first, if individual)

Ste. Marie, Stephen B.

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

2525 Collier Canyon Road, Livermore, CA 94551

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

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Full Name (Last name first, if individual)

Spencer Trask Intellectual Capital Company, LLC

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

535 Madison Avenue, New York, NY 10022

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

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Full Name (Last name first, if individual)

Spencer Trask Ventures, Inc.

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

535 Madison Avenue, New York, NY 10022

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

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Full Name (Last name first, if individual)

Motorola, Inc.

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

1303 East Algonquin Road, Schaumburg, IL 60196

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

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Full Name (Last name first, if individual)

Cisco Systems, Inc.

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

170 West Tasman Drive, San Jose, CA 95134

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

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Full Name (Last name first, if individual)

Home Director, Inc.

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

2525 Collier Canyon Road, Livermore, CA 94551

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

---

Full Name (Last name first, if individual)

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

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

**C. OFFERING PRICE, NO. 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 column below the amounts of the securities offered for exchange and already exchanged.

Type of Security	Aggregate Offering Price	Amount Already Sold
Debt (convertible into Common Stock).....	\$10,705,000	\$8,475,341
Equity.....		
<input type="checkbox"/> Common <input type="checkbox"/> Preferred		
Convertible Securities (including warrants)		
Partnership Interests.....		
Other (Specify _____)		
<b>Total.....</b>	<b>\$10,705,000</b>	<b>\$8,475,341</b>

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.....	165	\$8,475,341
Non-accredited Investors.....	0	0
<b>Total.....</b>	<b>165</b>	<b>\$8,475,341</b>

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
<b>Total.....</b>	<b>N/A</b>	<b>N/A</b>

- 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 checked="" type="checkbox"/>	\$ 400,000
Accounting Fees.....	<input type="checkbox"/>	
Engineering Fees.....	<input type="checkbox"/>	
Sales Commissions (Specify finder's fees separately) *not including agents warrants to purchase shares of Common Stock.....	<input checked="" type="checkbox"/>	\$1,000,000
Other Expenses (identify):Placement Agent Expense Allowance	<input checked="" type="checkbox"/>	\$ 392,000
<b>Total.....</b>	<input checked="" type="checkbox"/>	<b>\$1,792,000</b>

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." .....

\$8,913,000

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"/> \$ _____	<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 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"/> \$2,677,000
Working Capital .....	<input type="checkbox"/> _____	<input checked="" type="checkbox"/> \$3,736,000
Other (specify) Sales and Marketing .....		<input checked="" type="checkbox"/> \$1,500,000
Research and Development .....	<input type="checkbox"/> \$ _____	<input checked="" type="checkbox"/> \$1,000,000
Column Totals .....	<input type="checkbox"/> _____	<input checked="" type="checkbox"/> \$8,913,000
Total Payments Listed (column totals added) .....		<input checked="" type="checkbox"/> \$8,913,000

**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) <b>DIGITAL INTERIORS, INC.</b>	Signature <i>Daryl Stemm</i>	Date 10/11/02
Name of Signer (Print or Type) <b>Daryl Stemm</b>	Title of Signer (Print or Type) <b>Director of Finance</b>	

**ATTENTION**

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