

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

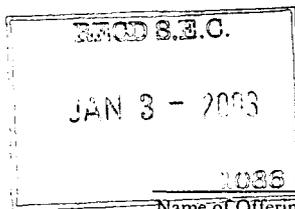
Washington, D.C. 20549

FORM D

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

OMB APPROVAL OMB NUMBER: 3235-0076 Expires: May 31, 2005 Estimated average burden hours per response: 16.00 SEC USE ONLY Prefix Serial Date Received

1123822



Name of Offering (check if this is an amendment and name has changed, and indicate change.) Sale of Series C Convertible Preferred Stock 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

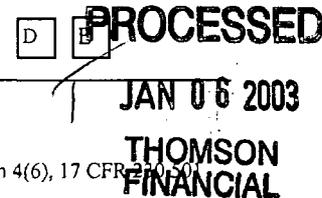
I. Enter the information requested about the issuer Name of Issuer (check if this is an amendment and name has changed, and indicate change.) WebCollage Inc. Address of Executive Offices (Number and Street, City, State, Zip Code) Telephone Number (Including Area Code) Address of Principal Business Operations (if different from Executive Offices) Telephone Number (Including Area Code)

Brief Description of Business Internet service business. Type of Business Organization corporation limited partnership, already formed other (please specify) business trust limited partnership, to be formed



03000006

Actual or Estimated Date of Incorporation or Organization: Month 07 Year 99 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)



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 270.201 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. 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 state 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.

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)

Singer, Eliahu

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

462 Seventh Avenue, 9th Floor, New York, NY 10018

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

Full Name (Last name first, if individual)

Natovich, Chai

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

462 Seventh Avenue, 9th Floor, New York, NY 10018

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

Full Name (Last name first, if individual)

Tayar, Gil

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

462 Seventh Avenue, 9th Floor, New York, NY 10018

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

Full Name (Last name first, if individual)

Reshef, Eilon

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

462 Seventh Avenue, 9th Floor, New York, NY 10018

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

Full Name (Last name first, if individual)

Shoham, Amnon

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

c/o WebCollage Inc., 462 Seventh Avenue, 9th Floor, New York, NY 10018

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

Full Name (Last name first, if individual)

Williams, Steven

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

c/o Sierra Ventures VIII, L.P., 3000 Sand Hill Road, Building 4, Suite 210, 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)

French, Buck

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

c/o WebCollage Inc., 462 Seventh Avenue, 9th Floor, New York, NY 10018

**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)

N/A

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 State" 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 State" 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 State" 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] |

**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<br>Offering Price | Amount Already<br>Sold |
|---|-----------------------------|------------------------|
| Debt .....  | \$ 0                        | \$ 0                   |
| Equity .....  | \$ 0                        | \$ 0                   |
| <input type="checkbox"/> Common <input checked="" type="checkbox"/> Preferred         |                             |                        |
| Convertible Securities (including warrants) Series C Convertible Preferred Stock..... | \$ <u>2,519,595.90</u>      | \$ <u>2,509,595.69</u> |
| Partnership Interests .....   | \$ 0                        | \$ 0                   |
| Other (Specify _____) .....   | \$ 0                        | \$ 0                   |
| Total .....   | \$ <u>2,519,595.90</u>      | \$ <u>2,509,595.69</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<br>Investors | Aggregate<br>Dollar Amount<br>of Purchases |
|---|---------------------|--|
| Accredited Investors .....                    | <u>13</u>           | \$ <u>2,509,595.69</u>                     |
| Non-accredited Investors .....                | <u>0</u>            | \$ <u>0</u>                                |
| Total (for filings under Rule 504 only) ..... | <u>N/A</u>          | \$ <u>N/A</u>                              |

Answer also in Appendix, Column 3, 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<br>Security | Dollar Amount<br>Sold |
|--------------------|---------------------|-----------------------|
| Rule 505 .....     | <u>N/A</u>          | \$ <u>N/A</u>         |
| Regulation A ..... | <u>N/A</u>          | \$ <u>N/A</u>         |
| Rule 504 .....     | <u>N/A</u>          | \$ <u>N/A</u>         |
| Total .....        | <u>N/A</u>          | \$ <u>N/A</u>         |

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"/>            | \$ <u>0</u>      |
| Printing and Engraving Costs .....   | <input type="checkbox"/>            | \$ <u>0</u>      |
| Legal Fees .....   | <input checked="" type="checkbox"/> | \$ <u>29,850</u> |
| Accounting Fees .....  | <input type="checkbox"/>            | \$ <u>0</u>      |
| Engineering Fees .....   | <input type="checkbox"/>            | \$ <u>0</u>      |
| Sales Commissions (specify finders' fees separately) .....                           | <input type="checkbox"/>            | \$ <u>0</u>      |
| Other Expenses (identify) Blue Sky, State Fees, Miscellaneous Offering Expenses..... | <input checked="" type="checkbox"/> | \$ <u>150</u>    |
| Total .....  | <input checked="" type="checkbox"/> | \$ <u>30,000</u> |

**Morgan Stanley**  
High Street Tower 24<sup>th</sup> Floor  
125 High Street  
Boston, MA 02110  
Phone: 617-478-6400  
Fax: 617-478-6591  
617-790-5213  
Toll-free: 800-829-9199

Date: 1.2.02

To: Clarisse Thomas

Fax#: 617-248-7100

Pages (including cover): 7

**From:**

|                   | <u>Phone</u> | <u>E-mail</u>  |
|-------------------|--------------|--|
| ( ) Bill Corkery  | 617-478-6445 | <a href="mailto:william.corkery@morganstanley.com">william.corkery@morganstanley.com</a> |
| ( ) Bob DeSimone  | 617-478-6551 | <a href="mailto:robert.desimone@morganstanley.com">robert.desimone@morganstanley.com</a> |
| (x) Mindy Barnes  | 617-946-5104 | <a href="mailto:mindy.barnes@morganstanley.com">mindy.barnes@morganstanley.com</a>       |
| ( ) Linda Sampson | 617-478-6448 | <a href="mailto:linda.sampson@morganstanley.com">linda.sampson@morganstanley.com</a>     |
| ( ) Deanna Barnes | 617-478-6572 | <a href="mailto:deanna.barnes@morganstanley.com">deanna.barnes@morganstanley.com</a>     |

**Comments:**

Clarisse,

Please render an opinion for this.

Legend removed.

Thank you!

Mindy

**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." .....

\$2,489,595.90

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<br>Officers,<br>Directors, &<br>Affiliates | Payments To<br>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"/> \$2,489,595.90 |
| Other (specify): _____  |  |  |
| _____   | <input type="checkbox"/> \$ 0                          | <input type="checkbox"/> \$ 0                      |
| Column Totals .....   | <input type="checkbox"/> \$ 0                          | <input checked="" type="checkbox"/> \$2,489,595.90 |
| Total Payments Listed (Column totals added) .....   |  | <input checked="" type="checkbox"/> \$2,489,595.90 |

**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)<br>WebCollage Inc.       | Signature<br><i>Chai Natovich</i>   | Date<br>12/18/02 |
| Name of Signer (Print or Type)<br>Chai Natovich | Title of Signer (Print or Type)<br>VP Finance and Operations, Treasurer and Secretary |                  |

**ATTENTION**

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