

1220559

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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.

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WASH, D.C. 152  
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SECTION 7

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

OMB APPROVAL THOMSON FINANCIAL  
OMB Number: 3235-0076  
Expires: May 31, 2005  
Estimated average burden hours per response . . . 1

FORM D

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

SEC USE ONLY  
Prefix Serial  
DATE RECEIVED



03021462

Name of offering ( [ ] check if this is an amendment and name has changed and indicate change):  
Positive Networks, Inc. Series B Preferred Stock Offering

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

Name of Issuer ( [ ] check if this is an amendment and name has changed, and indicate change):  
Positive Networks, Inc.

Address of Executive Offices (Number and Street, City, State, Zip Code): Telephone Number:  
8500 W. 110<sup>th</sup> Street, Suite 400 (913) 469-0005  
Overland Park, Kansas 66210



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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):  
Sutton, Timothy

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Business or Residence Address (Number and Street, City, State, Zip Code):  
8500 W. 110<sup>th</sup> Street, Suite 400  
Overland Park, Kansas 66210

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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):  
Dispensa, Steve

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Business or Residence Address (Number and Street, City, State, Zip Code):  
8500 W. 110<sup>th</sup> Street, Suite 400  
Overland Park, Kansas 66210

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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):  
Montgomery, James

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Business or Residence Address (Number and Street, City, State, Zip Code):  
c/o Digital Coast Ventures, LLC  
233 Wilshire Boulevard  
Santa Monica, California 90401

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

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Full Name (Last name first, if individual): Carman, Steven

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

c/o Blackwell Sanders Peper Martin LLP  
2300 Main Street, Suite 1000  
Kansas City, Missouri 64108

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

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Full Name (Last name first, if individual):

Digital Coast Ventures, LLC

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

c/o Digital Coast Ventures, LLC  
233 Wilshire Boulevard  
Santa Monica, California 90401

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

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**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? \$ 26,125.00
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):

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	\$ <u>0</u>	\$ <u>0</u>
Equity	\$ <u>743,375.00</u>	\$ <u>743,375.00</u>
<input type="checkbox"/> Common <input checked="" type="checkbox"/> Preferred		
Convertible Securities (including warrants)	\$ <u>0</u>	\$ <u>0</u>
Partnership Interests	\$ <u>0</u>	\$ <u>0</u>
Other (Specify _____)	\$ <u>0</u>	\$ <u>0</u>
Total	\$ <u>743,375.00</u>	\$ <u>743,375.00</u>

Answer also in Appendix, Column 4, 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 amount 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 of Investors	Aggregate Dollar Amount of Purchases
Accredited Investors	<u>8</u>	\$ <u>743,375.00</u>
Non-accredited Investors	<u>0</u>	\$ <u>0</u>
Total (for filings under Rule 504 only)	<u>          </u>	\$ <u>          </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.

Type of offering:	Type of Security	Dollar Amount Sold
Rule 505	_____	\$ _____
<u>Regulation A</u>	_____	\$ _____
Rule 504	_____	\$ _____
Total	_____	\$ _____

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

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"/>	\$ <u>10,000.00</u>
Accounting Fees	<input type="checkbox"/>	\$ _____
Engineering Fees	<input type="checkbox"/>	\$ _____
Sales Commissions (specify finders' fees separately)	<input type="checkbox"/>	\$ _____
Other Expenses (identify)	<input type="checkbox"/>	\$ _____
_____	<input type="checkbox"/>	\$ _____
Total	<input checked="" type="checkbox"/>	\$ <u>10,000.00</u>

- (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."

\$ 733,375.00

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 type="checkbox"/> \$ _____
Working capital	<input type="checkbox"/> \$ <u>733,375.00</u>	<input type="checkbox"/> \$ _____
Other (specify) _____	<input type="checkbox"/> \$ _____	<input type="checkbox"/> \$ _____
Column Totals	<input type="checkbox"/> \$ <u>733,375.00</u>	<input type="checkbox"/> \$ _____
Total Payments Listed (column totals added)	<input type="checkbox"/> \$ <u>733,375.00</u>	



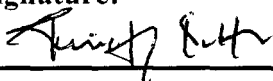
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**D. FEDERAL SIGNATURE**

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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.

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<b>Issuer (Print or Type):</b> Positive Networks, Inc.	<b>Signature:</b> 	<b>Date:</b> 5/27/03
<b>Name of Signer (Print or Type):</b> Timothy Sutton	<b>Title of Signer (Print or Type):</b> Chief Executive Officer	

**ATTENTION**

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