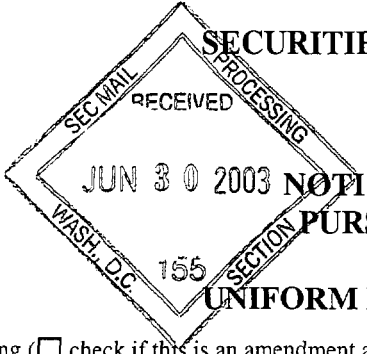


FORM D

1246319



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

OMB APPROVAL OMB Number: 3235-0076 Expires: Estimated average burden hours per response 1.00 SEC USE ONLY Prefix Serial DATE RECEIVED

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.)

Series B Preferred Stock Financing

Filing Under (Check box(es) that apply): () Rule 504 () Rule 505 (X) Rule 506 () Section 4(6) () ULOE Type of Filing: () New Filing (X) 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.)

Azul Systems, Inc.

Address of Executive Offices (Number and Street, City, State, Zip Code) 1808 N. Shoreline Blvd, Mountain View, CA 94043

Telephone Number (Including Area Code) (650) 230-6500

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 Networking Hardware and Software

Type of Business Organization

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



Actual or Estimated Date of Incorporation or Organization: Month 03 Year 02 (X) 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) D E

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.

PROCESSED JUL 08 2003 THOMSON FINANCIAL

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)

Austin Ventures VIII, L.P. and affiliated entities

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

300 West 6th Street, Suite 2300, Austin, TX 78701

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

Full Name (Last name first, if individual)

Basil Horangic

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

300 West 6th Street, Suite 2300, Austin, TX 78701

B. INFORMATION ABOUT OFFERING

- | | | |
|---|--|---|
| 1. Has the issuer sold, or does the issuer intend to sell, to non-accredited investors in this offering?..... | Yes
<input type="checkbox"/> | No
<input checked="" type="checkbox"/> |
| Answer also in Appendix, Column 2, if filing under ULOE. | | |
| 2. What is the minimum investment that will be accepted from any individual?..... | \$ _____ | |
| | Yes
<input checked="" type="checkbox"/> | No
<input type="checkbox"/> |
| 3. Does the offering permit joint ownership of a single unit?..... | | |
| 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) *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 individuals States) *N/A*..... 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 individuals States) *N/A*..... 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 individuals States) *N/A*..... 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

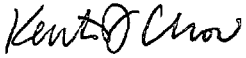
b. Enter the difference between the aggregate offering price given in response to Part C - Question I and total expenses furnished in response to Part C - Question 4.a. This difference is the "adjusted gross proceeds to the issuer." \$ _____

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"/> \$ _____
Purchases 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"/> \$ _____	<input checked="" type="checkbox"/> \$22,959,898.00
Other (specify): _____	<input type="checkbox"/> \$ _____	<input type="checkbox"/> \$ _____
Column Totals.....	<input type="checkbox"/> \$ _____	<input type="checkbox"/> \$ _____
Total Payments Listed (column totals added)		<input checked="" type="checkbox"/> \$22,959,898.00

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) Azul Systems, Inc.	Signature 	Date June 24, 2003
Name of Signer (Print or Type) Kenton D. Chow	Title or Signer (Print or Type) Secretary & Chief Financial Officer	

ATTENTION

Intentional Misstatements or Omissions of Fact Constitute Federal Criminal Violations. (See 18. U.S.C. 1001.)
