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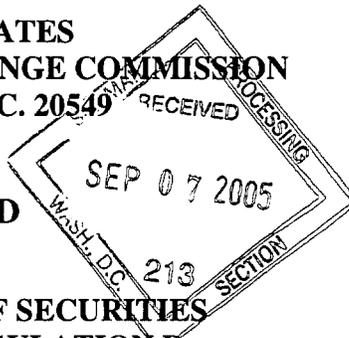
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SEC 1972 (6/02) Potential persons who are to respond to the collection contained in this form are not required to respond unless the form displays a currently valid OMB control number.

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.

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

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

Table with SEC USE ONLY, Prefix, Serial, DATE RECEIVED

Name of Offering ([ ] check if this is an amendment and name has changed, and indicate change.) Issuance of Series D Preferred Stock

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.) IP Dynamics, Inc.

Address of Executive Offices (Number and Street, City, State, Zip Code) Telephone Number (Including Area Code)

2880 Stevens Creek Boulevard, Suite 300, San Jose, CA 95128 (408) 961-6300

PROCESSED

SEP 08 2005

THOMSON FINANCIAL

Handwritten signature

form. This notice shall be filed in the appropriate states in accordance with state law. The Appendix in the notice constitutes a part of this notice and must be completed.

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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)  
**Alkhatib, Hasan S.**

Business or Residence Address (Number and Street, City, State, Zip Code)  
**c/o IP Dynamics, Inc. 2880 Stevens Creek Boulevard, Suite 300, San Jose, CA 95128**

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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)  
**Kim, Dong Kwan**

Business or Residence Address (Number and Street, City, State, Zip Code)  
**c/o IP Dynamics, Inc. 2880 Stevens Creek Boulevard, Suite 300, San Jose, CA 95128**

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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)  
**Gelsinger, Patrick**

Business or Residence Address (Number and Street, City, State, Zip Code)  
**c/o IP Dynamics, Inc. 2880 Stevens Creek Boulevard, Suite 300, San Jose, CA 95128**

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

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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)

**Guo, Fengying (Phyllis)**

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

**c/o IP Dynamics, Inc. 2880 Stevens Creek Boulevard, Suite 300, San Jose, CA 95128**

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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)

**Tseng, Danny**

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

**c/o IP Dynamics, Inc. 2880 Stevens Creek Boulevard, Suite 300, San Jose, CA 95128**

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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)

**Crandall, Nelson**

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

**c/o Enterprise Law Group, Inc., 4400 Bohannon Dr., Suite 280, Menlo Park,, CA 94025**

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**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 .....	\$0 _____	\$0 _____
Equity .....	<b>\$11,500,000.00</b>	\$0 _____
<input type="checkbox"/> Common <input type="checkbox"/> Preferred		
Convertible Securities (including warrants) .....	\$0 _____	\$ 0 _____
Partnership Interests .....	\$0 _____	\$ 0 _____
Other (Specify _____).	\$0 _____	\$ 0 _____
Total .....	<b>\$11,500,000.00</b>	\$ 0 _____

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 .....	<u>0</u>	<u>\$ 0</u>
Non-accredited Investors .....	<u>0</u>	<u>\$ 0</u>
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, 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 _____
<u>Regulation A</u> .....	_____ n/a _____	\$ _____ n/a _____
Rule 504 .....	_____ n/a _____	\$ _____ n/a _____
Total .....	_____ n/a _____	\$ _____ n/a _____

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 checked="" type="checkbox"/> \$ 0
Printing and Engraving Costs .....	<input checked="" type="checkbox"/> \$ 0
Legal Fees .....	<input checked="" type="checkbox"/> \$90,000.00
Accounting Fees .....	<input checked="" type="checkbox"/> \$ 0
Engineering Fees .....	<input checked="" type="checkbox"/> \$ 0
Sales Commissions (specify finders' fees separately) .....	<input checked="" type="checkbox"/> \$ 0
Other Expenses (identify) .....	<input checked="" type="checkbox"/> \$1200.00
Total .....	<input checked="" type="checkbox"/> \$91,200.00

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." ..... **\$11,408,800.00**

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 checked="" type="checkbox"/> \$ 0	<input checked="" type="checkbox"/> \$ 0
Purchase of real estate .....	<input checked="" type="checkbox"/> \$ 0	<input checked="" type="checkbox"/> \$ 0
Purchase, rental or leasing and installation of machinery and equipment .....	<input checked="" type="checkbox"/> \$ 0	<input checked="" type="checkbox"/> \$ 0
Construction or leasing of plant buildings and facilities.....	<input checked="" type="checkbox"/> \$ 0	<input checked="" 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 checked="" type="checkbox"/> \$ 0	<input checked="" type="checkbox"/> \$ 0
Repayment of indebtedness .....	<input checked="" type="checkbox"/> \$10,000,000.00	<input checked="" type="checkbox"/> \$ 0
Working capital .....	<input checked="" type="checkbox"/> \$ 0	<input checked="" type="checkbox"/> \$1,408,800.00
Other (specify): .....	<input checked="" type="checkbox"/> \$ 0	<input checked="" type="checkbox"/> \$ 0
.....	<input checked="" type="checkbox"/> \$ 0	<input checked="" type="checkbox"/> \$ 0
.....	<input checked="" type="checkbox"/> \$ 0	<input checked="" type="checkbox"/> \$ 0
Column Totals .....	<input checked="" type="checkbox"/> \$10,000,000.00	<input checked="" type="checkbox"/> \$1,408,800.00
Total Payments Listed (column totals added) .....	<input checked="" type="checkbox"/> \$11,408,800.00	

**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 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) IP DYNAMICS, INC.	Signature 	Date August 31, 2005
Name of Signer (Print or Type) Hasan S. Alkhatib	Title of Signer (Print or Type) President and Chief Executive Officer,	

**ATTENTION**

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

**E. STATE SIGNATURE**

1. Is any party described in 17 CFR 230.262 presently subject to any of the disqualification provisions of such rule?

Yes No  
[ ] [x]

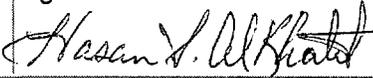
.....  
See Appendix, Column 5, for state response.

2. The undersigned issuer hereby undertakes to furnish to any state administrator of any state in which this notice is filed, a notice on Form D (17 CFR 239,500) at such times as required by state law.

3. The undersigned issuer hereby undertakes to furnish to the state administrators, upon written request, information furnished by the issuer to offerees.

4. The undersigned issuer represents that the issuer is familiar with the conditions that must be satisfied to be entitled to the Uniform limited Offering Exemption (ULOE) of the state in which this notice is filed and understands that the issuer claiming the availability of this exemption has the burden of establishing that these conditions have been satisfied.

The issuer has read this notification and knows the contents to be true and has duly caused this notice to be signed on its behalf by the undersigned duly authorized person.

Issuer (Print or Type) IP DYNAMICS, INC.	Signature 	Date August 31, 2005
Name of Signer (Print or Type) Hasan S. Alkhatib	Title of Signer (Print or Type) President and Chief Executive Officer,	

*Instruction:* Print the name and title of the signing representative under his signature for the state portion of this form. One copy of every notice on Form D must be manually signed. Any copies not manually signed must be photocopies of the manually signed copy or bear typed or printed signatures.

**APPENDIX**

1		2		3	4			5	
		Intend to sell to non-accredited investors in State (Part B-Item 1)		Type of security and aggregate offering price offered in state (Part C-Item 1)	Type of investor and amount purchased in State (Part C-Item 2)			Disqualification under State ULOE (if yes, attach explanation of waiver granted) (Part E-Item 1)	
State	Yes	No		Number of Accredited Investors	Amount	Number of Non-Accredited Investors	Amount	Yes	No
AL									
AK									
AZ									
AR									
CA		X	Sereis D Preferred Stock	TBD	\$5,666,666,67	0	\$0		X
CO									
CT									
DE									
DC									
FL									
GA									
HI									
ID									
IL									
IN									
IA									
KS									
KY									
LA									
ME									
MD									
MA									
MI									
MN									
MS									
MO									

1	2		3	4				5	
	Intend to sell to non-accredited investors in State (Part B-Item 1)			Type of security and aggregate offering price offered in state (Part C-Item 1)	Type of investor and amount purchased in State (Part C-Item 2)		Disqualification under State ULOE (if yes, attach explanation of waiver granted) (Part E-Item 1)		
State	Yes	No		Number of Accredited Investors	Amount	Number of Non-Accredited Investors	Amount	Yes	No
MT									
NE									
NV									
NH									
NJ									
NM									
NY									
NC									
ND									
OH									
OK									
OR		X	Sereis D Preferred Stock	1	\$666,666,67	0	\$0		X
PA									
RI									
SC									
SD									
TN									
TX									
UT									
VT									
VA									
WA									
WV									
WI									
WY									
PR									

<http://www.sec.gov/divisions/corpin/forms/formd.htm>  
Last update: 06/06/2002