

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.

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)

Quattlebaum, Edwin C.

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

8000 Virginia Manor Rd., Suite 140, Beltsville, MD 20705

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

Full Name (Last name first, if individual)

Russo, Thomas Prescott

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

8000 Virginia Manor Rd., Suite 140, Beltsville, MD 20705

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

Full Name (Last name first, if individual)

Minigh, Howard L.

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

8000 Virginia Manor Rd., Suite 140, Beltsville, MD 20705

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

Full Name (Last name first, if individual)

Baile, Clifton

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

8000 Virginia Manor Rd., Suite 140, Beltsville, MD 20705

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

Full Name (Last name first, if individual)

Casini, Victor

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

8000 Virginia Manor Rd., Suite 140, Beltsville, MD 20705

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

Full Name (Last name first, if individual)

Block, John R.

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

8000 Virginia Manor Rd., Suite 140, Beltsville, MD 20705

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

Full Name (Last name first, if individual)

Buckner, William

Business or Residence Address (Number and Street, City, State, Zip Code)
8000 Virginia Manor Rd., Suite 140, Beltsville, MD 20705

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

Full Name (Last name first, if individual)
Meyer, Peter A.

Business or Residence Address (Number and Street, City, State, Zip Code)
8000 Virginia Manor Rd., Suite 140, Beltsville, MD 20705

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

Full Name (Last name first, if individual)
Drake, Peter

Business or Residence Address (Number and Street, City, State, Zip Code)
8000 Virginia Manor Rd., Suite 140, Beltsville, MD 20705

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

Full Name (Last name first, if individual)
Forsythe, Gerald R. and New Frontiers Capital, LLC

Business or Residence Address (Number and Street, City, State, Zip Code)
1111 S Willis Ave, Wheeling IL 60090

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

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 Yes No
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)
TN Capital Equities, Ltd. (No longer serving as broker/dealer)
Business or Residence Address (Number and Street, City, State, Zip Code)
350 Madison Avenue, 8th Floor, New York, NY 10017
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] |

Full Name (Last name first, if individual)
European American Securities, Inc. (No longer serving as broker/dealer)
 Business or Residence Address (Number and Street, City, State, Zip Code)
1 Regent Street, London, SW1Y 4NS, United Kingdom
 Name of Associated Broker or Dealer

States in Which Person Listed Has Solicited or Intends to Solicit Purchasers
 * **Did Not Solicit purchasers in the United States**
 (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 the 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.....	\$15,000,000.00*	\$12,072,135.43*
Equity.....	\$ _____	\$ _____
	<input type="checkbox"/> Common <input type="checkbox"/> Preferred	
Convertible Securities (including warrants).....	\$ _____	\$ _____
Partnership Interests.....	\$ _____	\$ _____
Other (Specify _____).....	\$ _____	\$ _____
Total.....	\$ _____	\$ _____

* The offering included the sale of 10% Secured Convertible Promissory Notes in the aggregate principal sum of \$12,072,135.43 and five-year warrants to purchase 791,178 shares of common stock initially exercisable for \$4.00 per share. The offering also included five-year warrants issued to the placement agents initially exercisable at \$4.00 per unit for an aggregate of approximately 128,291 shares of common stock and additional five-year warrants initially exercisable at \$4.00 per share for an aggregate of approximately 27,429 shares of common stock. In addition, the holders of the 12.5%, 10.9% & 8% Convertible Promissory Notes of the Company who participated in the offering were granted warrants to purchase shares of common stock (at a ratio of 9,000 shares of common stock for every \$100,000 previously invested by such holders in these Notes), which warrants shall be exchangeable for common stock at the ratio of one share of common stock for every two shares of common stock for which the warrants are exercisable.

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 the answer is "none" or "zero"

	Number Investors	Aggregate Dollar Amount of Purchase
Accredited Investors.....	121	\$12,072,135.43
Non-accredited Investors.....	0	\$ 0
Total (for filings under Rule 504 only).....	N/A	\$ N/A

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
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 insurer. 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 checked="" type="checkbox"/>	\$ <u>64,000</u>
Legal Fees.....	<input checked="" type="checkbox"/>	\$ <u>400,000</u>
Accounting Fees.....	<input type="checkbox"/>	\$ _____
Engineering Fees.....	<input type="checkbox"/>	\$ _____
Sales Commissions (specify finders' fees separately).....	<input checked="" type="checkbox"/>	\$ <u>627,000</u>
Other Expenses (identify).....	<input checked="" type="checkbox"/>	\$ <u>16,500</u>
Total.....	<input checked="" type="checkbox"/>	\$ <u>1,107,500</u>

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."

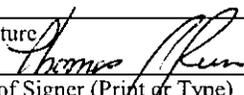
\$13,892,500.00

5. Indicate below the amount of the adjusted gross proceed 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 checked="" type="checkbox"/> \$ <u>4,937,635.43</u>
Purchase of real estate.....	<input type="checkbox"/> \$ _____	<input type="checkbox"/> \$ _____
Purchase, rental or leasing and installation of machinery and equipment.....	<input type="checkbox"/> \$ _____	<input checked="" type="checkbox"/> \$ <u>870,000.00</u>
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"/> \$ <u>1,040,000.00</u>
Working capital.....	<input type="checkbox"/> \$ _____	<input checked="" type="checkbox"/> \$ <u>3,117,000.00</u>
Other (specify):.....	<input type="checkbox"/> \$ _____	<input checked="" type="checkbox"/> \$ <u>1,000,000.00</u>
.....	<input type="checkbox"/> \$ _____	<input type="checkbox"/> \$ _____
Column Totals.....	<input type="checkbox"/> \$ _____	<input checked="" type="checkbox"/> \$ <u>10,964,635.43</u>
Total Payments Listed (column totals added).....		<input checked="" type="checkbox"/> \$ <u>12,072,135.43</u>

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) MetaMorphix, Inc	Signature 	Date October 6, 2006
Name of Signer (Print or Type) Thomas P. Russo	Title of Signer (Print or Type) Chief Financial Officer	

ATTENTION

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