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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

---

Full Name (Last name first, if individual)

Sprague, Steven

---

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

480 Pleasant Street, Lee, Massachusetts 01238

---

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

---

Full Name (Last Name first, if individual)

Feeney, Gerard T.

---

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

480 Pleasant Street, Lee, Massachusetts 01238

---

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

---

Full Name (Last Name first, if individual)

Bagalay, Jr., John E.

---

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

480 Pleasant Street, Lee, Massachusetts 01238

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

---

Full Name (Last Name first, if individual)

Bushnell, Nolan

---

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

480 Pleasant Street, Lee, Massachusetts 01238

---

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

---

Full Name (Last Name first, if individual)

Gilder, George

---

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

480 Pleasant Street, Lee, Massachusetts 01238

---

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

---

Full Name (Last Name first, if individual)

McConaughy Jr., John E.

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

480 Pleasant Street, Lee, Massachusetts 01238

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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                                  |
|   | <input type="checkbox"/>            | <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? .....  |                                     | _\$10,000_*                         |
| * May be lowered with the consent of the issuer.  |                                     |                                     |
| 3. Does the offering permit joint ownership of a single unit? .....   | <input checked="" type="checkbox"/> | <input type="checkbox"/>            |
| 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)

H. C. Wainwright & Co., Inc.

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

245 Park Avenue, 44<sup>th</sup> Floor, New York, NY 10167

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]	<del>[CA]</del>	[CO]	[CT]	<del>[DE]</del>	[DC]	<del>[FL]</del>	<del>[GA]</del>	[HI]	[ID]
[IL]	[IN]	[IA]	[KS]	[KY]	[LA]	[ME]	[MD]	<del>[MA]</del>	[MI]	[MN]	[MS]	[MO]
[MT]	[NE]	<del>[NV]</del>	[NH]	<del>[NJ]</del>	[NM]	<del>[ND]</del>	[NC]	[ND]	[OH]	[OK]	[OR]	[PA]
[RI]	<del>[SC]</del>	[SD]	[TN]	[TX]	[UT]	[VT]	<del>[VA]</del>	[WA]	[WV]	[WI]	[WY]	[PR]

Full Name (Last name first, if individual)

Adelman, Jason

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

c/o H. C. Wainwright & Co., Inc. (See address above)

Name of Associated Broker or Dealer

H. C. Wainwright & Co., Inc.

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]	<del>[CA]</del>	[CO]	[CT]	<del>[DE]</del>	[DC]	<del>[FL]</del>	<del>[GA]</del>	[HI]	[ID]
[IL]	[IN]	[IA]	[KS]	[KY]	[LA]	[ME]	[MD]	<del>[MA]</del>	[MI]	[MN]	[MS]	[MO]
[MT]	[NE]	<del>[NV]</del>	[NH]	<del>[NJ]</del>	[NM]	<del>[ND]</del>	[NC]	[ND]	[OH]	[OK]	[OR]	[PA]
[RI]	<del>[SC]</del>	[SD]	[TN]	[TX]	[UT]	[VT]	<del>[VA]</del>	[WA]	[WV]	[WI]	[WY]	[PR]

Full Name (Last name first, if individual)

Singer, Eric

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

c/o H. C. Wainwright & Co., Inc. (See address above)

Name of Associated Broker or Dealer

H. C. Wainwright & Co., Inc.

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]	<del>[CA]</del>	[CO]	[CT]	<del>[DE]</del>	[DC]	<del>[FL]</del>	<del>[GA]</del>	[HI]	[ID]
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[MT]	[NE]	<del>[NV]</del>	[NH]	<del>[NJ]</del>	[NM]	<del>[ND]</del>	[NC]	[ND]	[OH]	[OK]	[OR]	[PA]
[RI]	<del>[SC]</del>	[SD]	[TN]	[TX]	[UT]	[VT]	<del>[VA]</del>	[WA]	[WV]	[WI]	[WY]	[PR]

Full Name (Last name first, if individual)

Markovich, Steven

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

c/o H. C. Wainwright & Co., Inc. (See address above)

Name of Associated Broker or Dealer

H. C. Wainwright & Co., Inc.

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]	<del>[CA]</del>	[CO]	[CT]	<del>[DE]</del>	[DC]	<del>[FL]</del>	<del>[GA]</del>	[HI]	[ID]
[IL]	[IN]	[IA]	[KS]	[KY]	[LA]	[ME]	[MD]	<del>[MA]</del>	[MI]	[MN]	[MS]	[MO]
[MT]	[NE]	<del>[NV]</del>	[NH]	<del>[NJ]</del>	[NM]	<del>[NY]</del>	[NC]	[ND]	[OH]	[OK]	[OR]	[PA]
[RI]	<del>[SC]</del>	[SD]	[TN]	[TX]	[UT]	[VT]	<del>[VA]</del>	[WA]	[WV]	[WI]	[WY]	[PR]

Full Name (Last name first, if individual)

Nathan, Robert

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

c/o H. C. Wainwright & Co., Inc. (See address above)

Name of Associated Broker or Dealer

H. C. Wainwright & Co., Inc.

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]	<del>[CA]</del>	[CO]	[CT]	<del>[DE]</del>	[DC]	<del>[FL]</del>	<del>[GA]</del>	[HI]	[ID]
[IL]	[IN]	[IA]	[KS]	[KY]	[LA]	[ME]	[MD]	<del>[MA]</del>	[MI]	[MN]	[MS]	[MO]
[MT]	[NE]	<del>[NV]</del>	[NH]	<del>[NJ]</del>	[NM]	<del>[NY]</del>	[NC]	[ND]	[OH]	[OK]	[OR]	[PA]
[RI]	<del>[SC]</del>	[SD]	[TN]	[TX]	[UT]	[VT]	<del>[VA]</del>	[WA]	[WV]	[WI]	[WY]	[PR]

Full Name (Last name first, if individual)

Martinez-Ayme Securities

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

10300 SW 72<sup>nd</sup> Street, Suite 380, Miami, FL 33173

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]	<del>[NY]</del>	[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)

Herman, Brian

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

c/o View Trade Securities, 7280 W. Palmetto Park Road, Suite 210, Boca Raton, FL 33433

Name of Associated Broker or Dealer

View Trade Securities

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]	<del>[FL]</del>	[GA]	[HI]	[ID]
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[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)

Kimball & Cross Investment Management Corp.

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

505 Albany Post Road, Suite 202, Croton-on-Hudson, NY 10520

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]	<del>[CA]</del>	[CO]	[CT]	[DE]	[DC]	[FL]	<del>[GA]</del>	[HI]	<del>[ID]</del>
<del>[IL]</del>	[IN]	[IA]	[KS]	[KY]	[LA]	[ME]	<del>[MD]</del>	[MA]	[MI]	[MN]	[MS]	[MO]
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[RI]	<del>[SC]</del>	[SD]	[TN]	[TX]	[UT]	[VT]	[VA]	[WA]	[WV]	[WI]	[WY]	[PR]

Full Name (Last name first, if individual)

Shufeldt, Christopher

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

c/o Kimball & Cross Investment Management Corp. (See address above)

Name of Associated Broker or Dealer

Kimball & Cross Investment Management Corp.

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]	<del>[CA]</del>	[CO]	[CT]	[DE]	[DC]	[FL]	<del>[GA]</del>	[HI]	<del>[ID]</del>
<del>[IL]</del>	[IN]	[IA]	[KS]	[KY]	[LA]	[ME]	<del>[MD]</del>	[MA]	[MI]	[MN]	[MS]	[MO]
[MT]	[NE]	[NV]	[NH]	<del>[NJ]</del>	[NM]	[NY]	[NC]	[ND]	[OH]	[OK]	[OR]	[PA]
[RI]	<del>[SC]</del>	[SD]	[TN]	[TX]	[UT]	[VT]	[VA]	[WA]	[WV]	[WI]	[WY]	[PR]

Full Name (Last name first, if individual)

Hudson Valley Capital Management

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

c/o Kimball & Cross Investment Management Corp. (See address above)

Name of Associated Broker or Dealer

Kimball & Cross Investment Management Corp.

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]	<del>[CA]</del>	[CO]	[CT]	[DE]	[DC]	[FL]	<del>[GA]</del>	[HI]	<del>[ID]</del>
<del>[IL]</del>	[IN]	[IA]	[KS]	[KY]	[LA]	[ME]	<del>[MD]</del>	[MA]	[MI]	[MN]	[MS]	[MO]
[MT]	[NE]	[NV]	[NH]	<del>[NJ]</del>	[NM]	[NY]	[NC]	[ND]	[OH]	[OK]	[OR]	[PA]
[RI]	<del>[SC]</del>	[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 .....	\$ 0	\$ 0
Series H Convertible Preferred Stock and Warrants .....	\$5,485,000	\$ 5,485,000

Common     Preferred

Convertible Securities (including warrants) (See line above).....	\$ 0	\$ 0
Partnership Interests .....	\$ 0	\$ 0
Other (Specify _____) .....	\$ 0	\$ 0
Total.....	\$5,485,000	\$ 5,485,000

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 .....	28	\$5,485,000
Non-accredited Investors .....	0	\$ 0
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, 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 .....	_____	\$ _____
Regulation A.....	_____	\$ _____
Rule 504 .....	_____	\$ _____
Total.....	_____	\$ _____

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"/>	\$ 0
Printing and Engraving Costs .....	<input type="checkbox"/>	\$ 0
Legal Fees .....	<input checked="" type="checkbox"/>	\$ 100,000
Accounting Fees .....	<input checked="" type="checkbox"/>	\$ 15,000
Engineering Fees .....	<input type="checkbox"/>	\$ 0
Sales Commission (specify finders' fees separately).....	<input checked="" type="checkbox"/>	\$ 447,850*
Other Expenses (identify) <u>registration fees</u> .....	<input checked="" type="checkbox"/>	\$ 3,117
Total .....	<input checked="" type="checkbox"/>	\$ 565,967

\*In addition, warrants to purchase 3% of the securities sold for an exercise price of \$.01 were issued as payment.

**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." .....

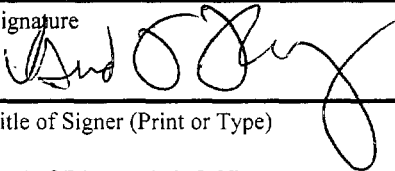
\$ 4,919,033

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	Payment 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"/> \$ _____	<input checked="" type="checkbox"/> \$ <u>4,919,033</u>
Other (specify): _____	<input type="checkbox"/> \$ _____	<input type="checkbox"/> \$ _____
_____	<input type="checkbox"/> \$ _____	<input type="checkbox"/> \$ _____
Column Totals .....	<input type="checkbox"/> \$ _____	<input type="checkbox"/> \$ _____
Total Payments Listed (column totals added).....		<input checked="" type="checkbox"/> \$ <u>4,919,033</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) <b>WAVE SYSTEMS CORP.</b>	Signature 	Date <b>5/12/03</b>
Name of Signer (Print or Type) <b>Gerard T. Feeny</b>	Title of Signer (Print or Type) <b>Chief Financial Officer</b>	

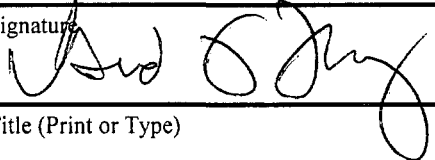
**E. STATE SIGNATURE**

1. Is any party described in 17 CFR 230.252(c), (d), (e) or (f) presently subject to any of the disqualification provisions of such rule? ..... Yes  No

See Appendix, Column 5, for state response.

2. The undersigned issuer hereby undertakes 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) WAVE SYSTEMS CORP.	Signature 	Date 5/12/03
Name (Print or Type) Gerard T. Feeney	Title (Print or Type) Chief Financial 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.

**ATTENTION**

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