DATA RACE INC
Form 424B3
June 06, 2001

PROSPECTUS SUPPLEMENT TO PROSPECTUS DATED SEPTEMBER 8, 2000

2,044,560 shares

DATA RACE, Inc.
common stock, no par value

     This prospectus supplement supplements our prospectus dated September 8,
2000 relating to the resale by certain selling shareholders of up to 2,044,560
shares of our common stock, no par value, which may be offered and sold from
time to time by the selling shareholders. We will receive no part of the
proceeds from any of the sales of these shares. The "Selling Shareholders"
section of the original prospectus is hereby amended and supplemented to reflect
a change in the exercise price of certain warrants issued to certain selling
shareholders. This prospectus supplement should be read in conjunction with the
original prospectus, and this prospectus supplement is qualified by reference to
the original prospectus except to the extent that the information supersedes the
information contained in the original prospectus.

     The date of this prospectus supplement is June 6, 2001.

                              SELLING SHAREHOLDERS

     The "Selling Shareholders" section of the prospectus is hereby amended and
supplemented as follows:

     On page 7 of the prospectus, the subsection "Material Terms of the
Warrants", the   paragraph thereon is hereby deleted in its entirety and
replaced with the following sentence:

     "We also issued warrants to purchase 460,027 shares of our common stock
which have an exercise price of $0.12 per share and we issued warrants to
purchase 11,795 shares of our common stock which have an exercise price of $5.45
per share".

     Except as set forth in this prospectus supplement there is no change to the
section entitled "Selling Shareholders" in the original prospectus. We may
amend or supplement the original prospectus or the prospectus supplement from
time to time to update the disclosure set forth therein and herein.