

ISCO INTERNATIONAL INC
 Form 4
 May 21, 2009

FORM 4

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

OMB APPROVAL

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STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person *
 ELLIOTT ASSOCIATES, L.P.

2. Issuer Name and Ticker or Trading Symbol
 ISCO INTERNATIONAL INC
 [ISOO]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)
 712 FIFTH AVE
 (Street)

3. Date of Earliest Transaction (Month/Day/Year)
 05/19/2009

____ Director
 ____ Officer (give title below)
 10% Owner
 ____ Other (specify below)

NEW YORK, NY 10019

4. If Amendment, Date Original Filed(Month/Day/Year)

6. Individual or Joint/Group Filing(Check Applicable Line)
 Form filed by One Reporting Person
 Form filed by More than One Reporting Person

(City) (State) (Zip)

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

| 1. Title of Security (Instr. 3) | 2. Transaction Date (Month/Day/Year) | 2A. Deemed Execution Date, if any (Month/Day/Year) | 3. Transaction Code (Instr. 8) | 4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5) | 5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4) | 6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4) | 7. Nature of Ownership (Instr. 4) | | |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|-----------------------------------|-----|-------|
| | | | | (A) or (D) | Code | V | Amount | (D) | Price |

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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SEC 1474 (9-02)

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

| 1. Title of Derivative Security | 2. Conversion or Exercise | 3. Transaction Date (Month/Day/Year) | 3A. Deemed Execution Date, if any | 4. Transaction Code (Instr. 8) | 5. Number of Derivative Securities | 6. Date Exercisable and Expiration Date (Month/Day/Year) | 7. Title of Underlying Security (Instr. 3) |
|---------------------------------|---------------------------|--------------------------------------|-----------------------------------|--------------------------------|------------------------------------|--|--|
|---------------------------------|---------------------------|--------------------------------------|-----------------------------------|--------------------------------|------------------------------------|--|--|

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| (Instr. 3) | Price of Derivative Security | (Month/Day/Year) | Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5) | | Date Exercisable | Expiration Date | Title |
|---|------------------------------------|---------------------------------|--|-----------------|---------------------|--------------------|--------------|
| | | | Code | V (A) (D) | | | |
| 9 1/2% Secured Convertible Note | \$ 0.2 | 05/19/2009 ⁽¹⁾⁽²⁾⁽³⁾ | H ⁽¹⁾⁽²⁾⁽³⁾ | \$ 1,350,000 | 08/22/2008 | 08/01/2010 | Comm Stoc |
| 7% Senior Secured Convertible Note | \$ 0.18 | 05/19/2009 ⁽¹⁾⁽²⁾⁽³⁾ | H ⁽¹⁾⁽²⁾⁽³⁾ | \$ 2,375,000 | 12/27/2007 | 08/01/2009 | Comm Stoc |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|---|---------------|-----------|---------|-------|
| | Director | 10% Owner | Officer | Other |
| ELLIOTT ASSOCIATES, L.P. 712 FIFTH AVE NEW YORK, NY 10019 | | | X | |

Signatures

Elliot Greenberg, VP of Braxton Associates, Inc., as GP of Elliott Capital Advisors, L.P., as
GP of Elliott Associates, L.P.

05/21/2009

__Signature of Reporting Person

Date

Explanation of Responses:

* If the form is filed by more than one reporting person, *see* Instruction 4(b)(v).

** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

(1) As previously reported by ISCO International, Inc. (the "Company"), including in its Form 8-K filed on May 20, 2009, as of April 30, 2009, the Company had approximately \$25.2 million in outstanding indebtedness due and owing to Manchester Securities Corporation ("Manchester"), a wholly-owned subsidiary of Elliott Associates, L.P., and one other lender. On May 1, 2009, Manchester together with such other lender to the Company (collectively, the "Lenders") delivered a notice of default to the Company, in which the Lenders declared the entire outstanding amount of indebtedness immediately due and payable. Pursuant to the terms of the various loan documents, the indebtedness was secured by a lien on all of the Company's assets.

(2) On May 19, 2009, the Lenders conducted a public foreclosure sale pursuant to Article 9 of the New York Uniform Commercial Code (the "Asset Sale"). The Lenders formed a Delaware limited liability company, ISCO International, LLC (the "Purchaser"), to bid on the Company's assets in the Asset Sale. In connection with the formation of the Purchaser, Manchester assigned to the Purchaser \$1,350,000 principal amount of 9 1/2 Secured Convertible Notes and \$2,375,000 principal amount of 7% Senior Secured Convertible Notes (collectively, the "Assigned Notes").

(3) Manchester received a 43% membership interest in the Purchaser. At the Asset Sale, Purchaser purchased substantially all of the assets of the Company by issuing a successful credit bid of \$10 million consisting of secured obligations of the Company, including the Assigned Notes. As a result of the credit bid, the principal amount of the Assigned Notes was retired and such principal portion of the Assigned Notes is no longer convertible into the Company's common stock.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.

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