

FRANKLIN COVEY CO  
Form 4  
July 07, 2005

**FORM 4**

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

OMB APPROVAL

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Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

**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 \*  
KNOWLEDGE CAPITAL  
INVESTMENT GROUP

(Last) (First) (Middle)

3232 MCKINNEY  
AVENUE, SUITE 890

(Street)

DALLAS, TX 75204

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol  
FRANKLIN COVEY CO [FC]

3. Date of Earliest Transaction  
(Month/Day/Year)  
07/05/2005

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

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

\_\_\_ Director \_\_\_X\_\_\_ 10% Owner  
\_\_\_ Officer (give title below) \_\_\_ Other (specify below)

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

**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)
				Code V Amount (A) or (D) Price			
Series A Preferred Stock	03/04/2005		J(1)	V 3,311,438 A	\$ 3,311,438	D	
Series A Preferred Stock	07/05/2005		J(2)	1,200,000 D \$ 25	2,111,438	D	

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

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(9-02)

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

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)	5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Underlying Security (Instr. 3 and 4)
				Code V	(A) (D)	Date Exercisable Expiration Date	Title
Series A Convertible Preferred Stock	\$ 14	03/04/2005		J <sup>(1)</sup>	V 827,859.668	<sup>(3)</sup> <sup>(4)</sup>	Common Stock
Warrant	\$ 8	03/04/2005		J <sup>(1)</sup>	V 5,913,402	03/09/2006 03/08/2013	Common Stock

## Reporting Owners

**Reporting Owner Name / Address**

**Relationships**

Director 10% Owner Officer Other

KNOWLEDGE CAPITAL INVESTMENT GROUP  
3232 MCKINNEY AVENUE  
SUITE 890  
DALLAS, TX 75204

X

## Signatures

/s/ STEPHEN D. YOUNG  
attorney-in-fact

07/07/2005

\*\*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).

- Pursuant to a reclassification exempt under Rule 16b-7, each share of Series A Convertible Preferred Stock of Franklin Covey Co. (the "Issuer") was reclassified into four (4) shares of the Series A Preferred Stock (nonconvertible) of the Issuer and a Warrant to purchase shares of the Common Stock of the Issuer.
- (1) Pursuant to a reclassification exempt under Rule 16b-7, each share of Series A Convertible Preferred Stock of Franklin Covey Co. (the "Issuer") was reclassified into four (4) shares of the Series A Preferred Stock (nonconvertible) of the Issuer and a Warrant to purchase shares of the Common Stock of the Issuer.
  - (2) The reported securities were called for redemption by the Issuer at a price equal to \$25.00 per share.
  - (3) At any time.
  - (4) N/A

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, see Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.