

EARTHSHELL CORP

Form 4

May 20, 2005

FORM 4**UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

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

OMB APPROVAL

OMB
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(Print or Type Responses)

1. Name and Address of Reporting Person *
KHASHOGGI ESSAM

(Last) (First) (Middle)

3916 STATE STREET, SUITE 110

(Street)

SANTA BARBARA, CA 93105

(City) (State) (Zip)

2. Issuer Name **and** Ticker or Trading
Symbol
EARTHSHELL CORP [ERTH]

3. Date of Earliest Transaction
(Month/Day/Year)
03/05/2003

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

5. Relationship of Reporting Person(s) to
Issuer

(Check all applicable)

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

6. Individual or Joint/Group Filing(Check
Applicable Line)
☒ 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 Indirect Beneficial Ownership (Instr. 4)
Common Stock	02/05/2005		J ⁽¹⁾	44,387 A <u>11</u>	6,571,222	I	See Footnote (2)

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

**Persons who respond to the collection of
information contained in this form are not
required to respond unless the form
displays a currently valid OMB control
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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)**

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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 (Instr. 3 and 4)
				Code V (A) (D)		Date Exercisable Expiration Date Date	Title
Warrant	\$ 0.0416	03/05/2003		J ⁽³⁾	83,333	03/05/2003 03/05/2013	Common Stock
Common Stock Option (right to buy)	\$ 2.3	02/01/2005		A	1,000,000	02/01/2005 02/01/2015	Common Stock
Common Stock Option (right to buy)	\$ 2.3	05/04/2005		J ⁽⁶⁾	1,000,000	02/01/2005 02/01/2015	Common Stock
Warrant	\$ 3	05/04/2005		J ⁽⁵⁾	1,000,000	05/04/2005 05/04/2015	Common Stock

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
KHASHOGGI ESSAM 3916 STATE STREET SUITE 110 SANTA BARBARA, CA 93105	X	X		

Signatures

/s/ Essam
Khashoggi 05/20/2005

__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).

- (1) Issued pursuant to that certain Agreement (the "Agreement") by and between Issuer and the Reporting Person dated as of July 16, 2004. Pursuant to the Agreement, accrued and unpaid interest (the "Interest") on certain debt obligations of Issuer in favor of the Reporting Person was to be converted into shares of Issuer's common stock at an initial conversion price of \$4.00 per share. Because certain conditions under the Agreement were not met, Issuer became obligated to issue to the Reporting Person additional shares of common stock such that the total number of shares issued upon conversion of the Interest would equal the Interest divided by a conversion price of

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\$3.00 per share.

- (2) By Reporting Person's children and E. Khashoggi Industries LLC, an affiliate of the reporting person. Includes 2,250 shares held in a trust for which the Reporting Person is trustee.

Granted as consideration for loans made to the Issuer by E. Khashoggi Industries, LLC ("EKI"), an affiliate of the Reporting Person, for forebearing license payments owed to EKI and for entering into various restrictive arrangements to accommodate financing arrangements entered into between Issuer and EKI.

- (4) By E. Khashoggi Industries LLC, an affiliate of the Reporting Person.

Granted as consideration for loans made to the Issuer by EKI for forebearing license payments owed to EKI, for entering into various restrictive arrangements to accommodate financing arrangements entered into between Issuer and EKI, and for EKI converting indebtedness into Issuer's equity.

- (6) On February 1, 2005 the Reporting Person was granted the option to purchase 1,000,000 shares of common stock. On May 4, 2005, the Issuer rescinded this option grant.

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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