

ICOP DIGITAL, INC
Form 4
September 24, 2007

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

OMB APPROVAL

OMB Number: 3235-0287
Expires: January 31, 2005
Estimated average burden hours per response... 0.5

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 *
PAULSON CAPITAL CORP

2. Issuer Name and Ticker or Trading Symbol
ICOP DIGITAL, INC [ICOP]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)
811 SW NAITO
PARKWAY, SUITE 200

(Street)

3. Date of Earliest Transaction
(Month/Day/Year)
09/21/2007

____ Director _____ 10% Owner
____ Officer (give title below) _____ Other (specify below)
See Footnote (1)

PORTLAND, OR 97204

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

6. Individual or Joint/Group Filing(Check Applicable Line)
____ Form filed by One Reporting Person
X 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) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|-----------------------------------|
| | | | Code | V | Amount | (A) or (D) | Price |
| Common Stock | 09/21/2007 | | X ⁽²⁾ | | 50,000 ⁽²⁾ | A | \$ 9.9 ⁽²⁾ |
| | | | | | | | 492,300 |
| | | | | | | | I |
| | | | | | | | See Footnote (1) |
| Common Stock | 09/21/2007 | | X ⁽³⁾ | | 50,000 ⁽³⁾ | A | \$ 6.19 ⁽³⁾ |
| | | | | | | | 542,300 |
| | | | | | | | I |
| | | | | | | | See Footnote (1) |

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

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SEC 1474 (9-02)

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| | |
|--|------------|
| Harry L. Striplin, Authorized Agent for Paulson Capital Corp. | 09/24/2007 |
| **Signature of Reporting Person | Date |
| Harry L. Striplin, Authorized Agent for Paulson Investment Co., Inc. | 09/24/2007 |
| **Signature of Reporting Person | Date |
| Harry L. Striplin, Authorized Agent for Paulson Family LLC | 09/24/2007 |
| **Signature of Reporting Person | Date |
| Harry L. Striplin, Attorney-in-Fact for Jacqueline M. Paulson | 09/24/2007 |
| **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).

Form filed by more than one reporting person. In addition to Paulson Capital Corp. ("PLCC"), the following are reporting parties: Chester L.F. Paulson, Jacqueline M. Paulson, Paulson Family LLC ("LLC") and Paulson Investment Company, Inc. ("PICI"). These reporting parties collectively own over 10%. The address for each of the reporting parties is the same as that provided for PLCC. PICI is a registered broker-dealer and a wholly owned subsidiary of PLCC. Mr. and Mrs. Paulson are controlling managers of the LLC, which is a controlling shareholder of PLCC, which is the parent company of PICI. Mr. and Mrs. Paulson and the LLC expressly disclaim any beneficial ownership of securities held in the name of PLCC and PICI.

(1) These transactions result from the exercise of 25,000 underwriter warrants for a price of \$9.90 per warrant. One (1) underwriter warrant is exercisable into two (2) shares of common stock and (2) warrants. Therefore, Paulson Investment Company, Inc. received 50,000 shares of common stock and 50,000 warrants.

(2) These transactions result from the exercise of 50,000 warrants at a price of \$6.19 per warrant. These warrants were received as part of the exercise of the underwriter warrants. One (1) warrant is exercisable into one (1) share of common stock. Therefore, Paulson Investment Company, Inc. received 50,000 shares of common stock for exercising the 50,000 warrants.

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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