

EARTHSHELL CORP
Form 4
May 20, 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 *
E. Khashoggi Industries, LLC

(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 ___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 | (D) | Price |
| Common Stock | 02/05/2005 | | J ⁽³⁾ | | 44,387 | A | (3) 6,571,222 |
| | | | | | | D | |

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 number.

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(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 Amount of Underlying Securities (Instr. 3 and 4) |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|
| | | | | Code V | (A) (D) | Date Exercisable Expiration Date | Title Amount Number Shares |
| Warrant | \$ 0.0416 | 03/05/2003 | | J ⁽¹⁾ | 83,333 | 03/05/2003 03/05/2013 | Common Stock 83,333 |
| Warrant | \$ 3 | 05/04/2005 | | J ⁽²⁾ | 1,000,000 | 05/04/2005 05/04/2015 | Common Stock 1,000,000 |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|---|---------------|-----------|---------|-------|
| | Director | 10% Owner | Officer | Other |
| E. Khashoggi Industries, LLC 3916 STATE STREET SUITE 110 SANTA BARBARA, CA 93105 | | | X | |

Signatures

/s/ John Daoud 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) Granted as consideration for loans made to the Issuer by the Reporting Person, for forbearing license payments owed to Reporting Person's subsidiary and for entering into various restrictive arrangements to accommodate financing arrangements entered into by Issuer.
- (2) Granted as consideration for loans made to the Issuer by the Reporting Person for forbearing license payments owed to Reporting Person's subsidiary, for entering into various restrictive arrangements to accommodate financing arrangements entered into by Issuer, and for converting indebtedness into Issuer's equity.
- (3) 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 \$3.00 per share.

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.