

FRANKLIN COVEY CO
Form 4
July 28, 2011

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 *
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)
07/26/2011

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) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|-----------------------------------|
| | | | | (A) or (D) Price | | | |
| Common stock | 07/26/2011 | | X | 596,116 A | 1,611,118 | D | |

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)

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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 |
| Warrant to purchase common stock | \$ 8 ⁽²⁾ | 07/26/2011 | | X | 1,913,402 ⁽¹⁾ | 03/09/2006 | 03/08/2013 | | | Common stock | 1,913,402 |

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

Stephen D. Young,
 Attorney-in-Fact

07/28/2011

 **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) The shares were acquired on a partial net exercise of a warrant. The right to purchase 1,913,402 common shares was surrendered in exchange for 596,116 common shares.

(2) The warrant may only be exercised by net exercise basis in which the right to purchase a number of shares of common stock is surrendered in exchange for a smaller number of shares having a market value equal to the spread between the market value and the exercise price of the shares that could be acquired by paying the cash exercise price.

(3) The warrants were issued in a reclassification in which each share of Series A Preferred Stock of the Issuer was reclassified into four shares of Series A Preferred Stock (nonconvertible) of the Issuer and a warrant to purchase shares of common stock of the Issuer. The Issuer redeemed all of its outstanding Series A Preferred Stock in 2007.

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.