

ICOP DIGITAL, INC  
 Form 4  
 July 14, 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 \*  
**PAULSON CAPITAL CORP**

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

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)  
**07/12/2005**

\_\_\_\_ 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  
 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	07/12/2005		P		\$ 54,000 (2) 8.9982 404,000 (2)	I	See Footnote (1)
Common Stock	07/13/2005		P		\$ 52,400 (3) 8.8505 456,400 (3)	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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**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 Amount of Underlying Securities (Instr. 3 and 4)				
				Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Warrants	\$ 6.1875	07/12/2005		P		54,000 (2)		07/08/2005	07/08/2010	Common Stock	54,000
Warrants	\$ 6.1875	07/13/2005		P		52,400 (3)		07/08/2005	07/08/2010	Common Stock	52,400

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
PAULSON CAPITAL CORP 811 SW NAITO PARKWAY SUITE 200 PORTLAND, OR 97204		X		See Footnote (1)
PAULSON CHESTER L F 811 SW NAITO PARKWAY SUITE 200 PORTLAND, OR 97204		X		See Footnote (1)
PAULSON JACQUELINE M 811 SW NAITO PARKWAY SUITE 200 PORTLAND, OR 97204		X		See Footnote (1)

## Signatures

Harry L. Striplin, Attorney-in-Fact for Chester L.F. Paulson	07/14/2005
**Signature of Reporting Person	Date
Harry L. Striplin, Authorized Agent for Paulson Capital Corp.	07/14/2005
**Signature of Reporting Person	Date
Harry L. Striplin, Authorized Agent for Paulson Investment Co., Inc.	07/14/2005
**Signature of Reporting Person	Date

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Harry L. Striplin, Authorized Agent for Paulson Family LLC 07/14/2005  
\_\_Signature of Reporting Person Date

Harry L. Striplin, Attorney-in-Fact for Jacqueline M. Paulson 07/14/2005  
\_\_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).

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) 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.
- (2) On July 12, 2005, Paulson Investment Company, Inc. ("PICI") purchased 27,000 units at \$8.9982 per unit. Each unit consist of two (2) shares of common stock and two (2) warrants.
- (3) On July 13, 2005, Paulson Investment Company, Inc. ("PICI") purchased 26,200 units at \$8.8505 per unit. Each unit consist of two (2) shares of common stock and two (2) 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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